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July 8, 2005

001166.1319

Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549
Attention: Filing Desk

Dora B. Tognarelli
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Re: Memorandum in Response to Staff Comments

Ladies and Gentlemen:

On behalf of CenterPoint Energy, Inc. (the "Company"), we transmit herewith for electronic filing via the EDGAR system under the Securities Act of 1933, as amended, a memorandum and attachments setting forth the Company's responses to the comments of the staff of the Securities and Exchange Commission in its comment letter dated June 30, 2005.

Please contact Gerald M. Spedale (713.229.1734), James H. Mayor (713.229.1749) or the undersigned (713.229.1433) of the firm Baker Botts L.L.P., counsel to the Company, with any questions or comments you may have regarding the enclosed. In addition, please send copies of all written correspondence with the Company directly to Mr. Gerald M. Spedale, Baker Botts L.L.P., One Shell Plaza, 910 Louisiana Street, Houston, Texas 77002 (fax number: 713.229.7734), with a copy to Steven R. Loeshelle, counsel to the dealer manager, at Dewey Ballantine LLP, 1301 Avenue of the Americas, New York, New York 10019 (fax number: 212.259.6161).

Very truly yours,

BAKER BOTTS L.L.P.

By: /s/ Dora B. Tognarelli

Dora B. Tognarelli

cc: Mr. Rufus S. Scott
CenterPoint Energy, Inc.

Mr. Gerald M. Spedale
Ms. Margo S. Scholin
Mr. James H. Mayor
Baker Botts L.L.P.

Mr. Steven R. Loeshelle
Dewey Ballantine LLP

CENTERPOINT ENERGY, INC.

MEMORANDUM IN RESPONSE TO STAFF COMMENTS

Amendment No. 2 to Registration Statement on Form S-4
(Registration No. 333-123182)
Filed June 22, 2005

This memorandum sets forth the responses of CenterPoint Energy, Inc. (the Company) to the comment of the staff (the Staff) of the Securities and Exchange Commission (the Commission) in its comment letter dated June 30, 2005 (the Comment Letter) relating to the Company's Registration Statement (No. 333-123182) on Form S-4 (the Registration Statement) that was originally filed on March 8, 2005, Amendment No. 1 to the Registration Statement (Amendment No. 1) that was filed on May 26, 2005, Amendment No. 2 to the Registration Statement (Amendment No. 2) that was filed on June 22, 2005, CenterPoint Energy Houston Electric, LLC's Form 10-K for the fiscal year ended December 31, 2004 (File No. 1-03187) and CenterPoint Energy Resources Corp.'s Form 10-K for the fiscal year ended December 31, 2004 (File No. 1-13265). For your convenience, we have repeated the comment of the Staff as given in the Comment Letter, and set forth below such comment is the response of the Company.

CENTERPOINT ENERGY HOUSTON, LLC - FORM 10-K FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2004

1. Please refer to our comment 6 in our letter dated June 9, 2005. Provide to us the calculations supporting the \$226 million income recognition related to the debt component of the true-up balance. In this regard, your historical financial statements appear to support a lower debt-to-equity ratio than what was actually recorded. We may have further comment.

RESPONSE: Attached as Exhibit A are actual interest calculations by month for total interest at a rate of 11.075% and at the debt rates of 7.59%, 7.18%, and 6.05% for 2002, 2003, and 2004, respectively. The debt rates are derived from the Earnings Monitoring Report, which is filed annually with the Public Utility Commission of Texas. This report reflects only the transmission and distribution operations of CenterPoint Energy Houston Electric, LLC ("CEHE"), excluding (i) the operations of the Transition Bond Company, a wholly-owned subsidiary of CEHE, and (ii) for periods prior to January 1, 2004, the effects of the True-Up Proceeding. Attached as Exhibit B is a schedule showing the capital structure and the weighted average cost of debt for 2002, 2003, and 2004 used in this calculation.

EXHIBIT A

CENTERPOINT ENERGY HOUSTON ELECTRIC
 TOTAL EARNED INTEREST CALCULATION
 DECEMBER 2004

RATE/MONTH

Interest Rate @ 11.075%	2002	0.008791374
	2003	0.008791374
	2004	0.008791374

	PRINCIPAL		INTEREST		Total Principal & Interest
	Cumulative	(P&I) * rate Month	Order on Rehearing Adjustments	Cumulative	
DECEMBER 2001	707,270,358			0	707,270,358
JANUARY 2002	728,737,718	6,217,878	(6,217,878)	0	728,737,718
FEBRUARY	782,028,140	6,406,606	(6,080,157)	326,449	782,354,589
MARCH	836,006,506	6,877,972	(6,222,204)	982,217	836,988,723
APRIL	894,605,924	7,358,281	(6,370,299)	1,970,200	896,576,124
MAY	933,633,155	7,882,136	(6,559,019)	3,293,317	936,926,472
JUNE	998,610,172	8,236,871	(6,575,673)	4,954,516	1,003,564,688
JULY	1,047,956,770	8,822,713	(6,820,461)	6,956,768	1,054,913,538
AUGUST	1,105,474,784	9,274,140	(6,927,836)	9,303,071	1,114,777,856
SEPTEMBER	1,161,500,756	9,800,429	(7,107,049)	11,996,451	1,173,497,207
OCTOBER	1,205,933,651	10,316,653	(7,273,146)	15,039,959	1,220,973,610
NOVEMBER	1,245,487,277	10,734,036	(7,337,323)	18,436,673	1,263,923,949
DECEMBER	1,302,997,583	11,111,629	(7,358,604)	22,189,697	1,325,187,280
JANUARY 2003	1,354,966,621	11,650,217	(4,592,000)	29,247,914	1,384,214,536
FEBRUARY	1,393,156,467	12,169,148	(4,592,000)	36,825,063	1,429,981,530
MARCH	1,439,200,395	12,571,503	(4,592,000)	44,804,566	1,484,004,960
APRIL	1,481,521,765	13,046,443	(4,592,000)	53,259,009	1,534,780,773
MAY	1,522,187,245	13,492,832	(4,592,000)	62,159,841	1,584,347,086
JUNE	1,574,129,437	13,928,588	(4,592,000)	71,496,429	1,645,625,866
JULY	1,620,425,087	14,467,313	(4,592,000)	81,371,742	1,701,796,830
AUGUST	1,670,765,104	14,961,133	(4,592,000)	91,740,876	1,762,505,979
SEPTEMBER	1,724,141,178	15,494,850	(4,592,000)	102,643,725	1,826,784,903
OCTOBER	1,769,189,840	16,059,950	(4,592,000)	114,111,675	1,883,301,516
NOVEMBER	1,811,647,847	16,556,809	(4,592,000)	126,076,484	1,937,724,331
DECEMBER	1,861,498,062	17,035,260	(4,592,000)	138,519,744	2,000,017,806
JANUARY 2004	1,881,255,337	17,582,905		156,102,649	2,037,357,987
FEBRUARY	1,902,977,024	17,911,177		174,013,826	2,076,990,851
MARCH	1,921,762,810	18,259,604		192,273,430	2,114,036,240
APRIL	1,942,679,927	18,585,284		210,858,714	2,153,538,641
MAY	1,964,052,892	18,932,564		229,791,279	2,193,844,170
JUNE	1,984,087,128	19,286,905		249,078,184	2,233,165,312
JULY	2,007,379,260	19,632,592		268,710,776	2,276,090,036
AUGUST	2,031,463,869	20,009,960		288,720,736	2,320,184,604
SEPTEMBER	2,130,350,809	20,397,611		309,118,347	2,439,469,157
OCTOBER	2,151,597,550	21,446,287		330,564,634	2,482,162,183
NOVEMBER	2,169,962,414	21,821,617		352,386,251	2,522,348,665
DECEMBER 1 - 17, 2004	2,178,467,782	12,160,435		364,546,686	2,543,014,468
DECEMBER 18 - 31, 2004	2,083,833,692	10,014,476		374,561,162	2,458,394,854

CENTERPOINT ENERGY HOUSTON ELECTRIC
DEBT COMPONENT OF INTEREST CALCULATION
DECEMBER 2004

	RATE/MONTH	
Interest Rate @ 7.59%	2002	0.006114113
6.18%	2003	0.005796230
6.05%	2004	0.004906939

	PRINCIPAL & INTEREST	(P&I) * rate Month	Interest Order on Rehearing Adjustments	RATE/MONTH
	Cumulative		Cumulative	
DECEMBER 2001	707,270,358		0	
JANUARY 2002	728,737,718	4,324,331	(4,099,502)	224,829
FEBRUARY	782,354,589	4,455,584	(4,008,701)	671,713
MARCH	836,988,723	4,783,404	(4,102,353)	1,352,763
APRIL	896,576,124	5,117,443	(4,199,994)	2,270,213
MAY	936,926,472	5,481,767	(4,324,419)	3,427,562
JUNE	1,003,564,688	5,728,474	(4,335,399)	4,820,637
JULY	1,054,913,538	6,135,908	(4,496,790)	6,459,755
AUGUST	1,114,777,856	6,449,860	(4,567,583)	8,342,032
SEPTEMBER	1,173,497,207	6,815,877	(4,685,740)	10,472,170
OCTOBER	1,220,973,610	7,174,894	(4,795,249)	12,851,815
NOVEMBER	1,263,923,949	7,465,170	(4,837,561)	15,479,425
DECEMBER	1,325,187,280	7,727,773	(4,851,592)	18,355,606
JANUARY 2003	1,384,214,536	7,681,090	(3,027,546)	23,009,150
FEBRUARY	1,429,981,530	8,023,226	(3,027,546)	28,004,831
MARCH	1,484,004,960	8,288,502	(3,027,546)	33,265,787
APRIL	1,534,780,773	8,601,634	(3,027,546)	38,839,875
MAY	1,584,347,086	8,895,942	(3,027,546)	44,708,272
JUNE	1,645,625,866	9,183,240	(3,027,546)	50,863,966
JULY	1,701,796,830	9,538,426	(3,027,546)	57,374,846
AUGUST	1,762,505,979	9,864,006	(3,027,546)	64,211,306
SEPTEMBER	1,826,784,903	10,215,890	(3,027,546)	71,399,651
OCTOBER	1,883,301,516	10,588,466	(3,027,546)	78,960,570
NOVEMBER	1,937,724,331	10,916,049	(3,027,546)	86,849,074
DECEMBER	2,000,017,806	11,231,496	(3,027,546)	95,053,024
JANUARY 2004	2,037,357,987	9,813,965		104,866,989
FEBRUARY	2,076,990,851	9,997,191		114,864,180
MARCH	2,114,036,240	10,191,667		125,055,847
APRIL	2,153,538,641	10,373,447		135,429,294
MAY	2,193,844,170	10,567,282		145,996,576
JUNE	2,233,165,312	10,765,059		156,761,636
JULY	2,276,090,036	10,958,006		167,719,641
AUGUST	2,320,184,604	11,168,635		178,888,276
SEPTEMBER	2,439,469,157	11,385,004		190,273,280
OCTOBER	2,482,162,183	11,970,326		202,243,606
NOVEMBER	2,522,348,665	12,179,818		214,423,424
DECEMBER 1 - 17, 2004	2,543,014,468	6,787,393		221,210,817
DECEMBER 18 - 31, 2004	2,458,394,854	5,589,618		226,800,435
Interest calculated at 11.075% rate in total				374,561,162
Equity component of interest income to be recorded over recovery period				147,760,727

NOTES AND ASSUMPTIONS:

Order on Rehearing adjustments were assumed to apply to the debt component ratably.

The Debt component is the WACD from the EMR filed annually. 2004 is estimated. Interest follows method used in the final order docket 29526. Interest is calculated based on the prior month's ending balance.

EXHIBIT B

CENTERPOINT ENERGY HOUSTON ELECTRIC
WEIGHTED AVERAGE COST OF CAPITAL APPROVED IN DOCKET 29526
TRUE UP BALANCE

	Capital Structure	Cost	UCOS Weighted Average Cost	PUC Approved Rate

UCOS 2002				
Long-term Debt	60%	6.92%	4.15%	4.152%
Equity	40%	11.25%	4.50%	6.923%

Total	100%		8.65%	11.075%
ACTUAL 2002 (EMR SCHEDULE V)				
Long-term Debt	71.39%	10.63%	7.59%	
Equity	28.61%	11.25%	3.22%	

Total	100.00%		10.81%	
ACTUAL 2003 (EMR SCHEDULE V)				
Long-term Debt	69.32%	10.36%	7.18%	
Equity	30.68%	11.25%	3.45%	

Total	100.00%		10.63%	
ESTIMATED 2004 (EMR SCHEDULE V)*				
Long-term Debt	61.42%	9.85%	6.05%	
Equity	38.58%	11.25%	4.34%	

Total	100.00%		10.39%	

* The EMR had not been finalized at the time the calculation was made.