

2006 CenterPoint Energy  
Annual Shareholders Meeting

Remarks by:

Milton Carroll  
CenterPoint Energy  
Chairman of the Board

May 25, 2006

Slide: 2006  
Annual  
Shareholders  
Meeting

Good morning, ladies and gentlemen.

Slide: Milton  
Carroll,  
Chairman of  
the Board

I'm Milton Carroll, Chairman of the Board of CenterPoint Energy. Welcome to our 2006 Annual Shareholders' Meeting. On behalf of the entire Board and management team, thank you for investing in CenterPoint Energy, and thank you for joining us today.

I hereby officially call this meeting to order.

I would like to begin by introducing your company's Board of Directors. I would like the directors, please stand when I call your name.

Slide: Board  
of Directors

- First we have **Donald R. Campbell**. Mr. Campbell is a private investor who previously served as a director and Chief Financial Officer of Sanders Morris Harris Group and as Vice Chairman of the Board and Chief Financial Officer of Pinnacle Global Group. He also served as a director of our former subsidiary Texas Genco. He joined CenterPoint Energy's Board last year and currently serves on the Audit and Compensation Committees.
- Next we have **Mr. John T. Cater**. Mr. Cater is a private investor and former Chairman of Compass Bank - Houston. He is the Chairman of our Compensation Committee and also serves on the Governance Committee. He has the longest tenure of any director, having served on the Board of CenterPoint Energy and its predecessor companies since 1983.
- **Mr. Derrill Cody**. Mr. Cody is of counsel to the law firm of Tomlinson & O'Connell in Oklahoma City. He is the former CEO of Texas Eastern Gas Pipeline Company and is now a director of DCP Midstream General Partnership. Mr. Cody has been a CenterPoint director since 2003 and serves on the Compensation and Governance Committees.
- **Mr. Holcombe Crosswell**. Mr. Crosswell is president of Griggs Corporation, a real estate and investment company in Houston. He previously served as a director of NorAm Energy Corporation. He has been a Board member of CenterPoint Energy and its predecessor companies since 1997. Mr. Crosswell serves on the Audit and Governance Committees.

- **Ms. Janiece Longoria.** Ms. Longoria is a partner in the Houston law firm of Ogden, Gibson, White, Broocks & Longoria. She has a concentration of experience in commercial and securities-related litigation and regulatory matters. She has served as a commissioner of the Port of Houston Authority since 2002. Ms. Longoria became a CenterPoint Energy director in 2005, and she serves on the Audit and Finance Committees.
  
- **Mr. Thomas F. Madison.** Mr. Madison is President and CEO of MLM Partners, a small business consulting and investments company in Minneapolis. He formerly served as Vice Chairman of Minnesota Mutual Life Insurance Company and was President of US West Communications Markets until his retirement. Mr. Madison serves on the Compensation and Finance Committees, and he has been a Board member since 2003.
  
- **Mr. David M. McClanahan** is President and CEO of CenterPoint Energy. He has served on the Board since October, 2002.
  
- **Mr. Robert T. O’Connell** is a consultant focusing on finance, strategy and business development. He serves as a director of Gulfmark Offshore and formerly served as a director of RWD Technologies. Until his retirement, he served as Chief Financial Officer of General Motors and Chairman of General Motors Acceptance Corporation. Having joined the CenterPoint Energy Board in 2004, he chairs the Finance Committee and he serves on the Audit Committee.
  
- **Mr. Michael E. Shannon.** Mr. Shannon joined the Board in 2003. He is President of ME Shannon & Associates, a corporate financial advisory services and investments company in Houston. Until his retirement, he served as Chairman of the Board and Chief Financial and Administrative Officer of Ecolab, a Fortune 500 specialty chemical company. Mr. Shannon is chairman of the Audit Committee and serves on the Finance Committee.
  
- **Mr. Peter S. Wareing.** Mr. Wareing is a co-founder and partner of the private equity firm Wareing, Athon & Company. He is the Chairman of the Board of Gulf Coast Pre-Stress and of Texas Concrete Management, Vice Chairman of the Board of Nordic Cold Storage, and an officer and director of several privately-owned businesses. He has served as a CenterPoint director since 2005 and is a member of the Finance and Governance Committees.

- And I have served on the Boards of CenterPoint Energy and its predecessor companies since 1992. I am the founder and Chairman of Instrument Products Inc., an oilfield equipment manufacturing company. I also serve on the boards of Healthcare Service Corporation, EGL, Inc. and DCP Midstream General Partnership. I am Chairman of our Board's Governance Committee, and I serve on the Compensation Committee.

Now, I'd like to recognize former directors and company officers who have joined us this morning. I saw Mr. Horne. Mr. Horne spent twenty plus years on our Board as a very distinguished director, and we're happy to have Howard here. If I missed anyone else, forgive me.

In accordance with our Corporate Governance Guidelines, the majority of our directors – ten out of eleven – are independent. Only Mr. McClanahan is an officer of the Company. The other directors have no material relationship with the Company other than their positions on the Board. To ensure open and candid discussion, these independent directors regularly meet in executive sessions without CenterPoint Energy's management. Last year, the full Board met 13 times, and the committees met a total of 27 times. We had excellent attendance and participation from all directors.

Last year, you may remember, we strengthened our Board by adding three new directors – Don Campbell, Janiece Longoria and Peter Wareing. Recently, the Board agreed that Mr. John Cater and Mr. Tom Madison, two of our most experienced senior members, should complete their full terms before retiring. I'm pleased that the Board made this decision, and I want to thank both Tom and John for agreeing to delay their retirements and continue to serve.

To increase the knowledge of our members and to help ensure that we are familiar with the latest information and new regulations and trends, we encourage all Board members to attend continuing education courses and seminars. These programs cover a wide spectrum of business issues and Board responsibilities. Our directors have been very active in attending these seminars.

Your Board has four standing committees: Audit, Compensation, Finance and Governance. These committees are composed entirely again of independent directors, and each of our independent directors serves on at least two committees. Last year, we reviewed and updated the committee charters, which are posted on the Company's Web site on our Investors page under Corporate Governance. These charters give a thorough description of the responsibilities of each committee.

Finally, I'd like to say I'm pleased with the progress we've made this past year. Your Board of Directors remains focused on the Company's strategic direction to ensure that CenterPoint Energy's priorities are appropriate as we monitor the Company's business performance.

And now here to conduct the business of the meeting, to report on the financial and operating performance of your Company and to share with you CenterPoint Energy's accomplishments, challenges and opportunities is the President and Chief Executive Officer of CenterPoint Energy, Mr. David McClanahan.