

2007 CenterPoint Energy
Annual Shareholders Meeting

Remarks by:

Milton Carroll
CenterPoint Energy
Chairman of the Board

May 24, 2007

Good morning, ladies and gentlemen.

I'm Milton Carroll, Chairman of the Board of CenterPoint Energy. Welcome to CenterPoint Energy's 2007 Annual Meeting of Shareholders. 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 today by introducing your company's Board of Directors:

Directors, please stand when I call your name.

Donald R. 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 Holdings. Don joined CenterPoint Energy's Board in 2005 and serves on the Audit and Compensation Committees.

Derrill 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 currently serves as a director of DCP Midstream GP. Mr. Cody has been a CenterPoint Energy director since 2003 and is a member of the Compensation and Governance Committees.

Holcombe Crosswell is president of Griggs Corporation, a real estate and investment company in Houston. He previously served as a director of NorAm Energy Corp. He has been a Board member of CenterPoint Energy and its predecessor companies since 1997. Mr. Crosswell serves on the Audit and Governance Committees.

Janiece Longoria is a partner in the Houston law firm of Ogden, Gibson, 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 has served as a CenterPoint Energy director since 2005 and serves on the Audit and Finance Committees.

Thomas F. 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 has been a Board member since 2003.

David M. McClanahan is President and CEO of CenterPoint Energy, having served on the Board since October, 2002.

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 as Chairman and CEO of General Motors Acceptance Corporation. Bob joined the Board in 2004 and chairs the Finance Committee and serves on the Audit Committee.

Michael E. 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.

Recently, the Board agreed that Mike Shannon should continue service as a director until the annual meeting in 2009. I want to thank Mike for agreeing to serve for this additional period of time.

Peter S. Wareing is 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 other privately-owned businesses. He has served as a CenterPoint director since 2005 and is a member of the Finance and Governance Committees.

I have served on the Boards of CenterPoint Energy and its predecessor companies since 1992. I am the founder and Chairman of Instrument Products, an oilfield equipment manufacturer in Houston. I also serve on the boards of Healthcare Service Corporation, EGL, Inc. and Halliburton Company. I serve on the Compensation Committee and am Chairman of our Governance Committee.

Finally, **Mr. John T. Cater**, would you please stand? John is retiring today as a director of your Company. He has served with distinction on the Board of CenterPoint Energy and predecessor companies since May 1983. John has seen a tremendous amount of change during his tenure as director. When he first came on the board, we were Houston Industries with our principal subsidiary, Houston Lighting & Power, being a fully integrated electric utility. He gave his counsel to the company as we moved into the gas business with the acquisition of NorAm in 1997. He was here with the renaming of the company to Reliant Energy, the emergence of electric restructuring in Texas and then the creation of CenterPoint Energy with the spinoff of Reliant Resources. At every step, he was probing, challenging and thoughtful. John, we thank you for your dedication and tireless commitment to the Company over these past 24 years.

Now, I'd like to recognize other former directors and company officers who have joined us this morning: I see Howard Horne and Tom McDade.

I hope I didn't miss anyone. Please accept my apologies if I did.

In accordance with our Corporate Governance Guidelines, the majority of our directors – nine out of ten – are independent. Only our CEO, David 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, the independent directors regularly meet in executive sessions without CenterPoint Energy management. Last year, the full Board met 12 times, and the committees met a total of 27 times. We had excellent attendance and participation from all our directors.

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. Each committee is composed entirely of independent directors. Each of our independent directors serves on two committees. The charters of each committee are posted on the Company's Web site. These charters give a thorough description of the responsibilities of each committee.

Your Board continues to focus on the Company's strategic direction to ensure that CenterPoint Energy's priorities are appropriate as we monitor the Company's business performance. We also remain focused on the Company's ethics and compliance program to ensure that we operate with the highest ethical standards. I'm pleased with the Company's strong performance and the progress over this past year.

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