

REGISTRATION NO. 333-

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

FORM S-3
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

CENTERPOINT ENERGY, INC.
(Exact name of registrant as specified in its charter)

TEXAS
(State or other jurisdiction of
incorporation or organization)

1111 LOUISIANA
HOUSTON, TEXAS 77002
(713) 207-1111
(Address, including zip code, and
telephone number,
including area code, of registrant's
principal executive offices)

74-0694415
(I.R.S. Employer
Identification No.)

RUFUS S. SCOTT
VICE PRESIDENT, DEPUTY GENERAL COUNSEL AND ASSISTANT CORPORATE SECRETARY
1111 LOUISIANA
HOUSTON, TEXAS 77002
(713) 207-1111
(Name, address, including zip code, and telephone number,
including area code, of agent for service)

COPY TO:

GERALD M. SPEDALE
BAKER BOTTS L.L.P.
910 LOUISIANA
3000 ONE SHELL PLAZA
HOUSTON, TEXAS 77002-4995
(713) 229-1234

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement becomes effective.

If the only securities being registered on this Form are to be offered pursuant to dividend or interest reinvestment plans, please check the following box. []

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act"), other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. []

CALCULATION OF REGISTRATION FEE

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) and based upon the average of the high and low sales prices of the Common Stock of CenterPoint Energy, Inc. as reported on the New York Stock Exchange Composite Tape on November 2, 2004.
- (2) Each share of Common Stock includes one preferred share purchase right. No separate consideration is payable for the preferred share purchase rights. The registration fee for these securities is included in the fee for the Common Stock.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

THE INFORMATION IN THIS PROSPECTUS IS NOT COMPLETE AND MAY BE CHANGED. WE MAY NOT SELL THESE SECURITIES UNTIL THE REGISTRATION STATEMENT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION IS EFFECTIVE. THIS PROSPECTUS IS NOT AN OFFER TO SELL THESE SECURITIES AND IT IS NOT SOLICITING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED.

SUBJECT TO COMPLETION, DATED NOVEMBER 9, 2004

PROSPECTUS

CENTERPOINT ENERGY, INC.

INVESTOR'S CHOICE PLAN
3,000,000 SHARES OF COMMON STOCK

We are offering our shareholders and other interested investors an opportunity to purchase shares of our common stock directly from us through participation in our Investor's Choice Plan, which we refer to in this prospectus as the "plan." The plan offers a number of convenient options for investing in shares of our common stock. Once enrolled in the plan, participants may:

- purchase their first shares of our common stock by making an initial cash investment of at least \$250 for first-time investors in CenterPoint Energy or \$50 for current holders of our eligible securities,
- purchase additional shares of our common stock by making optional cash payments at any time of at least \$50 each and up to a maximum of \$120,000 per calendar year,
- elect to reinvest any cash dividend and interest payments that we may pay in the future on eligible securities in additional shares of our common stock, and
- sell shares of common stock that they hold in the plan directly through the plan.

Shares of common stock will be purchased under the plan, at our option, from newly issued shares, shares held in our treasury or shares purchased on the open market. Any open market purchases will be made through an independent agent that we will select. In some jurisdictions, we are offering shares of common stock under the plan only through a registered broker/dealer to persons who are not presently record holders of our common stock.

Our common stock is listed on the New York and the Chicago Stock Exchanges under the symbol "CNP." Our principal executive offices are located at 1111 Louisiana Street, Houston, Texas 77002, and our telephone number at that address is (713) 207-1111.

This prospectus contains a summary of the material provisions of the plan. You should retain this prospectus for future reference.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This prospectus is dated _____, 2004.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement we have filed with the SEC using a "shelf" registration process. Using this process, we may offer up to 3,000,000 shares of our common stock under our Investor's Choice Plan. This prospectus provides you with a description of the material provisions of the plan. You should carefully read this prospectus and the information contained in the documents we refer to under the heading "Where You Can Find More Information."

References in this prospectus to the terms "we," "us," "CenterPoint Energy" or other similar terms mean CenterPoint Energy, Inc., unless the context clearly indicates otherwise.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's Public Reference Room located at 450 Fifth Street, N.W., Washington, D.C. 20549. You may obtain further information regarding the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. Our filings are also available to the public on the SEC's website located at <http://www.sec.gov>. You can obtain information about us at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement we have filed with the SEC relating to our common stock. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we file with the SEC. You may refer to the registration statement, the exhibits and the schedules for more information about us and our common stock. The registration statement, exhibits and schedules are also available at the SEC's Public Reference Room or through its website.

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

We are incorporating by reference into this prospectus the documents listed below and any subsequent filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 (excluding information deemed to be furnished and not filed with the SEC) until all the common stock is sold or after the date on which the registration statement that includes this prospectus was initially filed with the SEC and before the effectiveness of such registration statement:

- our Annual Report on Form 10-K for the year ended December 31, 2003 (our "2003 Form 10-K"),
- our Quarterly Report on Form 10-Q for the period ended March 31, 2004,
- our Quarterly Report on Form 10-Q for the period ended June 30, 2004,
- our Current Report on Form 8-K filed January 29, 2004,
- Item 5 of our Current Report on Form 8-K filed February 12, 2004,
- our Current Report on Form 8-K filed March 10, 2004,
- our Current Report on Form 8-K filed April 1, 2004 which reports that our subsidiary, CenterPoint Energy Resources Corp., entered into a new credit agreement,
- Item 5 of our Current Report on Form 8-K filed April 1, 2004 which reports the filing of our final true-up application,
- Item 5 of our Current Report on Form 8-K filed April 22, 2004,
- our Current Report on Form 8-K filed June 2, 2004,
- our Current Report on Form 8-K filed July 22, 2004,
- our Current Report on Form 8-K filed September 21, 2004,
- our Current Report on Form 8-K filed November 3, 2004,
- our Current Report on Form 8-K filed November 9, 2004, and

- the description of our common stock (including the related preferred share purchase rights) contained in our Current Report on Form 8-K filed September 5, 2002, as we may update that description from time to time.

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

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

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

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

- the timing and outcome of the regulatory process related to the 1999 Texas Electric Choice Law leading to the determination and recovery of the true-up components and the securitization of these amounts, and any legal proceeding related thereto,
- the successful consummation and the timing of the sale of our interest in Texas Genco Holdings, Inc. ("Texas Genco"),
- nonperformance by the counterparty to the master power purchase and sale agreement that Texas Genco, LP, a subsidiary of Texas Genco, entered into in connection with the sale of our interest in Texas Genco,
- state and federal legislative and regulatory actions or developments, including deregulation, re-regulation and restructuring of the electric utility industry, constraints placed on our activities or business by the Public Utility Holding Company Act of 1935, as amended ("1935 Act"), changes in or application of laws or regulations applicable to other aspects of our business and actions with respect to:
 - allowed rates of return,
 - rate structures,
 - recovery of investments, and
 - operation and construction of facilities,

- industrial, commercial and residential growth in our service territory and changes in market demand and demographic patterns,
- the timing and extent of changes in commodity prices, particularly natural gas,
- changes in interest rates or rates of inflation,
- weather variations and other natural phenomena,
- the timing and extent of changes in the supply of natural gas,
- commercial bank and financial market conditions, our access to capital, the cost of such capital, receipt of certain approvals under the 1935 Act, and the results of our financing and refinancing efforts, including availability of funds in the debt capital markets,
- actions by rating agencies,
- inability of various counterparties to meet their obligations to us,
- non-payment for our services due to financial distress of our customers, including Reliant Energy, Inc. (formerly named Reliant Resources, Inc.) ("RRI"),
- the outcome of the pending lawsuits against us, Reliant Energy, Incorporated and RRI,
- the ability of RRI to satisfy its obligations to us, including indemnity obligations and obligations to pay the "price to beat" clawback, and
- other factors we discuss in "Risk Factors" beginning on page 26 of our 2003 Form 10-K.

Additional risk factors are described in other documents we file with the SEC and incorporate by reference in this prospectus.

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

ABOUT CENTERPOINT ENERGY, INC.

We are a public utility holding company. Our indirect wholly owned subsidiaries include (i) CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston"), which provides electric transmission and distribution services in a 5,000-square-mile area of the Texas Gulf Coast that includes Houston, and (ii) CenterPoint Energy Resources Corp. ("CERC"), which owns gas distribution systems serving approximately three million customers in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Through wholly owned subsidiaries, CERC also owns two interstate natural gas pipelines and gas gathering systems and provides various ancillary services. We also have an approximately 81% indirect ownership interest in Texas Genco Holdings, Inc. ("Texas Genco"), which owns and operates electric generating plants in Texas. We distributed approximately 19% of the outstanding common stock of Texas Genco to our shareholders in January 2003. On July 21, 2004, we announced a definitive agreement for the sale of our interest in Texas Genco.

We are a registered public utility holding company under the Public Utility Holding Company Act of 1935, as amended ("1935 Act"). The 1935 Act and related rules and regulations impose a number of restrictions on our activities and those of our subsidiaries. The 1935 Act, among other things, limits our ability and the ability of our regulated subsidiaries to issue debt and equity securities without prior authorization, restricts the source of dividend payments to current and retained earnings without prior authorization, regulates sales and acquisitions of certain assets and businesses, and governs affiliate transactions.

Our executive offices are located at 1111 Louisiana, Houston, Texas 77002, and our main telephone number at that address is 713-207-1111.

USE OF PROCEEDS

We may satisfy purchases of common stock under the plan by:

- issuing authorized but unissued shares of our common stock,
- issuing shares of common stock held in our treasury, or
- purchasing shares of common stock in the open market.

Accordingly, the number of newly issued or treasury shares, if any, that we will ultimately sell under the plan is not currently known. We anticipate using any net proceeds from newly issued or treasury shares purchased by participants under the plan for general corporate purposes. These purposes may include, but are not limited to:

- working capital,
- capital expenditures,
- acquisitions,
- the repayment or refinancing of debt or trust preferred securities, and
- loans or advances to subsidiaries.

We will not receive any proceeds when shares of common stock are purchased under the plan in the open market.

OUR INVESTOR'S CHOICE PLAN

PURPOSE

The purpose of the plan is to provide our existing and potential investors a convenient way to purchase shares of our common stock and to reinvest all or a portion of cash dividends and interest payments on our eligible securities into additional shares of our common stock.

KEY FEATURES

- Participation by First-Time Investors in CenterPoint Energy: First-time investors in CenterPoint Energy (i.e., investors who do not currently hold any of our eligible securities) may become participants by making a minimum initial cash investment of \$250 to purchase common stock through the plan.
- Participation by Holders of Eligible Securities: Current holders of our eligible securities may become participants by:
 - electing to have all or a portion of the cash dividend and interest payments on their eligible securities reinvested in common stock,
 - depositing certificates representing common stock into the plan for safekeeping, or
 - making a minimum cash investment of \$50 to purchase common stock through the plan.
- Additional Cash Investments: Participants may purchase common stock at any time, occasionally or at regular intervals, through the plan by making cash investments of at least \$50 for any single investment up to an aggregate of cash investments of \$120,000 per calendar year.
- Investment Through Automatic Deductions: Participants may make cash investments through automatic deductions from predesignated bank or savings accounts on a regular monthly or quarterly basis.
- Reinvestment: Participants may reinvest all or a portion of the cash dividend and interest payments on their eligible securities.
- Purchases in Whole Dollar Amounts: Participants can buy shares in whole dollar amounts, and their accounts are credited with appropriate whole and fractional shares.
- Sales: Participants may sell shares of common stock held in the plan directly through the plan.
- Frequent Purchases and Sales: Purchase and sale orders will be processed at least once every five business days, and as often as every business day, when practicable.
- Automatic Deposit of Dividends: Participants may receive common stock cash dividends not reinvested through the plan either by check or through automatic deposit to their bank account.
- Safekeeping Service: Participants may deposit their common stock certificates into their plan accounts and receive regular statements showing cumulative account activity.
- Transfers of Common Stock: Participants may transfer shares of common stock credited to their plan accounts to the account of another participant or transfer shares to any designated person or entity, without charge. We will provide holiday and other occasion gift cards without charge to accompany gifts.
- Account Statements: We will mail quarterly statements to each participant showing all transactions completed during the year to date, the total number of shares of common stock credited to the participant's account and other relevant account information.
- Stock Certificates: A participant may receive a stock certificate representing all or a portion of the shares of common stock in the participant's account at any time upon request.

PLAN SUMMARY

The following is a summary of the material provisions of the plan. This summary is not a complete description of all terms of the plan and is qualified in its entirety by reference to the plan. You should carefully review the summary below and the provisions of the plan that may be important to you before participating in the plan.

ADMINISTRATION

The plan is administered by the individual (who may be an employee of ours), bank, trust company or other entity, including us, whom we appoint from time to time to act as the administrator of the plan. As of the date of this prospectus, we are the administrator. The administrator administers the plan, receives cash from participants, holds participants' shares of common stock acquired under the plan, keeps records, sends statements of account activity to participants and performs other duties related to the plan. The administrator will forward funds that are to be used to purchase shares, and orders to sell shares, in the open market to an independent agent that we select and which is an "agent independent of the issuer," as that term is defined under the Securities Exchange Act of 1934. We reserve the right to continue serving as the administrator or to appoint another qualified person or entity to serve in that capacity.

Participants may contact the administrator by writing, telephoning, or sending facsimiles to:

CenterPoint Energy, Inc.
Investor Services Department
P. O. Box 4505
Houston, TX 77210

Telephone toll-free (business days from 8:00 a.m. to 5:00 p.m., Central Time):

(800) 231-6406 nationally
(713) 207-3060 in Houston

Facsimile: (713) 207-3169

ELIGIBILITY

Any person or entity, whether or not a record holder of common stock, is eligible to participate in the plan, provided that:

- the person or entity fulfills the requirements of participation described below under "Enrollment Procedures," and
- in the case of citizens or residents of a country other than the United States, its territories and possessions, participation would not violate local laws applicable to us, the plan and the participant.

ENROLLMENT PROCEDURES

After being furnished with a copy of this prospectus, eligible applicants may join the plan by returning a completed and signed enrollment form to the administrator and choosing one of the following options:

- making an initial cash investment in the plan to purchase common stock of at least \$250 for applicants who are not registered holders of eligible securities or \$50 for applicants who are registered holders of eligible securities,
- electing to have all or a part of cash dividends or interest payments on eligible securities reinvested into common stock, or
- depositing certificates representing shares of common stock into the plan for safekeeping.

Applicants may obtain enrollment forms from the administrator upon written, facsimile or telephone request. Current registered holders of eligible securities should sign their name(s) on the enrollment form exactly as they appear on the certificates or instruments representing their eligible securities.

A beneficial owner of eligible securities registered in street name (i.e., the name of a bank, broker or trustee) may participate in the plan by:

- directing the financial intermediary to transfer eligible securities into the participant's name, and
- depositing transferred shares of common stock into the plan for safekeeping and/or electing to reinvest cash dividends or interest payments on transferred eligible securities in common stock through the plan.

Alternatively, the beneficial owner may make arrangements with the financial intermediary who is the registered holder to participate in the plan on behalf of the beneficial owner.

To the extent required by applicable law in specified jurisdictions, including Alabama, Arizona, Arkansas, Delaware, Florida, Hawaii, Indiana, Iowa, Maine, Maryland, Massachusetts, Mississippi, Montana, Nevada, New Hampshire, New Jersey, North Dakota, Puerto Rico, Rhode Island, South Carolina, Utah, Vermont, Virginia, Washington, West Virginia and Wyoming, we are offering shares of common stock under the plan to persons who are not presently record holders of our common stock only through a registered broker/dealer in those jurisdictions.

An eligible applicant will become a participant as soon as practicable after the administrator has received and accepted a properly completed enrollment form.

ELIGIBLE SECURITIES

The equity and debt securities of CenterPoint Energy and our subsidiaries listed below are "eligible securities" for participation in the plan:

- our common stock, and
- CenterPoint Houston's First Mortgage Bonds, 9.15% Series due 2021.

In addition, from time to time we may designate other equity or debt securities issued by us or our subsidiaries as eligible securities.

INITIAL CASH INVESTMENTS AND ADDITIONAL CASH INVESTMENTS

Interested investors, whether or not registered holders of eligible securities, may become participants by making an investment through the plan as described in this prospectus. To become a participant through a cash investment, an applicant who is not a registered holder of eligible securities must include a minimum initial cash investment of \$250 with a completed enrollment form, while an applicant who is a registered holder of eligible securities must include a minimum initial cash investment of \$50 with a completed enrollment form. Additional cash investments, which participants may make at their discretion, must be at least \$50 for any single investment. However, cash investments in the aggregate, including both initial and additional cash investments, may not exceed \$120,000 per account per calendar year. Participants may make cash investments by check or through automatic investing as described below under "Cash Investment Procedures."

The administrator will make cash investments in our common stock beginning on the next investment date that is at least one business day after the administrator receives the funds and instructions. Cash investment funds, pending investment, will be credited to a participant's account and held in a trust account that is separated from our other funds. Cash investments not invested for a participant within 30 days of receipt will be promptly returned to the participant. NO INTEREST WILL BE PAID ON AMOUNTS HELD BY THE ADMINISTRATOR PENDING INVESTMENT.

A registered holder of eligible securities may invest cash payable to the registered holder as a result of the redemption, tender or maturity, including accrued interest and premium, if any, of eligible securities in common stock by delivering to the administrator an executed enrollment form designating such funds for investment. These funds will be treated as additional cash investments for purposes of determining whether the maximum annual limit of \$120,000 per year has been reached.

The administrator will return to a participant any cash investment that has not already been invested if it receives the participant's request to stop investment at least two business days prior to the applicable investment date. However, no refund of a check or money order will be made until the administrator has collected funds. Accordingly, refunds may take three weeks or more to be remitted.

CASH INVESTMENT PROCEDURES

Cash investments may be made by check or automatic deduction from predesignated bank accounts, as described below. Participants should NEVER SEND CASH for an investment.

Investment by Check. Cash investments may be made by personal check or money order payable in U.S. dollars to CenterPoint Energy, Inc. Investor's Choice Plan and mailed to the administrator. Initial cash investments should be accompanied by enrollment forms while additional cash investments should be accompanied by the stub attached to each statement of account or transaction advice sent to participants.

Automatic Investing. Participants may make automatic monthly or quarterly investments of a specified amount, not less than \$50 per purchase nor more than \$120,000 per calendar year, by electronic automatic transfer of funds from a predesignated bank account.

To initiate automatic deductions, a participant must execute an automatic investing form that is available from the administrator and return it to the administrator, along with a voided check or deposit slip on the bank account from which funds are to be drawn. If the monthly investment option is chosen, automatic investing will begin on or about the 10th day of each month approximately 30 days after receipt of the authorization form. If the quarterly investment option is chosen, investments will begin on or about the 10th day of each March, June, September and December. In either case, automatic investing deductions will be made two business days before the investment date. A PARTICIPANT'S BANK MAY CHARGE THE PARTICIPANT A RETURNED CHECK FEE IF THE DESIGNATED BANK OR SAVINGS ACCOUNT DOES NOT HAVE SUFFICIENT FUNDS TO COVER THE AUTHORIZED DEDUCTION.

Participants may change the amount of their automatic investment by notifying the administrator in writing or by facsimile of the new amount, and the change will take place approximately two weeks after the notice is received. Similarly, a participant may cancel automatic investing by instructing the administrator in writing or by facsimile. Cancellation will be effective approximately two weeks after the notice is received. To change a designated bank account, a participant must notify the administrator in writing at least 30 days before the change is to take effect and supply a voided check or deposit slip for the new account.

All cash investments are subject to collection by the administrator for full face value in U.S. funds. The method of delivery of any cash investment is at the election and risk of the investor and will be deemed received when actually received by the administrator. If the delivery is by mail, we recommend that the participant use properly insured, registered mail with return receipt requested, and that the mailing be made sufficiently in advance of the appropriate investment date.

INVESTMENT DATES

The plan's "investment dates" occur at least once every five business days. However, purchases will be made every business day when deemed practicable by the administrator. A participant's cash investment will generally be invested within five business days of receipt. For exceptions under specified circumstances involving open market purchases, see "Source and Price of Shares" below.

DIVIDEND AND INTEREST PAYMENT OPTIONS

The plan offers participants the option of reinvesting cash dividends and interest payments paid on their eligible securities in common stock. With respect to cash dividends on common stock for which reinvestment is not elected, the plan offers the option of direct deposit or check payment, as described below.

Reinvestment of Cash Dividends and Interest Payments. Participants may elect to reinvest all or part of the cash dividends and interest payments on eligible securities registered in their names by making the election on their initial enrollment forms or by delivering written or facsimile instructions to the administrator. Participants electing partial reinvestment of cash dividends and interest payments must designate the specific security or securities for which partial reinvestment is desired and the number of whole shares or the whole dollar amount they want to be reinvested. The amount reinvested will be reduced by any amount required to be withheld under any applicable tax or other statutes. Cash dividends and interest payments not being reinvested will be sent to the participant by direct deposit or check, as appropriate.

A participant may change reinvestment amounts and the eligible securities on which cash dividend or interest payments are reinvested from time to time by delivering a new enrollment form or written or facsimile instructions to the administrator. To be effective for a particular payment, the administrator must receive instructions of such change on or before the record date of the dividend or interest payment. Record dates are usually the 16th day of the month preceding a payment date. The record date for common stock dividends is usually the 16th day of each February, May, August and November.

Dividends and interest payments will be invested beginning either on the date of payment, if the payment date is an investment date, or on the first investment date following payment. Dividend and interest payments not invested within 30 days of receipt will be returned promptly to the participant. Funds pending investment will be credited to a participant's account and held in a trust account that will be separated from any of our other funds or monies. NO INTEREST WILL BE PAID ON FUNDS HELD BY THE ADMINISTRATOR PENDING INVESTMENT.

Direct Deposit of Dividends on Common Stock. Through the plan's direct deposit feature, a participant may elect to have any cash dividends on common stock automatically deposited into a designated bank or savings account. The cash dividends will be deposited on the dividend payment date. Participants who wish to have dividends automatically deposited must execute a direct deposit authorization form that is available from the administrator and send it to the administrator, along with a voided check or deposit slip for the designated bank account.

The administrator must receive direct deposit authorization at least 30 days before an applicable common stock dividend payment date to be effective for that payment date. Participants can cancel direct deposit of dividends by notifying the administrator in writing or by facsimile. In order to be effective for an applicable dividend payment date, the administrator must receive the cancellation notice at least 30 days before that dividend payment date. To change a designated bank account for direct deposit of dividends, the administrator must receive written notice, accompanied by a voided check or deposit slip for the new bank account, at least 30 days before an applicable dividend payment date.

Check Payments of Dividends and Interest Payments. Cash dividends and interest payments on eligible securities not designated for reinvestment or direct deposit will be paid by check to the participant. A check for the amount of funds payable will be sent through the mail so that it will reach the participant as close as possible to the dividend or interest payment date.

SOURCE AND PRICE OF SHARES

To fulfill plan requirements, shares of common stock will be, at our discretion, purchased either directly from us or on the open market by an independent agent. Shares purchased from us will be either authorized but unissued shares or shares held in our treasury. Purchases of common stock under the plan are subject to such terms and conditions, including price and delivery, as the administrator may accept.

Purchases from CenterPoint Energy. The price of common stock purchased from us will be the average of the high and low sales price of the common stock reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal for the trading day immediately preceding the relevant investment date, and the purchase will be made on the investment date. In the event no trading is reported for the relevant trading day, we may determine the purchase price on the basis of market quotations we deem appropriate. No brokerage fee will be charged on shares acquired directly from us.

Open Market Purchases and Sales. The price of common stock purchased or sold on the open market will be the weighted average price of all shares purchased or sold, as the case may be, through the plan for the investment date. The weighted average price will be increased for brokerage fees and commissions, any related service charges and applicable taxes. As of the date of this prospectus, we do not expect the brokerage fees and commissions and related service charges to exceed \$0.10 per share.

An independent agent will make purchases and sales of common stock on the open market beginning on the relevant investment date. These purchases and sales will be completed not later than five days from that date, except where completion at a later date is necessary or advisable under any applicable laws or regulations. Funds not invested within 30 days of receipt will be returned promptly to participants. The independent agent will make purchases and sales on any securities exchange where shares of common stock are traded, in the over-the-counter market, or by negotiated transactions. These purchases and sales may be subject to such terms and conditions regarding price, delivery and other terms as agreed to by the administrator. The independent agent will have sole authority to direct the time or price at which shares may be purchased or sold, the markets on which the shares are to be purchased or sold, and the selection of the broker or dealer, other than the independent agent, through or from whom purchases or sales are to be made.

The independent agent may commingle each participant's funds with those of other participants for the purchases and sales of common stock but will hold the funds at all times in a separate trust account apart from our funds.

The number of shares, including any fraction of a share rounded to three decimal places, of common stock credited to a participant's account for a particular investment date will be determined by dividing the total amount of cash dividends, interest payments and/or cash investments to be invested for the participant on the investment date by the relevant purchase price per share. Dividend and voting rights will commence upon settlement, whether shares are purchased from us or on the open market.

SAFEKEEPING SERVICE

Participants may use the plan's free safekeeping service at any time. Participants may deposit common stock into the plan by delivering the stock certificates without endorsement to the administrator. Shares deposited in the plan for safekeeping will be transferred into the name of the administrator or its nominee and credited to the participant's account under the plan. Thereafter, the shares will be treated in the same manner as shares purchased through the plan. Because shares deposited for safekeeping are treated in the same manner as shares purchased through the plan, they may be efficiently and economically transferred or sold if the participant desires.

SALE OF COMMON STOCK

Participants may request the administrator to sell any number of whole shares held in their accounts at any time by written, telephone or facsimile instructions. As soon as practicable after receipt of the request, but within five business days, the administrator will instruct the independent agent to sell the shares. The independent agent will sell the shares as soon as practicable thereafter. Proceeds of the sale, less applicable brokerage fees and commissions and service charges and any applicable taxes, will be sent to the participant within five business days after the independent agent has completed the sale. The sales price will be determined in the same way as the price for shares of common stock purchased for participants on the open market. See "Source and Price of Shares" above. If the administrator receives a request between the record date and the dividend payment date to sell shares on which dividends are not

being reinvested, the sale will be made within five days after receipt of the request and the proceeds from the sale will be sent to the participant. Cash dividends will be paid in the usual manner on the dividend payment date.

If the administrator receives a request between the record date and the dividend payment date to sell shares on which all or a portion of the dividends are being reinvested, the dividends on those shares will be reinvested on the investment date and newly purchased shares will be credited to the participant's account. If the request for sale does not include all shares in the participant's account, the number of shares requested will be sold within five days after receipt of the request and the proceeds from the sale will be sent to the participant. Newly purchased shares will be retained in the participant's account after the investment date. If the request for sale covers all shares in the participant's account, the sale will be delayed until after the dividend payment date and all shares, including newly purchased shares, will be sold within five days after the investment date and the proceeds from the sale will be sent to the participant.

If a participant wishes to sell shares held in the participant's account through a broker, the participant may request the administrator to issue a certificate for a specific number of whole shares by written, telephone or facsimile instruction. A certificate will be sent to the participant within two business days after receipt of the request.

WITHDRAWAL, TRANSFERS, AND GIFTS OF COMMON STOCK

Withdrawals and Transfers Outside the Plan. A participant may withdraw shares of common stock credited to the participant's plan account if the participant will continue to be the record holder after withdrawal. A participant may do so by instructing the administrator in writing, by telephone or by facsimile or, if the participant will not be the record holder after withdrawal, by delivering written instructions, specifying the recipient's name, address, Social Security number and telephone number and a stock assignment or stock power, with the participant's signature guaranteed by a member of the Medallion Signature Guarantee program (a participating broker, bank, savings and loan association, etc.). If shares are to be sent to a broker, the participant must provide in writing the number of whole shares to be withdrawn, the broker's name, business name, address, telephone number, and the brokerage account number, if applicable. Certificates representing whole shares withdrawn from the plan will be mailed to the participant or designated recipient within two business days of receipt of a properly documented request. Withdrawal of shares of common stock does not affect reinvestment of cash dividends on the shares withdrawn unless:

- the participant is no longer the record holder of the shares,
- the participant specifically discontinues the reinvestment, or
- the participant terminates participation in the plan.

If the administrator receives a request between the record date and the dividend payment date to withdraw shares on which dividends are not reinvested, the withdrawal will be made within five days after receipt of the request and dividends will be deposited in the account of the participant holding the shares prior to the withdrawal, in the usual manner, on the dividend payment date.

If the administrator receives a request between the record date and the dividend payment date to withdraw shares on which all or a portion of the dividends are reinvested, the dividends on those shares will be reinvested on the investment date and newly purchased shares will be credited to the participant's account. If the request for withdrawal does not include all shares in the participant's account, the number of shares requested will be withdrawn within two business days after receipt of the request and sent to the designated recipient. Newly purchased shares will be retained in the account of the participant making the request. If the request for withdrawal covers all shares in the participant's account, the withdrawal will be delayed until after the dividend payment date and all shares, including newly purchased shares, will be withdrawn within two business days after the investment date. All shares in the participant's account will be sent to the designated recipient.

Gifts and Transfers of Common Stock Within the Plan. If a participant wishes to transfer all or a part of the participant's shares to a plan account for another person, whether by gift, private sale or otherwise, the participant may effect the transfer by giving transfer instructions, in writing, to the administrator. Transfers of less than all of the shares in the participant's account must be made in whole share amounts. Requests for such transfers are subject to the same requirements applicable to transfers of common stock generally, including the requirement of a stock power with a Medallion Signature Guarantee. The transfer will be effected as soon as practicable following the administrator's receipt of the required documentation. Gifts and transfers within the plan are subject to the same provisions as described above under "Withdrawals and Transfers Outside the Plan."

The administrator will continue to hold under the plan shares that are transferred within the plan. If the transferee is not already a participant, a plan account will be opened in the name of the transferee, and the transferee will automatically receive an enrollment form to elect any applicable services offered through the plan. Until the transferee elects otherwise or the transferor specifically requests that the new account be enrolled in one or more of the plan's options, such as dividend reinvestment, the transferee account will be treated as having elected only to have shares held in safekeeping under the plan. If the transferee is already a participant, the shares transferred will be treated as other shares already in the account of the transferee with respect to plan options.

As a result of the transfer, the transferor and the transferee will receive a statement confirming the transaction. The transferor may request that a holiday or all occasion gift certificate be provided, either to the transferor for personal delivery to the transferee or directly to the transferee, in connection with a transfer.

REINVESTMENT OF DIVIDENDS ON REMAINING SHARES

When a participant sells, withdraws or transfers a portion of the shares credited to the participant's account, the number of shares credited to the account is reduced. For a participant who is reinvesting cash dividends paid on only a portion of the shares credited to the participant's account, unless the participant gives specific instructions to the contrary, the reduction will first be made to the number of shares for which reinvestment has not been elected before it is made to the number of shares for which reinvestment has been elected. Accordingly, after the sale, withdrawal or transfer, reinvestment of cash dividends will continue on the remaining shares credited to the participant's account up to the number of shares designated for reinvestment prior to the sale, withdrawal or transfer. For example, if a participant who had elected to have cash dividends reinvested on 50 shares of a total of 100 shares credited to the participant's account elected to sell, withdraw or transfer 25 shares, cash dividends on 50 shares of the remaining 75 shares credited to the account would be reinvested through the plan. If instead the participant elected to sell, withdraw or transfer 75 shares, cash dividends on the remaining 25 shares credited to the participant's account would be reinvested through the plan.

REPORTS TO PARTICIPANTS

The administrator will send each participant a quarterly statement of year-to-date activity showing the amount invested, purchase price, the number of shares purchased, deposited, sold, transferred and withdrawn, total shares accumulated and other information. The administrator will also send each participant a confirmation promptly after each cash investment, deposit, sale, withdrawal or transfer. Dividend and interest reinvestments will not be individually confirmed, but rather will appear on the quarterly statement. Participants should retain statements and confirmations in their permanent records to establish the cost basis of shares purchased under the plan for income tax and other purposes.

The administrator will send each participant copies of all communications sent to holders of common stock, including our annual report to shareholders, notice of our annual meeting, proxy statement and form of proxy, as well as federal tax reporting statements, if applicable, for reporting taxable income received from us.

The administrator will send all payments, notices, statements and reports to the participant's address on the administrator's records. It is therefore imperative that participants promptly notify the administrator of any change of address.

CERTIFICATES FOR SHARES

The administrator will hold shares of common stock purchased under, or deposited for safekeeping into, the plan and credited to participants' accounts in an automated electronic record keeping system in the administrator's name or the name of its nominee, as custodian. The number of shares, including fractional shares, held for each participant will be shown on each statement of account.

A participant may obtain a certificate for all or part of the whole shares held in the participant's account at any time upon a written, telephone or facsimile request to the administrator. Requested certificates will be mailed, free of charge, to the participant within two business days after the administrator receives the request. The administrator will continue to hold any remaining whole or fractional shares in the participant's account.

Shares held in a participant's account cannot be pledged or assigned. A participant who wishes to pledge or assign any shares must request that they be withdrawn and issued to the participant in certificate form.

Certificates for fractional shares of common stock will not be issued under any circumstances.

TERMINATION OF PARTICIPATION

A participant may terminate participation in the plan at any time by notifying the administrator in writing, by telephone or by facsimile. As soon as practicable after receipt of notification, the administrator will mail the participant:

- a certificate for all of the whole shares credited to the participant's account,
- any dividends, interest payments and cash investments credited to the participant's account, and
- a check for the cash value of any fraction of a share of common stock credited to the participant's account.

A fraction of a share will be valued at the average of the high and low sales prices of the common stock reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal for the trading day preceding the date of termination.

COSTS

We will pay all administrative costs and expenses of the plan. PARTICIPANTS WILL BEAR THE COST OF BROKERAGE FEES AND COMMISSIONS, RELATED SERVICE CHARGES AND ANY APPLICABLE TAXES INCURRED ON ALL PURCHASES AND SALES OF COMMON STOCK ON THE OPEN MARKET. These costs will be included as adjustments to the purchase and sale prices. As of the date of this prospectus, shares of stock are being purchased directly from us. There are no brokerage fees and commissions or related service charges for shares of common stock purchased directly from us.

FEDERAL INCOME TAX CONSEQUENCES

THE FOLLOWING IS A SUMMARY OF THE FEDERAL INCOME TAX CONSEQUENCES OF PARTICIPATING IN THE PLAN. TAX CONSEQUENCES WILL VARY AMONG PARTICIPANTS DEPENDING UPON INDIVIDUAL CIRCUMSTANCES AND STATE, LOCAL AND FOREIGN LAWS. EACH PARTICIPANT SHOULD CONSULT THE PARTICIPANT'S OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES FOR THE PARTICIPANT AS A RESULT OF PARTICIPATING IN THE PLAN.

A participant will be required to include as income for federal income tax purposes the gross amount of all dividends and interest payments, including any original issue discount, on eligible securities reinvested in common stock as though the participant received the dividends and interest payments in

cash. In addition, a participant will be taxed on any brokerage commissions, fees or service charges that we pay for in connection with a purchase of our common stock for the participant under the plan.

To the extent distributions by us to our participants are treated as made from our current or accumulated earnings and profits, the distributions will be dividends taxable as ordinary income. The amount of any dividends in excess of earnings and profits will reduce a participant's tax basis in the common stock with respect to which the dividend was received, and, to the extent in excess of basis, result in capital gain.

As a general rule, a participant's tax basis for shares of common stock (or any fraction of a share) acquired under the plan, will be equal to the cash value of dividends and interest payments attributable to the purchase of the shares on the applicable purchase date, as adjusted for brokerage commissions and fees, services charges and applicable taxes, if any. A participant's tax basis in shares purchased with cash investments will be the cost of the shares plus any allocable brokerage commissions or fees, service charges and applicable taxes on the applicable purchase date.

Shares of common stock purchased under the plan will have a holding period beginning on the day after the applicable purchase date. A participant will not realize any taxable income when the participant receives certificates for whole shares credited to an account under the plan. The participant will recognize gain or loss upon the sale of whole shares and upon the sale of any fractional shares credited to the participant's account under the plan. The gain or loss will be equal to the difference between the amount received for shares (or a fractional share) and the participant's tax basis in such shares.

Under Internal Revenue Service backup withholding regulations, dividends and interest payments reinvested under the plan may be subject to the withholding tax generally applicable to dividends and interest payments unless the participant provides the administrator with the participant's taxpayer identification number (in the case of individual taxpayers the taxpayer identification number is their Social Security number). Any amount so withheld will be treated as taxable income received by the participant and will be reflected on Forms 1099-DIV and 1099-INT mailed annually to all our investors, including plan participants.

STOCK SPLITS, STOCK DIVIDENDS, AND RIGHTS OFFERINGS

Any shares or other noncash distributions, including stock splits, stock dividends, combinations, recapitalizations and similar events affecting our common stock, will be credited to a participant's account on a pro-rata basis. In the event of a rights offering, a participant will receive rights based upon the total number of whole shares of common stock credited to the participant's account.

VOTING OF PROXIES

Participants have the exclusive right to vote all whole shares credited to their plan accounts, either in person or by proxy, at any annual or special meeting of our shareholders. Fractions of shares cannot be voted. The administrator will forward to each participant all shareholder materials relating to shares credited to that participant's account.

LIMITATION OF LIABILITY

Neither we nor the administrator nor any independent agent will be liable for any act done in good faith or for any good faith omission to act, including, without limitation, any claim of liability arising from failure to terminate a participant's account upon the participant's death prior to receipt of notice in writing of such death, or with respect to the prices or times at which shares of common stock are purchased or sold for participants, or fluctuations in the market value of common stock.

WRITTEN PROVISIONS OF THE PLAN CONTROLLING

With respect to any matter relating to the plan, including, without limitation, the timing and pricing of purchases and sales of common stock for participants, the written provisions of the plan are controlling.

Participants should not rely on any oral representations inconsistent with the written provisions of the plan. Neither we nor the administrator nor any independent agent will be liable for a participant's reliance on oral statements inconsistent with the written provisions of the plan.

INTERPRETATION AND REGULATION OF THE PLAN

Our officers are authorized to take actions to carry out the plan consistent with the plan's terms and conditions. We reserve the right to interpret and regulate the plan as we deem desirable or necessary in connection with the plan's operations.

CHANGE OR TERMINATION OF THE PLAN

We may suspend, modify or terminate the plan at any time, in whole, in part or in respect of participants in one or more jurisdictions, without the approval of participants. Notice of suspension, modification or termination will be sent to all affected participants. Upon any whole or partial termination of the plan by us, each affected participant will receive:

- a certificate for all of the whole shares credited to the participant's account,
- any dividends, interest payments and cash investments credited to the participant's account, and
- a check for the cash value of any fraction of a share of common stock credited to the participant's account.

A fraction of a share will be valued at the average of the high and low sales prices of the common stock reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal for the trading day preceding the date of termination.

TERMINATION OF PARTICIPATION BY CENTERPOINT ENERGY

If a participant does not have at least one whole share of common stock registered in the participant's name or credited to the participant's account, or does not own any eligible securities for which cash dividends or interest payments are designated for reinvestment under the plan, we may terminate the participant's participation in the plan upon written notice. Additionally, we may terminate any participant's participation in the plan after written notice mailed in advance to the participant's address appearing on the records of the administrator. A participant whose participation has been terminated will receive:

- a certificate for all of the whole shares credited to the participant's account,
- any dividends, interest payments and cash investments credited to the participant's account, and
- a check for the cash value of any fraction of a share of common stock credited to the participant's account.

A fraction of a share will be valued at the average of the high and low sales prices of the common stock reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal for the trading day preceding the date of termination.

PLAN OF DISTRIBUTION

We are offering common stock by this prospectus pursuant to the plan. The terms of the plan provide for the purchase of shares of our common stock directly from us or, at our option, by an independent agent on the open market. As of the date of this prospectus, shares of common stock purchased for participants under the plan are being purchased directly from us. The plan provides that we may not change our determination regarding the source of purchases of shares more than once in any three-month period. We expect our primary consideration in determining the source of shares to be used for purchases under the plan will be our need to increase equity capital. If we do not need to raise funds externally or if financing needs are satisfied using non-equity sources of funds to maintain our targeted capital structure, shares of common stock purchased for participants will be purchased in the open market, subject to the limitation on changing the source of shares of common stock.

We will pay all administrative costs and expenses associated with the plan. Participants will bear the cost of brokerage commissions and fees, related service charges and any applicable taxes incurred on all purchases and sales made in the open market. These costs will be included as adjustments to purchase and sales prices. There are no brokerage fees and commissions or related service charges for shares of common stock purchased directly from us.

DESCRIPTION OF OUR CAPITAL STOCK

As of November 1, 2004, our authorized capital stock consisted of:

- 1,000,000,000 shares of common stock, par value \$0.01 per share, of which approximately 307,821,461 shares were outstanding, excluding 166 shares held as treasury stock, and
- 20,000,000 shares of preferred stock, par value \$0.01 per share, of which 1,000,000 shares are classified as Series A preferred stock, none of which was outstanding.

Each share of our common stock offered by means of this prospectus includes an associated preferred stock purchase right. The shares of Series A preferred stock have been initially reserved for issuance upon exercise of the rights.

We have incorporated by reference the descriptions of our common stock and associated rights into this prospectus. Please read "Where You Can Find More Information."

EXPERTS

The consolidated financial statements of CenterPoint Energy and its subsidiaries as of December 31, 2002 and 2003, and for each of the three years in the period ended December 31, 2003, incorporated by reference in this prospectus have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports (which reports express an unqualified opinion and include explanatory paragraphs referring to the distribution of Reliant Energy, Inc. (formerly named Reliant Resources, Inc.), the change in method of accounting for goodwill and certain intangible assets and the recording of asset retirement obligations), and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

LEGAL MATTERS

Certain legal matters in connection with the common stock offered hereby have been passed upon for us by Baker Botts L.L.P., Houston, Texas. Scott E. Rozzell, Esq., our Executive Vice President, General Counsel and Corporate Secretary, or Rufus S. Scott, our Vice President, Deputy General Counsel and Assistant Corporate Secretary, may pass upon other legal matters for us.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE ELSE TO PROVIDE YOU WITH ANY DIFFERENT INFORMATION. IF ANYONE PROVIDES YOU WITH DIFFERENT OR INCONSISTENT INFORMATION, YOU SHOULD NOT RELY ON IT. WE ARE NOT MAKING AN OFFER TO SELL SHARES OF OUR COMMON STOCK IN ANY JURISDICTION WHERE THE OFFER OR SALE IS NOT PERMITTED. THE INFORMATION CONTAINED IN THIS PROSPECTUS IS CURRENT ONLY AS OF THE DATE OF THIS PROSPECTUS.

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CENTERPOINT ENERGY, INC.

3,000,000 SHARES
COMMON STOCK

PROSPECTUS

INVESTOR'S CHOICE PLAN

, 2004

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

CenterPoint Energy, Inc. (the "Company") estimates that expenses in connection with the offering described in this Registration Statement will be as follows

Securities and Exchange Commission filing fee.....	\$ 4,022
Legal fees and expenses.....	25,000
Accounting fees and expenses.....	23,000
Printing expenses.....	50,000
Miscellaneous expenses.....	978

Total expenses.....	\$103,000
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ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article 2.02.A.(16) and Article 2.02-1 of the Texas Business Corporation Act and Article V of the Company's Amended and Restated Bylaws provide the Company with broad powers and authority to indemnify its directors and officers and to purchase and maintain insurance for such purposes. Pursuant to such statutory and Bylaw provisions, the Company has purchased insurance against certain costs of indemnification that may be incurred by it and by its officers and directors.

Additionally, Article IX of the Company's Amended and Restated Articles of Incorporation provides that a director of the Company is not liable to the Company for monetary damages for any act or omission in the director's capacity as director, except that Article IX does not eliminate or limit the liability of a director for (i) any breach of such director's duty of loyalty to the Company or its shareholders, (ii) any act or omission not in good faith that constitutes a breach of duty of such director to the Company or an act or omission that involves intentional misconduct or a knowing violation of law, (iii) a transaction from which such director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office or (iv) an act or omission for which the liability of a director is expressly provided for by statute.

Article IX also provides that any subsequent amendments to Texas statutes that further limit the liability of directors will inure to the benefit of the directors, without any further action by shareholders. Any repeal or modification of Article IX shall not adversely affect any right of protection of a director of the Company existing at the time of the repeal or modification.

See "Item 17. Undertakings" for a description of the SEC's position regarding such indemnification provisions.

ITEM 16. EXHIBITS.

The following documents are filed as part of this Registration Statement or incorporated by reference herein:

SEC FILE OR EXHIBIT REGISTRATION EXHIBIT NUMBER	DOCUMENT DESCRIPTION REPORT OR REGISTRATION STATEMENT NUMBER	REFERENCE -
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4.1*	Amended and Restated Articles Registration Statement on Form 333-69502 3.1 of Incorporation of S-4 of CenterPoint Energy, Inc. CenterPoint Energy, Inc. 4.1.1*	Articles of Amendment to the Form 10-K of CenterPoint Energy, 1-31447 3.1.1 Amended and Restated Articles Inc. for the year ended December of Incorporation of 31, 2001 CenterPoint Energy, Inc.
4.2*	Amended and Restated Bylaws Form 10-K of CenterPoint Energy, 1-31447 3.2 of CenterPoint Energy, Inc. Inc. for the year ended December 31, 2001 4.3*	Statement of Resolution Form 10-K of CenterPoint Energy, 1-31447 3.3 Establishing Series of Shares Inc. for the year

ended
December
Designated
Series A
Preferred
31, 2001
Stock and
Form of
Rights
Certificate
4.4* Rights
Agreement
dated as of
Form 10-K of
CenterPoint
Energy, 1-
31447 4.2
January 1,
2002 between
Inc. for the
year ended
December
CenterPoint
Energy, Inc.
and 31, 2001
JPMorgan
Chase Bank,
as Rights
Agent 4.5*
Form of
CenterPoint
Energy,
Registration
Statement on
Form 333-
69502 4.1
Inc. Stock
Certificate
S-4 of
CenterPoint
Energy, Inc.
4.6
CenterPoint
Energy, Inc.
Second
Amended and
Restated
Investor's
Choice Plan
5.1**
Opinion of
Baker Botts
L.L.P. 23.1
Consent of
Deloitte &
Touche LLP
23.2 Consent
of Baker
Botts L.L.P.
(included in
Exhibit 5.1)
24.1 Powers
of Attorney
(included on
the
signature
page of this
registration
statement)

- - - - -
* Incorporated herein by reference as indicated.

** To be filed by amendment.

ITEM 17. UNDERTAKINGS.

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually

or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) of the Securities Act of 1933 if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) of this section do not apply if the registration statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, the State of Texas, on November 8, 2004.

CENTERPOINT ENERGY, INC.
(Registrant)

By: /s/ DAVID M. MCCLANAHAN

David M. McClanahan
President and Chief Executive
Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Gary L. Whitlock, David M. McClanahan and Rufus S. Scott, and each of them severally, his or her true and lawful attorney or attorneys-in-fact and agents, with full power to act with or without the others and with full power of substitution and resubstitution, to execute in his name, place and stead, in any and all capacities, (i) any or all amendments (including pre-effective and post-effective amendments) to this Registration Statement and (ii) any Registration Statement of the type contemplated by Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents and each of them full power and authority, to do and perform in the name and on behalf of the undersigned, in any and all capacities, each and every act and thing necessary or desirable to be done in and about the premises, to all intents and purposes and as fully as they might or could do in person, hereby ratifying, approving and confirming all that said attorneys-in-fact and agents or their substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

SIGNATURE
TITLE DATE

/s/ DAVID
M.
MCCLANAHAN
President,
Chief
Executive
November
8, 2004 -

Officer
and
Director
David M.
McClanahan
(Principal
Executive
Officer)
/s/ GARY
L.
WHITLOCK
Executive
Vice
President
November
8, 2004 -

and Chief

Financial
Officer
Gary L.
Whitlock
(Principal
Financial
Officer)
/s/ JAMES
S. BRIAN
Senior
Vice
President
November
8, 2004 -

and Chief
Accounting
Officer
James S.
Brian
(Principal
Accounting
Officer)
/s/ MILTON
CARROLL
Director
November
8, 2004 -

Milton
Carroll

SIGNATURE

TITLE

DATE ---

- /s/

DERRILL

CODY

Director

November

8, 2004

Director
November
8, 2004

Michael
E.
Shannon

II-5

EXHIBIT INDEX

SEC FILE OR
EXHIBIT
REGISTRATION
EXHIBIT
NUMBER
DOCUMENT
DESCRIPTION
REPORT OR
REGISTRATION
STATEMENT
NUMBER
REFERENCE -

4.1* Amended
and Restated
Articles
Registration
Statement on
Form 333-
69502 3.1 of
Incorporation
of S-4 of
CenterPoint
Energy, Inc.
CenterPoint
Energy, Inc.

4.1.1*
Articles of
Amendment to
the Form 10-
K of
CenterPoint
Energy, 1-
31447 3.1.1
Amended and
Restated
Articles
Inc. for the
year ended
December of
Incorporation
of 31, 2001
CenterPoint
Energy, Inc.

4.2* Amended
and Restated
Bylaws Form
10-K of
CenterPoint
Energy, 1-
31447 3.2 of
CenterPoint
Energy, Inc.
Inc. for the
year ended
December 31,
2001 4.3*

Statement of
Resolution
Form 10-K of
CenterPoint
Energy, 1-
31447 3.3
Establishing
Series of
Shares Inc.
for the year
ended
December
Designated

Series A
Preferred
31, 2001
Stock and
Form of
Rights
Certificate
4.4* Rights
Agreement
dated as of
Form 10-K of
CenterPoint
Energy, 1-
31447 4.2
January 1,
2002 between
Inc. for the
year ended
December
CenterPoint
Energy, Inc.
and 31, 2001
JPMorgan
Chase Bank,
as Rights
Agent 4.5*
Form of
CenterPoint
Energy,
Registration
Statement on
Form 333-
69502 4.1
Inc. Stock
Certificate
S-4 of
CenterPoint
Energy, Inc.
4.6
CenterPoint
Energy, Inc.
Second
Amended and
Restated
Investor's
Choice Plan
5.1**
Opinion of
Baker Botts
L.L.P. 23.1
Consent of
Deloitte &
Touche LLP
23.2 Consent
of Baker
Botts L.L.P.
(included in
Exhibit 5.1)
24.1 Powers
of Attorney
(included on
the
signature
page of this
registration
statement)

- - - - -

* Incorporated herein by reference as indicated.

** To be filed by amendment.

CENTERPOINT ENERGY, INC.
SECOND AMENDED AND RESTATED
INVESTOR'S CHOICE PLAN

CenterPoint Energy, Inc. (successor to Reliant Energy, Incorporated, formerly Houston Industries Incorporated), a Texas corporation (the "Company"), hereby amends and restates its Amended and Restated Investor's Choice Plan (the "ICP") in its entirety to establish the following CenterPoint Energy, Inc. Second Amended and Restated Investor's Choice Plan (the "Plan"):

RECITAL:

WHEREAS, the purpose of the Plan is to provide interested investors and holders of certain debt and equity securities of the Company and its subsidiaries a convenient, economical means of increasing their investment in the Company through (i) regular investment of cash dividends paid and interest payments made on such securities, (ii) optional cash investments and/or (iii) initial cash investments in shares of the Company's common stock, par value \$0.01 per share, including associated preferred stock purchase rights (the "Common Stock"); and

WHEREAS, the Company desires to amend and restate the ICP to (i) change the name of the ICP, (ii) revise the list of Eligible Securities (as defined herein), (iii) reflect the removal of the option to reinvest Dividends (as defined herein) on Common Stock in self-directed Individual Retirement Accounts through a Company-selected IRA trustee, and (iv) provide certain other clarifications.

NOW, THEREFORE:

ARTICLE I

Definitions

The terms defined in this Article I shall, for all purposes of this Plan, have the following respective meanings:

Account

The term "Account" shall mean, as to any Participant, the account maintained by the Administrator evidencing (i) the shares (and/or fraction of a share) of Common Stock (a) purchased through the Plan and/or (b) deposited by such Participant into the Plan pursuant to Section 4.1 hereof, and credited to such Participant and (ii) cash held in the Plan pending investment in Common Stock for such Participant.

Account Shares

The term "Account Shares" shall mean all shares (and/or fraction of a share) of Common Stock credited to the Account of a Participant by the Administrator, which shall include shares deposited into the Plan pursuant to Section 4.1 hereof.

Administrator

The term "Administrator" shall mean the individual (who may be an employee of the Company), bank, trust company or other entity (including the Company) appointed from time to time by the Company to act as Administrator hereunder.

Automatic Investing Authorization Form

The term "Automatic Investing Authorization Form" shall mean the documentation, including a voided check or deposit slip on the bank, savings or credit union account from which funds are to be drawn, that the Administrator shall require to be completed and received for a Participant to authorize the Administrator to make automatic deductions from an account designated by the Participant for investment in Common Stock through the Plan.

Common Stock

As defined in the Recitals.

Company

As defined in the introduction to the Recitals.

Company Share Purchase Price

The term "Company Share Purchase Price," when used with respect to Fractional Account Shares, newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury, shall mean the average of the high and low sales prices of Common Stock on a given trading day as reported on the New York Stock Exchange Composite Tape as published in The Wall Street Journal. In the absence of knowledge of inaccuracy, the Administrator may rely upon such prices as published in The Wall Street Journal. In the event no trading is so reported for a trading day, the Company Share Purchase Price for such shares may be determined by the Company on the basis of such market quotations as it deems appropriate.

Direct Deposit Authorization Form

The term "Direct Deposit Authorization Form" shall mean the documentation, including a voided check or deposit slip for the designated bank, savings or credit union account, that the Administrator shall require to be completed and received prior to a Participant having any Dividends on Account Shares not being reinvested in Common Stock paid by electronic direct deposit to the Participant's predesignated bank, savings or credit union account pursuant to Section 7.7 hereof.

Dividend

The term "Dividend" shall mean cash dividends paid on Reinvestment Eligible Securities.

Dividend Payment Date

The term "Dividend Payment Date" shall mean a date on which a cash dividend on shares of Common Stock is paid.

Eligible Securities

The term "Eligible Securities" shall mean those equity and debt securities of the Company and its subsidiaries, whether issued prior to, on or after the date hereof, set forth in

Section 6.1 hereof, and such other equity and debt securities of the Company and its subsidiaries as the Company may designate, in its sole discretion, pursuant to Section 6.2 hereof.

Enrollment Form

The term "Enrollment Form" shall mean the documentation that (i) the Administrator shall require to be completed and received prior to an investor's enrollment in the Plan pursuant to Section 2.2, 2.3, 2.4 or 4.1 hereof and (ii) a Participant may submit to the Administrator to change his options under the Plan pursuant to Section 7.1 hereof.

Exchange Act

The term "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

Foreign Person

The term "Foreign Person" shall mean a Person that is a citizen or resident of, or is organized or incorporated under, or has its principal place of business in, a country other than the United States, its territories and possessions.

Fractional Account Shares

The term "Fractional Account Shares" shall mean the shares (and fractions of shares) of Common Stock held in the Fractional Share Account.

Fractional Share Account

The term "Fractional Share Account" shall mean an account under the Plan, owned by the Company, consisting of Fractional Account Shares, which is held by the Administrator and administered pursuant to Section 8.3 hereof.

ICP

As defined in the introduction to the Recitals.

Independent Agent

The term "Independent Agent" shall mean an agent independent of the Company who satisfies applicable legal requirements (including without limitation the requirements of Regulation M and Rule 10b-18 promulgated under the Exchange Act) and who has been selected by the Company, pursuant to Section 10.6 hereof, to serve as an Independent Agent for purposes of making open market purchases and sales of Common Stock under the Plan.

Interest

The term "Interest" shall mean interest payments made on Reinvestment Eligible Securities.

Investment Date

The term "Investment Date" shall mean each date on which the Administrator or Independent Agent shall begin to purchase or sell shares of Common Stock pursuant to the Plan. An Investment Date shall occur at least every fifth business day, and may occur as often as every business date, if practicable, as determined in the sole discretion of the Administrator.

Market Share Purchase Price

The term "Market Share Purchase Price," when used with respect to shares of Common Stock purchased in the open market, shall mean the weighted average purchase price per share (including brokerage commissions, any related service charges and applicable taxes) of the aggregate number of shares purchased in the open market for an Investment Date.

Market Share Sales Price

The term "Market Share Sales Price," when used with respect to shares of Common Stock sold under the Plan, shall mean the weighted average sales price per share (less brokerage commissions, any related service charges and applicable taxes) of the aggregate number of shares sold in the open market for the relevant period.

Maximum Amount

As defined in Section 2.5 hereof.

Participant

As defined in Section 2.1 hereof.

Person

The term "Person" shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, estate or unincorporated organization.

Plan

As defined in the introduction to the Recitals.

Reinvestment Eligible Securities

The term "Reinvestment Eligible Securities" shall mean (i) those Eligible Securities of which a Participant is the record or registered holder and on which the Participant has elected to have all or a portion of the Dividends or Interest paid reinvested in Common Stock and (ii) those Account Shares on which the Participant has elected to have all or a portion of the Dividends paid reinvested in Common Stock, which election under (i) or (ii) has been made by delivering a completed optional cash investment stub or a completed Enrollment Form, as the case may be, to the Administrator.

Statement of Account

The term "Statement of Account" shall mean a written statement prepared by the Administrator and sent to each Participant which reflects (i) all transactions to date completed under the Plan during the current calendar year, (ii) the number of Account Shares credited to such Participant's Account at the date of such statement, (iii) the amount of cash, if any, credited to such Participant's Account pending investment at the date of such statement and (iv) such additional information regarding such Participant's Account as the Administrator may determine to be pertinent to the Participant.

Trust Account

As defined in Section 11.1 hereof.

Trustee

As defined in Section 11.7 hereof.

A pronoun or adjective in the masculine gender includes the feminine gender, and the singular includes the plural, unless the context clearly indicates otherwise.

ARTICLE II

Participation

Section 2.1. Participation. Any Person, whether or not a record holder of Common Stock, may elect to participate in the Plan; provided, however, that if such Person is a Foreign Person, he must provide evidence satisfactory to the Administrator that his participation in the Plan would not violate local laws applicable to the Company, the Plan or such Foreign Person.

An election by a Person to participate in the Plan shall be made by completing and returning to the Administrator an Enrollment Form and (i) electing to have Dividends on Eligible Securities of which such Person is the record holder invested in Common Stock pursuant to Section 2.2 hereof, (ii) electing to have Interest on Eligible Securities of which such Person is the registered owner invested in Common Stock pursuant to Section 2.3 hereof, (iii) depositing certificates representing Common Stock of which such person is the record holder into the Plan pursuant to Section 4.1 hereof or (iv) making an initial cash investment pursuant to Section 2.4 hereof.

Any Person who has met such requirements and has made and not revoked such election is herein referred to as a "Participant." Notwithstanding the foregoing, each participant in the ICP or the Plan on the date hereof is automatically a Participant without submitting a new Enrollment Form; provided, however, that any such Participant who wishes to change his current participation in any way must submit written or facsimile instructions or a new Enrollment Form to the Administrator. A Participant (or a Person completing an Enrollment Form in order to become a Participant) may elect to participate in any or all forms of investment provided in Sections 2.2 through 2.5 hereof and to utilize the Plan's safekeeping services provided in Section 4.1 hereof by submitting an Enrollment Form designating such election to the Administrator; provided, however, that in lieu of an Enrollment Form, a Participant may submit to the Administrator (i) written or facsimile instructions in order to elect Dividend and/or Interest reinvestment pursuant to Sections 2.2 and/or 2.3 hereof, (ii) a completed optional cash investment stub attached to a quarterly Statement of Account in order to elect to make optional cash investments pursuant to Section 2.5 hereof and (iii) the stock certificates representing the Common Stock to be deposited into the Plan in order to elect to utilize the safekeeping services provided by the Plan.

Section 2.2. Dividend Reinvestment. A Participant may elect to have all or a portion of any Dividend on his Reinvestment Eligible Securities invested in shares (and/or a fraction of a share) of Common Stock to be credited to his Account in lieu of receiving such Dividend directly. If a Participant elects to reinvest only a portion of the Dividends received on his Reinvestment Eligible Securities, the portion of Dividends not reinvested will be sent to the Participant by check in the manner otherwise associated with payment of such Dividends or, if such Reinvestment Eligible Securities are also Account Shares, by electronic direct deposit if the Participant has elected the direct deposit option provided in Section 7.7 hereof.

Section 2.3. Interest Reinvestment. A Participant may elect to have all or a portion of any Interest on his Reinvestment Eligible Securities invested in shares (and/or a fraction of a share) of Common Stock to be credited to his Account in lieu of receiving such Interest directly. If a Participant elects to reinvest only a portion of the Interest on his Reinvestment Eligible Securities, that portion of Interest not reinvested in Common Stock will be sent to the Participant by check in the manner otherwise associated with payment of Interest.

Section 2.4. Initial Cash Investment. A Person not already a Participant may become a Participant by (i) making an initial cash payment of at least \$250, or (ii) in the case of a Person who is already a record or registered holder of Eligible Securities, of at least \$50, by personal check, money order or wire transfer payable to CenterPoint Energy, Inc. Investor's Choice Plan, to be invested in Common Stock pursuant to Section 3.4 hereof; provided, however, that such initial cash payment may not exceed \$120,000 and payment for such initial cash investment must be accompanied by a completed Enrollment Form.

Section 2.5. Optional Cash Investments. A Participant may elect to make cash payments at any time or from time to time to the Plan, by personal check, money order or wire transfer payable to CenterPoint Energy, Inc. Investor's Choice Plan, or by automatic deductions from a predesignated bank, savings or credit union account pursuant to Section 7.8 hereof, for investment in Common Stock pursuant to Section 3.4 hereof; provided, however, that any Participant who elects to make optional cash investments pursuant to this Section 2.5 must invest at least \$50 for any single investment and may not invest more than \$120,000 in aggregate amount in any calendar year (the "Maximum Amount"). For purposes of determining whether the Maximum Amount has been reached, initial cash investments shall be counted as optional cash investments.

ARTICLE III

Dividend and Interest Reinvestment and Stock Purchase

Section 3.1. Dividend and Interest Reinvestment. Dividends and Interest as to which reinvestment has been elected by a Participant shall be paid to the Administrator or its nominee on behalf of such Participant. Dividends and Interest shall be reinvested, at the Company's election, in either (i) newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury purchased from the Company or (ii) shares of Common Stock purchased in the open market. Any reinvestment of Dividends or Interest in, or other purchases of, Common Stock pursuant to this Article III shall be subject to Section 3.5 hereof.

Section 3.2. Dividend and Interest Reinvestment in Newly Issued or Treasury Shares. Dividend and Interest reinvestment in newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury shall be governed by this Section 3.2. On an Investment Date with respect to which the Company elects to issue new shares or sell shares of Common Stock held in the Company's treasury to the Plan in order to effect the reinvestment of Dividends and/or Interest, the Company shall issue to the Administrator upon the Company's receipt of the funds described in (a) below, for crediting by the Administrator to the Account of a Participant, a number of shares (and/or fraction of a share rounded to three decimal places) of Common Stock equal to (a) the amount of any Dividends and/or Interest paid to the Administrator on behalf of such Participant since the preceding Investment Date plus the amount of any Dividends paid to the

Administrator on behalf of such Participant on such Investment Date divided by (b) the Company Share Purchase Price on the trading day immediately preceding such Investment Date. Such shares shall be issued or sold to, and registered in the name of, the Administrator or its nominee as custodian for such Participants. No interest shall be paid on Dividends or Interest held pending reinvestment pursuant to this Section 3.2.

Section 3.3. Dividend and Interest Reinvestment in Shares Purchased in the Open Market. Dividend and Interest reinvestment in shares of Common Stock purchased in the open market shall be governed by this Section 3.3. On an Investment Date with respect to which the Company elects to effect reinvestment of Dividends and/or Interest in shares of Common Stock purchased in the open market, the Administrator shall (if it is an Independent Agent), or shall cause an Independent Agent to, apply the amount of any Dividends and/or Interest paid to the Administrator on behalf of the Participants since the preceding Investment Date plus the amount of any Dividends paid to the Administrator on behalf of the Participants on such Investment Date to the purchase of shares of Common Stock in the open market. Purchases in the open market pursuant to this Section 3.3 and Subsection 3.4.2 hereof may begin on the applicable Investment Date and shall be completed no later than five days from such date unless completion at a later date is necessary or advisable under applicable law, including without limitation any federal securities laws. Any Dividends, Interest, optional cash investments and initial cash investments to be reinvested in shares of Common Stock purchased in the open market pursuant to this Section 3.3 and Subsection 3.4.2 hereof not reinvested in shares of Common Stock within 30 days of receipt by the Administrator, or if the Company is not the Administrator by the Company, shall be promptly returned to the Participant at his address of record by First Class Mail. Open market purchases pursuant to this Section 3.3 and Subsection 3.4.2 hereof may be made on any securities exchange on which the Common Stock is traded, in the over-the-counter market or by negotiated transactions, and may be upon such terms and subject to such conditions with respect to price and delivery to which the Independent Agent (including the Administrator if it is also an Independent Agent) may agree. With regard to open market purchases of shares of Common Stock pursuant to this Section 3.3 and Subsection 3.4.2 hereof, none of the Company, the Administrator (if it is not also serving as the Independent Agent) or any Participant shall have any authority or power to direct the time or price at which shares of Common Stock may be purchased, the markets on which such shares are to be purchased (including on any securities exchange, in the over-the-counter market or in negotiated transactions) or the selection of the broker or dealer (other than the Independent Agent) through or from whom purchases may be made. For the purpose of making, or causing to be made, purchases of shares of Common Stock pursuant to this Section 3.3 and Subsection 3.4.2 hereof, and sales of Account Shares pursuant to Section 5.1 hereof, the Independent Agent shall be entitled to commingle each Participant's funds with those of all other Participants and to offset purchases of shares of Common Stock against sales of shares of Common Stock to be made for Participants, resulting in a net purchase or a net sale of shares. The number of shares (and/or fraction of a share rounded to three decimal places) of Common Stock that shall be credited to a Participant's Account with respect to an Investment Date to which this Section 3.3 applies shall be equal to (a)(i) the amount of any Dividends and/or Interest paid to the Administrator on behalf of such Participant since the preceding Investment Date plus (ii) the amount of any Dividends paid to the Administrator on behalf of such Participant on such Investment Date less (iii) any Dividends and/or Interest to be returned to such Participant pursuant to this Section 3.3 divided

by (b) the Market Share Purchase Price with respect to such Investment Date. Such shares shall be registered in the name of the Administrator or its nominee as custodian for the Participants. No interest shall be paid on Dividends or Interest held pending reinvestment pursuant to this Section 3.3.

Section 3.4. Investment of Optional Cash Payments and Initial Cash Payments. Any optional cash investments and initial cash investments received by the Administrator from a Participant at least one business day prior to an Investment Date shall be invested, beginning on such Investment Date, in either (i) newly issued shares or shares of Common Stock held in the Company's treasury in the manner provided in Subsection 3.4.1 hereof, or (ii) Common Stock purchased in the open market in the manner provided in Subsection 3.4.2 hereof. Optional cash investments and initial cash investments not received by the Administrator at least one business day prior to an Investment Date need not be invested on such Investment Date; provided, however, that any such optional cash investments and initial cash investments not invested on such Investment Date shall be invested beginning on the next succeeding Investment Date. No interest shall be paid on optional cash investments and initial cash investments held pending investment pursuant to this Section 3.4.

Subsection 3.4.1 Newly Issued or Treasury Shares. On an Investment Date with respect to which the Company elects to issue new shares or sell shares of Common Stock held in the Company's treasury to the Plan in order to effect the investment of optional cash investments and initial cash investments, the Company shall issue to the Administrator upon the Company's receipt of the funds described in (a) below, for crediting by the Administrator to the Account of a Participant, a number of shares (and/or fraction of a share rounded to three decimal places) of Common Stock equal to (a) the amount of any optional cash investments and/or initial cash investment received by the Administrator from such Participant since the preceding Investment Date (excluding any amounts received from such Participant within one business day of such Investment Date but including any amounts received from such Participant within one business day prior to the preceding Investment Date that were not invested on the preceding Investment Date as set forth in Section 3.4 hereof) divided by (b) the Company Share Purchase Price on the trading day immediately preceding such Investment Date. Such shares shall be issued or sold to, and registered in the name of, the Administrator or its nominee as custodian for the Participants.

Subsection 3.4.2 Shares Purchased in the Open Market. On an Investment Date with respect to which the Company elects to effect the investment of optional cash investments and initial cash investments in shares of Common Stock purchased in the open market, the Administrator shall (if it is an Independent Agent), or shall cause an Independent Agent to, purchase for crediting by the Administrator to the Account of a Participant a number of shares (and/or fraction of a share rounded to three decimal places) of Common Stock in the open market equal to (a)(i) the amount of any optional cash investments and/or initial cash investment received by the Administrator from such Participant since the preceding Investment Date (excluding any amounts received from such Participant within one business day of such Investment Date but including any amounts received from such Participant within one business day prior to the preceding Investment Date as set forth in Section 3.4 hereof) less (ii) any optional cash investments and/or initial cash investments to be returned to such Participant pursuant to Section 3.3 hereof divided by (b) the Market Share Purchase Price with respect to

such Investment Date. Such purchases shall be made in the manner set forth in Section 3.3 hereof. Such shares shall be registered in the name of the Administrator or its nominee as custodian for the Participants.

Subsection 3.4.3 Request to Stop Investment. If a written request to stop investment of optional cash investments or an initial cash investment is received by the Administrator from a Participant at least two business days before the next Investment Date, any optional cash investments or initial cash investment from such Participant then held by the Administrator shall not be invested in Common Stock and shall be returned to such Participant. If such a request is not received by the Administrator at least two business days prior to an Investment Date, any such optional cash investments or initial cash investment shall be invested in shares of Common Stock for such Participant's Account.

Section 3.5. Exhaustion of Fractional Share Account. Prior to any purchase of Common Stock by the Administrator or an Independent Agent pursuant to this Article III, the Administrator shall first purchase, at the Company Share Purchase Price on the trading day immediately preceding the Investment Date, the Fractional Account Shares from the Fractional Share Account. To the extent made, such purchases from the Fractional Share Account shall substitute for purchases required by this Article III.

ARTICLE IV

Safekeeping Services for Deposited Common Stock

Section 4.1. Deposited Common Stock. A Participant who has already delivered an Enrollment Form to the Administrator may elect to have certificates representing shares of Common Stock of which the Participant is the record holder deposited into the Plan by delivering such certificates to the Administrator, while a Person meeting the requirements set forth in Section 2.1 hereof who is not yet a Participant may elect to have his certificates representing shares of Common Stock of which he is the record holder deposited into the Plan by completing an Enrollment Form and delivering such certificates and Enrollment Form to the Administrator. Shares of Common Stock so deposited shall be transferred into the name of the Administrator or its nominee and credited to the depositing Participant's Account. Dividends paid on shares of Common Stock deposited into the Plan pursuant to this Section 4.1 shall be reinvested in Common Stock pursuant to Article III hereof in accordance with the depositing Participant's reinvestment election designated on a completed Enrollment Form.

Section 4.2. Withdrawal of Common Stock Deposited Pursuant to Section 4.1. Shares of Common Stock deposited pursuant to Section 4.1 hereof may be withdrawn from the Plan pursuant to Section 7.2 hereof.

ARTICLE V

Sale of Account Shares; Gift or Transfer of Account Shares

Section 5.1. Sale of Account Shares. At any time, a Participant may request, by written, telephone or facsimile instructions, that the Administrator sell all or a portion of his

whole Account Shares. The Administrator (if it is not also an Independent Agent) shall forward such sale instructions to the Independent Agent as soon as practicable, but within five business days, after receipt thereof (except in the case of instructions to sell all whole Account Shares of a Participant described below in the immediately following paragraph). The Independent Agent shall make such sales as soon as practicable (in accordance with stock transfer requirements and federal and state securities laws) after processing such sale instructions. Within five business days after the sale has been completed by the Independent Agent, the Administrator shall mail by First Class Mail to such Participant at his address of record a check in an amount equal to (a) the Market Share Sales Price multiplied by (b) the number of his Account Shares sold.

If instructions for the sale of Account Shares which are not Reinvestment Eligible Securities are received by the Administrator on or after the record date relating to a Dividend Payment Date but before the Dividend Payment Date, the sale shall be processed as described above, and the Administrator shall, as soon as practicable following the receipt of Dividends paid on such Account Shares, mail a check for such Dividends by First Class Mail to the Participant at his address of record or directly deposit such Dividends in the Participant's designated direct deposit account, if such Participant has elected the direct deposit option pursuant to Section 7.7 hereof. If instructions for the sale of Account Shares which are also Reinvestment Eligible Securities are received by the Administrator on or after the record date relating to a Dividend Payment Date but before the Dividend Payment Date, the shares of Common Stock purchased from the reinvestment of such Dividends shall be credited to the Participant's Account, and (i) if the Participant's sale instructions cover less than all of his whole Account Shares, the sale shall be processed as described above in the immediately preceding paragraph or (ii) if the Participant's sale instructions cover all of his whole Account Shares, the sale instructions shall not be processed until after such Dividends have been reinvested pursuant to the Plan and the shares of Common Stock purchased therewith have been credited to his Account. In the case of clause (ii) of the immediately preceding sentence, the Administrator shall forward such sale instructions to the Independent Agent promptly (within at least five business days) after such Dividend Payment Date.

With regard to open market sales of Account Shares pursuant to this Section 5.1, none of the Company, the Administrator (if it is not also serving as the Independent Agent) or any Participant shall have any authority or power to direct the time or price at which shares of Common Stock may be sold, the markets on which such shares are to be sold (including on any securities exchange, in the over-the-counter market or in negotiated transactions) or the selection of the broker or dealer (other than the Independent Agent) through or from whom sales may be made, except that the timing of such sales must be made in accordance with the terms and conditions of the Plan.

Section 5.2. Gift or Transfer of Account Shares. A Participant may elect to transfer (whether by gift, private sale or otherwise) ownership of all or a portion of his Account Shares to the Account of another Participant or establish an Account for a Person not already a Participant by delivering to the Administrator written, telephone or facsimile instructions to that effect and a stock assignment (stock power), acceptable to the Administrator. No fraction of a share of Common Stock credited to the transferor's Account shall be transferred unless the transferor's entire Account is transferred.

Account Shares transferred in accordance with the preceding paragraph shall continue to be registered in the name of the Administrator as custodian and shall be credited to the transferee's Account. If the transferee is not already a Participant, an Account shall be opened in the name of the transferee and the Administrator shall send the transferee an Enrollment Form as soon as practicable after such transfer. Until the transferee elects otherwise or the transferor specifically requests that the new Account be enrolled in one or more of the Plan's options, the new Account will be treated as having elected only to have shares held in safekeeping under the Plan. The transferor may request that the Administrator deliver a Statement of Account to the transferor for personal delivery to the transferee and/or the transferor may request that the Administrator deliver to such transferee a gift certificate. The transferor may request that the Administrator send the gift certificate directly to such transferee with the first Statement of Account following such transfer or request that the Administrator deliver such gift certificate to the transferor for personal delivery to the transferee. The Administrator shall comply with any such request of a transferor relating to Statements of Account and/or gift certificates as soon as practicable following receipt of such request.

If transfer instructions with regard to Account Shares which are not Reinvestment Eligible Securities are received by the Administrator on or after the record date relating to a Dividend Payment Date but before the Dividend Payment Date, the transfer shall be processed as described above, and the Administrator shall, as soon as practicable following the receipt of Dividends paid on such designated Account Shares, mail a check for such Dividends by First Class Mail to the transferor at his address of record or directly deposit such Dividends in the transferor's direct deposit account, if he has elected the direct deposit option pursuant to Section 7.7 hereof. If transfer instructions with regard to Account Shares that are also Reinvestment Eligible Securities are received by the Administrator on or after the record date relating to a Dividend Payment Date but before the Dividend Payment Date, the shares of Common Stock purchased from the reinvestment of such Dividends shall be credited to the Participant's Account, and (i) if the Participant's transfer instructions cover less than all of his whole Account Shares, the transfer shall be processed as described above in the immediately preceding paragraph or (ii) if the Participant's transfer instructions cover all of his whole Account Shares, the transfer shall not be processed until after such Dividends have been reinvested pursuant to the Plan and the shares of Common Stock purchased therewith have been credited to his Account. In the case of clause (ii) of the immediately preceding sentence, the Administrator shall effect such transfer as soon as practicable after such Dividend Payment Date.

Section 5.3. Reinvestment of Dividends on Remaining Account Shares. If only a portion of a Participant's Account Shares are Reinvestment Eligible Securities and the Participant elects to (i) sell a portion of his Account Shares pursuant to Section 5.1 hereof, (ii) transfer a portion of his Account Shares pursuant to Section 5.2 hereof or (iii) withdraw a portion of his Account Shares pursuant to Section 7.2 hereof, all of the Account Shares which are not Reinvestment Eligible Securities shall be sold, transferred or withdrawn, as the case may be, before any Account Shares which are Reinvestment Eligible Securities are sold, transferred or withdrawn unless the Participant gives specific instructions to the contrary in connection with such sale, transfer or withdrawal of Account Shares.

ARTICLE VI

Eligible Securities

Section 6.1. Eligible Securities. The following debt and equity securities of the Company and its subsidiaries shall be Eligible Securities:

- (i) Common Stock; and
- (ii) First Mortgage Bonds, 9.15% Series due 2021.

Section 6.2. Additional Eligible Securities. The Company may from time to time or at any time designate other debt or equity securities of the Company and its subsidiaries as Eligible Securities by notifying the Administrator in writing of the designation of such securities as Eligible Securities.

ARTICLE VII

Treatment of Accounts

Section 7.1. Changing Plan Options. A Participant may elect to change his Plan options, including (i) changing the reinvestment levels (i.e., full, partial or none) of Dividends and Interest on Reinvestment Eligible Securities and (ii) changing the designation of Reinvestment Eligible Securities, by delivering to the Administrator written or facsimile instructions or a new Enrollment Form to that effect. To be effective with respect to any Dividend or Interest payment, the instructions or Enrollment Form with respect to such Reinvestment Eligible Securities must be received by the Administrator on or before the record date relating to such Dividend and/or Interest. If the instructions or Enrollment Form are not received by the Administrator on or before the record date relating to such Dividend and/or Interest, such instructions shall not become effective until after the payment of such Dividend and/or Interest. The shares of Common Stock purchased from the reinvestment of such Dividend and/or Interest shall be credited to the Participant's Account. After the Administrator's receipt of effective option changing instructions, Dividends and Interest on Reinvestment Eligible Securities as to which the reinvestment election has been revoked will be paid in cash or with regard to Dividends on Common Stock, by direct deposit to the Participant's designated direct deposit account, if such Participant has elected the direct deposit option pursuant to Section 7.7 hereof.

Section 7.2. Right of Withdrawal. A Participant may, at any time or from time to time, withdraw from the Plan all or any part (other than fractions) of his Account Shares by delivering to the Administrator (i) appropriate withdrawal instructions to that effect, if such Participant will be the record holder of such Account Shares after withdrawal or (ii) written instructions specifying the recipient's name, address, Social Security number and telephone number (or such items as required by the Administrator) and a stock assignment (stock power) to that effect, if the Participant will not be the record holder of such Account Shares after withdrawal. Subject to the limitations described in the immediately following paragraph, within two business days of the Administrator's receipt of (i) appropriate withdrawal instructions or (ii) appropriate written transfer instructions and a stock assignment (stock power), as the case

may be, which indicates the Participant's desire to withdraw certain of his whole Account Shares, the Administrator shall mail by First Class Mail to the Participant at his address of record, or to the address of any Person that the Participant designated, certificates representing such designated Account Shares.

If withdrawal instructions with regard to Account Shares which are not Reinvestment Eligible Securities are received by the Administrator on or after the record date relating to a Dividend Payment Date but before the Dividend Payment Date, the withdrawal shall be processed as described above, and the Administrator shall, as soon as practicable following the receipt of Dividends paid on the withdrawn Account Shares, mail a check for such Dividends by First Class Mail to the Participant at his address of record or directly deposit such Dividends in the Participant's designated direct deposit account, if such Participant has elected the direct deposit option pursuant to Section 7.7 hereof. If withdrawal instructions with regard to Account Shares which are also Reinvestment Eligible Securities are received by the Administrator on or after the record date relating to a Dividend Payment Date but before the Dividend Payment Date, the shares of Common Stock purchased from the reinvestment of such Dividends shall be credited to the Participant's Account, and (i) if the Participant's withdrawal instructions cover less than all of his Account Shares, the withdrawal shall be processed as described above in the immediately preceding paragraph or (ii) if the Participant's withdrawal instructions cover all of his whole Account Shares, the withdrawal instructions shall not be processed until after such Dividends have been reinvested pursuant to the Plan and the shares of Common Stock purchased therewith have been credited to his Account. In the case of clause (ii) of the immediately preceding sentence, the Administrator shall mail by First Class Mail to the Participant at his address of record, or to the address of any Person that the Participant designated, certificates representing the withdrawn Account Shares as soon as practicable following such Dividend Payment Date.

Withdrawal of Account Shares shall not affect reinvestment of Dividends on the Account Shares withdrawn unless (i) the Participant is no longer the record holder of such Account Shares, (ii) such reinvestment is changed by the Participant by delivering to the Administrator written or facsimile instructions or an Enrollment Form to that effect pursuant to Section 7.1 hereof or (iii) the Participant has terminated his participation in the Plan.

Section 7.3. Right of Termination of Participation. If a Participant's written, telephone or facsimile instructions to the Administrator indicate the Participant's desire to terminate his participation in the Plan, the Administrator shall treat such request as a withdrawal of all of such Participant's whole Account Shares pursuant to Section 7.2 hereof. As soon as practicable after receipt of termination instructions, the Administrator, in addition to mailing certificates representing all whole Account Shares, if any, pursuant to Section 7.2 hereof, shall mail by First Class Mail to the Participant at his address of record a check for an amount equal to the sum of (i) the amount of cash credited to such Participant's Account pending investment in Common Stock and (ii) the cash value of any fraction of a share of Common Stock credited to his Account. Such fraction of a share shall be valued at the Company Share Purchase Price for the trading day immediately preceding the date of termination.

Section 7.4. Stock Splits, Stock Dividends and Rights Offerings. Any shares or other securities representing stock splits or other noncash distributions on Account Shares shall

be credited to such Participant's Account. Stock splits, combinations, recapitalizations and similar events affecting the Common Stock shall, as to shares credited to Accounts of Participants, be credited to such Accounts on a pro rata basis. In the event of a rights offering, a Participant shall receive rights based upon the total number of whole shares of Common Stock credited to his Account.

Section 7.5. Shareholder Materials; Voting Rights. The Administrator shall send or forward to each Participant all applicable proxy solicitation materials, other shareholder materials or consent solicitation materials. Participants shall have the exclusive right to exercise all voting rights respecting Account Shares credited to their respective Accounts. A Participant may vote any of his whole Account Shares in person or by proxy. A Participant's proxy card shall include his whole Account Shares and shares of Common Stock of which he is the record holder. Account Shares shall not be voted unless a Participant or his proxy votes them. Fractions of shares of Common Stock shall not be voted.

Solicitation of the exercise of Participants' voting rights by the management of the Company and others under a proxy or consent provision applicable to all holders of Common Stock shall be permitted. Solicitation of the exercise of Participants' tender or exchange offer rights by management of the Company and others shall also be permitted. The Administrator shall notify the Participants of each occasion for the exercise of their voting rights or rights with respect to a tender offer or exchange offer within a reasonable time before such rights are to be exercised. Such notification shall include all information distributed to the shareholders of the Company by the Company regarding the exercise of such rights.

Section 7.6. Statements of Account. As soon as practicable after each calendar quarter, the Administrator shall send to each Participant a quarterly Statement of Account. Additionally, the Administrator shall send a confirmation to each Participant promptly after each cash investment, deposit of Common Stock into the Plan pursuant to Section 4.1 hereof or sale, transfer or withdrawal of Account Shares by such Participant. The Administrator need not confirm Dividend and Interest reinvestments individually but shall confirm any such reinvestments on quarterly Statements of Account.

Section 7.7. Direct Deposit Option. A Participant may elect to have any Dividends on Account Shares not being reinvested in Common Stock pursuant to the Plan paid by electronic direct deposit to the Participant's predesignated bank, savings or credit union account. To receive such direct deposit of funds, a Participant must complete and return a Direct Deposit Authorization Form to the Administrator. Direct deposit authorization must be received by the Administrator at least 30 days before an applicable Dividend Payment Date to be effective for that Dividend Payment Date. Participants can cancel direct deposit of Dividends by notifying the Administrator in writing or by facsimile. In order to be effective for an applicable Dividend Payment Date, the Administrator must receive the cancellation notice at least 30 days before that Dividend Payment Date. To change a designated bank, savings or credit union account for direct deposit of Dividends, the Administrator must receive written notice, accompanied by a voided check or deposit slip for the new bank account, at least 30 days before an applicable Dividend Payment Date.

Section 7.8. Automatic Investing Option. A Participant may elect to make automatic monthly or quarterly investments of a specified amount (not less than \$50 per purchase nor more than \$120,000 per calendar year) by electronic automatic transfer of funds from a predesignated bank, savings or credit union account. A Participant must complete an Automatic Investing Authorization Form and return it to the Administrator at least 30 days before initiating automatic investing. Automatic investing deductions shall be made two business days before the Investment Date. A Participant shall be charged a returned check fee by his bank if the designated bank, savings or credit union account does not have sufficient funds to cover the authorized deduction.

A Participant may change the amount of his automatic investment by notifying the Administrator in writing or by facsimile of the new amount, and the change shall be effective approximately two weeks after the notice is received. A Participant may cancel automatic investing by instructing the Administrator in writing or by facsimile to cancel the automatic investing, and the cancellation shall be effective approximately two weeks after the notice is received. To change a designated bank, savings or credit union account, a Participant must notify the Administrator in writing, by telephone or by facsimile at least 30 days before the change is to take effect and supply a voided check or deposit slip for the new account.

ARTICLE VIII

Certificates and Fractions of Shares

Section 8.1. Certificates. Shares of Common Stock purchased for a Participant will be held in an automated, electronic record keeping system by the Administrator in its name or the name of its nominee. The number of shares, including fractional shares, held for each Participant will be shown on each Statement of Account. A Participant, at any time or from time to time, may request in writing, by telephone or by facsimile to receive a certificate for all or a portion of his whole Account Shares. The Administrator shall mail such certificate(s) within two business days after the receipt of such request to such Participant at his address of record; provided, however, that upon the mailing of such certificate(s) the shares of Common Stock represented by such certificate shall no longer be Account Shares but shall remain Reinvestment Eligible Securities (to the extent such Participant has elected to have Dividends on such Account Shares reinvested in Common Stock).

Section 8.2. Fractional Shares. Fractions of shares of Common Stock shall be credited to Accounts as provided in Article III hereof; provided, however, that no certificate for a fraction of a share shall be distributed to any Participant at any time; and provided, further, that the Company shall issue and sell only whole shares of Common Stock to the Administrator in respect of Dividends and Interest reinvested in, and purchases made by the Administrator hereunder of, newly issued shares or shares of Common Stock held in the Company's treasury.

Section 8.3. Fractional Share Account. In the event that, upon a Participant's termination of participation in the Plan, the Account of such Participant is credited with a fraction of a share of Common Stock, such fraction of a share shall be purchased by the Administrator for the Fractional Share Account at the Company Share Purchase Price determined as of the trading date specified in Section 7.3, 9.1 or 9.4 hereof, as the case may be, and the

proceeds thereof shall be remitted to such Participant as set forth in Section 7.3, 9.1 or 9.4 hereof, respectively. The Company shall from time to time credit the Fractional Share Account with such amounts of money as may be necessary to fund such purchases for the Fractional Share Account; provided, however, that the Company may, at any time or from time to time, direct the Administrator to repay, and thereupon the Administrator shall repay to the Company such portion of the cash as the Company may, in its discretion, deem to be in excess of the amount needed to fund the operations of the Fractional Share Account.

As set forth in Section 3.5 hereof, on each Investment Date, the Administrator shall first apply the aggregate amount of optional cash investments, initial cash investments, Dividends and Interest to the purchase of all currently existing Fractional Account Shares. If the remaining aggregate amount of optional cash investments, initial cash investments, Dividends and Interest is not sufficient to purchase a whole number of shares of Common Stock, the Company shall provide to the Administrator, as agent for the Company, such additional amount of money as may be necessary to enable the Administrator (or the Independent Agent, as the case may be) to purchase an additional share of Common Stock. The fraction of a share that has been purchased with funds provided by the Company shall be credited to the Fractional Share Account, and the remaining fraction of a share shall be allocated among the Participants' Accounts as necessary.

ARTICLE IX

Concerning the Plan

Section 9.1. Suspension, Modification and Termination. The Company may at any time and from time to time, at its sole option, suspend, modify, amend or terminate the Plan, in whole, in part or in respect of Participants in one or more jurisdictions; provided, however, no such amendment shall decrease the Account of any Participant or result in a distribution to the Company of any amount credited to the Account of any Participant. Upon complete termination of the Plan, the Accounts of all Participants (or in the case of partial termination of the Plan, the Accounts of all affected Participants) shall be treated as if each such Participant had elected to terminate his participation in the Plan pursuant to Section 7.3 hereof, except that any fraction of a share of Common Stock shall be valued as of the trading date immediately preceding the date on which the Plan is terminated. The Administrator shall promptly send each affected Participant notice of such suspension, modification or termination.

Section 9.2. Rules and Regulations. The Company may from time to time adopt such administrative rules and regulations concerning the Plan as it deems necessary or desirable for the administration of the Plan. The Company shall have the power and authority to interpret the terms and the provisions of the Plan and shall interpret and construe the Plan and reconcile any inconsistency or supply any omitted detail in a manner consistent with the general terms of the Plan and applicable law.

Section 9.3. Costs. All costs of administration of the Plan shall be paid by the Company; provided, however, that any brokerage commissions, service charges or applicable taxes incurred in connection with open market purchases and sales of shares of Common Stock made under the Plan shall be borne by the Participants.

Section 9.4. Termination of a Participant. If a Participant does not have at least one whole Account Share or own or hold any other Reinvestment Eligible Securities, the Participant's participation in the Plan may be terminated by the Company, in its sole discretion, after written notice is mailed to such Participant at his address of record. Additionally, the Company, in its sole discretion, may terminate any Participant's participation in the Plan after written notice mailed in advance to such Participant at his address of record. Upon such termination, the Account of such Participant shall be treated as if he had elected to terminate his participation in the Plan pursuant to Section 7.3 hereof, except that any fraction of a share of Common Stock shall be valued as of the trading date immediately preceding the date on which such Participant's participation is terminated.

Section 9.5. Interpretation of Plan. With respect to any matter relating to the Plan, including, without limitation, the timing and pricing of purchases and sales of Common Stock for Participants, the written provisions of the Plan as set forth herein shall be controlling. None of the Company, the Administrator or any Independent Agent shall be liable for a Participant's reliance on any oral statement that is inconsistent with the written provisions of the Plan as set forth herein.

ARTICLE X

Administration of the Plan

Section 10.1. Selection of an Administrator. The Administrator shall be appointed by the Company. The Administrator's appointment to serve as such may be revoked by the Company at any time. The Administrator may resign at any time upon reasonable notice to the Company. In the event that no Administrator is appointed, the Company shall be deemed to be the Administrator for purposes of the Plan. The Company shall be the initial Administrator.

Section 10.2. Compensation. The officers of the Company shall make such arrangements regarding compensation, reimbursement of expenses and indemnification of the Administrator and any Independent Agent as they from time to time deem reasonable and appropriate.

Section 10.3. Authority and Duties of Administrator. The Administrator shall have the authority to undertake any act necessary to fulfill its duties as set forth in the various provisions of the Plan. Upon receipt, the Administrator shall deposit all Dividends, Interest, optional cash investments and initial cash investments in the Trust Account. The Administrator shall maintain appropriate records of the Accounts of Participants and the Fractional Share Account.

Section 10.4. Liability of the Company, the Administrator and Any Independent Agent. The Company, the Administrator and any Independent Agent shall not be liable for any act done in good faith, or for the good faith omission to act in administering or performing their duties with respect to the Plan, including, without limitation, any claim of liability arising out of failure to terminate a Participant's Account upon such Participant's death prior to receipt of notice in writing of such death, or with respect to the prices at which shares are purchased or sold

for a Participant's Account and the times when such purchases and sales are made, or with respect to any loss or fluctuation in the market value after the purchase or sale of such shares.

Section 10.5. Records and Reports. The Administrator shall keep appropriate records concerning the Plan, Accounts of Participants, purchases and sales of Common Stock made under the Plan and Participants' addresses of record and shall send Statements of Account and confirmations to each Participant in accordance with the provisions of Section 7.6 hereof.

Section 10.6. Selection of Independent Agent. Any Independent Agent serving in such capacity pursuant to the Plan shall be selected by the Company, and the Administrator and the Company, or either of them, shall, subject to the provisions of Section 3.3 hereof, make such arrangements and enter into such agreements with the Independent Agent in connection with the activities contemplated by the Plan as the Administrator and the Company, or either of them, deem reasonable and appropriate.

Section 10.7. Source of Shares of Common Stock. The Company shall not change the source of shares of Common Stock purchased by Participants in the Plan (i.e., either (i) newly issued shares of Common Stock or shares of Common Stock held in the Company's treasury purchased from the Company or (ii) shares of Common Stock purchased in the open market) more than once in any three-month period. At any time that the source of shares of Common Stock purchased in the Plan are shares purchased in the open market, the Company shall not exercise its right to change the source of shares absent a determination by the Company's Board of Directors or Finance Committee of the Board of Directors that the Company has a need to raise additional capital or there is another compelling reason for a change.

ARTICLE XI

Trust Agreement

Section 11.1. Continuation of Trust Account. The Company has previously created with the Trustee a trust consisting of all Dividends, Interest, optional cash investments and initial cash investments deposited by the Administrator in that certain non-interest bearing trust account (together with all Dividends, Interest, optional cash investments and initial cash investments deposited therein from time to time, the "Trust Account") established by the Company at JPMorgan Chase Bank Texas, account no. 0010-091-2428, or such other non-interest bearing accounts as the Company may establish from time to time hereunder with any commercial bank organized under the laws of the United States or any state, which commercial bank must have assets in excess of \$500,000,000. The Trust Account is hereby continued.

Section 11.2. Acceptance of Trust. This provision is no longer applicable.

Section 11.3. Successor Trustees. The person serving at any particular time as the Chief Financial Officer of the Company shall be the trustee of the trust hereunder. Therefore, if any person who is serving as trustee for any reason ceases to serve as Chief Financial Officer of the Company, that person shall also be deemed to have ceased to serve as trustee hereunder, and the successor Chief Financial Officer of the Company shall be the trustee hereunder. If the

situation arises, under the preceding part of this Section 11.3 or otherwise, in which no trustee is either serving or designated to serve hereunder, a trustee of the trust shall be appointed by the Company in accordance with Section 11.4 or, if the Company fails to appoint a successor within sixty (60) days of receiving notification that a vacancy has occurred, a trustee for the trust shall be appointed in accordance with applicable law.

Section 11.4. Method of Appointment by Company. The appointment of a successor trustee hereunder by the Company shall be accomplished by (i) an instrument in writing appointing such successor trustee, executed by the Company, together with a certified copy of resolutions of the Board of Directors of the Company to such effect and (ii) an acceptance in writing of the office of successor trustee hereunder executed by the successor so appointed. The Company shall send notice of such appointment to the Administrator. Any successor trustee hereunder may be either a corporation authorized and empowered to exercise trust powers or one or more individuals.

Section 11.5. Removal of Trustee. Any person or entity serving as trustee may be removed as such by the Company at any time, with or without cause, effective sixty (60) days after delivery of written notice to the trustee, but such notice may be waived by the trustee. Such removal shall be effected by delivering to the trustee a written notice of removal executed by the Company and by giving notice to the trustee of the appointment of a successor trustee in the manner set forth in Section 11.4.

Section 11.6. Resignation of Trustee. Any person or entity serving as trustee may resign as such, effective sixty (60) days after delivery of notice thereof in writing to the Company.

Section 11.7. Trustee Defined. As used or applied below in this Article XI, the term "Trustee" refers collectively to the one or ones at any particular time serving as the trustee or trustees of the trust. The neuter gender is used in referring to that term.

Section 11.8. General Duties of the Company. The Company shall provide the Trustee with a true and correct copy of the Plan and true and correct copies of any amendments to the Plan promptly upon their adoption and shall certify to the Trustee the names and specimen signatures of any person who shall have authority to control and manage the operation and administration of the Plan on behalf of the Administrator.

Section 11.9. General Duties and Powers of the Trustee. No bond or other security shall ever be required of the Trustee.

The Trustee shall keep accurate and detailed records of receipts and disbursements and other transactions affecting the Trust Account, and shall make disbursements from the Trust Account at such times, to such persons (including the Administrator) and in such amounts as the Administrator shall direct in writing. All such disbursements shall comply with the provisions of the Plan and no disbursement shall be made which would cause any property in the Trust Account to be used or diverted for purposes not consistent with the provisions of the Plan.

The Trustee shall, in the Trustee's sole and absolute discretion, perform such other acts as the Trustee may deem necessary or proper for the protection of the Trust Account and, except to the extent inconsistent with the provisions of the Plan, may exercise all such further rights and powers as may be granted to trustees generally under the Texas Trust Code.

Section 11.10. Liability of Trustee. The Trustee shall use ordinary care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. The Trustee shall not be liable or responsible for any loss sustained by the Trust Account by reason of the insolvency of the financial institution holding such account or for acting without question on the direction of, or failing to act in the absence of any direction from, the Administrator or any person with authority to act on behalf of the Administrator, unless the Trustee knows that by such action or failure to act he or she will be in breach of his or her fiduciary duty. The Trustee shall not be responsible in any respect for the administration of the Plan.

The duties and obligations of the Trustee hereunder shall be governed solely by the terms of this Article XI, and no implied covenants or obligations shall be read into this Article XI against the Trustee.

Section 11.11. Transfer of Trust Account to Successor. Upon resignation or removal, the Trustee shall transfer and deliver control over the Trust Account and all records relating to the Trust Account to the successor trustee of the trust. All of the provisions set forth herein with respect to the Trustee shall relate to each successor trustee hereunder with the same force and effect as if such successor trustee had been originally named herein as the Trustee hereunder.

Section 11.12. Trustee's Compensation. The officers of the Company shall make such arrangements regarding compensation, reimbursement of expenses and indemnification of the Trustee as they from time to time deem reasonable and appropriate.

ARTICLE XII

Miscellaneous Provisions

Section 12.1. Controlling Law. This Plan shall be construed, regulated and administered under the laws of the State of Texas.

Section 12.2. Acceptance of Terms and Conditions of Plan by Participants. Each Participant, by completing an Enrollment Form and as a condition of participation herein, for himself, his heirs, executors, administrators, legal representatives and assigns, approves and agrees to be bound by the provisions of this Plan and any subsequent amendments hereto, and all actions of the Company and the Administrator hereunder.

IN WITNESS WHEREOF, CENTERPOINT ENERGY, INC. has amended and restated the ICP in the form of this CenterPoint Energy, Inc. Second Amended and Restated Investor's Choice Plan and has executed this Plan and continued the trust contemplated herein as evidenced by the signature affixed hereto of its Executive Vice President and Chief Financial Officer, Gary L. Whitlock, and Gary L. Whitlock, individually as Trustee, has evidenced his acceptance of the trust contemplated herein and has agreed to the terms of the trust as evidenced by his signature affixed hereto, effective as of September 1, 2004.

CENTERPOINT ENERGY, INC.

By: /s/ Gary L. Whitlock

Name: Gary L. Whitlock
Title: Executive Vice President
and Chief Financial Officer

TRUSTEE:

/s/ Gary L. Whitlock

Gary L. Whitlock, Trustee

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement of CenterPoint Energy, Inc. (the "Company") on Form S-3 of our reports dated March 12, 2004 (which reports express an unqualified opinion and include explanatory paragraphs relating to the distribution of Reliant Energy, Inc. (formerly Reliant Resources, Inc.), the change in the Company's method of accounting for goodwill and certain intangible assets pursuant to the adoption of Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" and the recording of asset retirement obligations), appearing in the Company's Current Report on Form 10-K filed March 12, 2004, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Houston, Texas
November 8, 2004