

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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): JANUARY 25, 2005

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

TEXAS
(State or other jurisdiction
of incorporation)

1-31447
(Commission File Number)

74-0694415
(IRS Employer
Identification No.)

1111 LOUISIANA
HOUSTON, TEXAS
(Address of principal executive offices)

77002
(Zip Code)

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

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

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

ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.

Forms of agreements for non-qualified stock option awards, restricted stock awards, performance share awards and performance unit awards, including the applicable goals and objectives, under the Long-Term Incentive Plan of CenterPoint Energy, Inc. and a form of notice for non-qualified stock option awards under the CenterPoint Energy, Inc. 1994 Long Term Incentive Compensation Plan are attached hereto as exhibits and are incorporated by reference herein.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

The exhibits listed below are filed herewith.

(c) Exhibits.

- 10.1 Form of Non-Qualified Stock Option Award Agreement under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
- 10.2 Form of Restricted Stock Award Agreement under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
- 10.3 Form of Performance Share Award under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
- 10.4 Form of Performance Unit Award under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
- 10.5 Summary of Performance Objectives for Awards under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
- 10.6 Form of Non-Qualified Stock Option Award Notice under the CenterPoint Energy, Inc. 1994 Long-Term Incentive Compensation Plan.

SIGNATURE

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

CENTERPOINT ENERGY, INC.

Date: January 25, 2005

By: /s/ James S. Brian

James S. Brian
Senior Vice President and
Chief Accounting Officer

EXHIBIT INDEX

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
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10.4	Form of Performance Unit Award under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
10.5	Summary of Performance Objectives for Awards under the Long-Term Incentive Plan of CenterPoint Energy, Inc.
10.6	Form of Non-Qualified Stock Option Award Notice under the CenterPoint Energy, Inc. 1994 Long-Term Incentive Compensation Plan.

CENTERPOINT ENERGY, INC.
LONG-TERM INCENTIVE PLAN

NONQUALIFIED STOCK OPTION AWARD AGREEMENT

Pursuant to this Award Agreement, CENTERPOINT ENERGY, INC. (the "Company") hereby grants to [NAME] (the "Optionee"), an employee of the Company, on [GRANT DATE] (the "Grant Date"), a right (the "Option") to purchase from the Company [NUMBER] shares of Common Stock of the Company at \$[OPTION STRIKE PRICE] per share (the "Exercise Price"), pursuant to the Long-Term Incentive Plan of CenterPoint Energy, Inc. (the "Plan"), with such number of shares and such price per share being subject to adjustment as provided in Section 14 of the Plan, and further subject to the following terms and conditions:

1. RELATIONSHIP TO THE PLAN; DEFINITIONS.

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

"DISABILITY" means a physical or mental impairment of sufficient severity such that the Optionee is both eligible for and in receipt of benefits under the long-term disability provisions of the Company's benefit plans.

"EMPLOYMENT" means employment with the Company or any of its Subsidiaries.

"OPTION PERIOD" means the period commencing upon the Optionee's receipt of this Award Agreement and ending on the date on which the Option expires pursuant to Section 3(a).

"OPTION SHARES" means the shares of Common Stock covered by this Award Agreement.

"RETIREMENT" means termination of Employment on or after attainment of age 55 and with at least five years of service with the Company.

2. EXERCISE AND VESTING SCHEDULE.

(a) This Option shall become exercisable in three cumulative annual installments, as follows:

(i) [NUMBER] of the Option Shares shall become exercisable on [DATE],

(ii) an additional [NUMBER] of the Option Shares shall become exercisable on [DATE], and

(iii) the remaining [NUMBER] Option Shares shall become exercisable on [DATE];

provided, however, that the Optionee must be in continuous Employment through the date of exercisability of each installment in order for the Option to become exercisable with respect to additional shares of Common Stock on such date.

(b) This Option shall become fully exercisable, irrespective of the limitations set forth in subparagraph (a) above, upon termination of Employment of the Optionee due to death, Disability, or Retirement, provided that prior to such termination the Optionee had been in continuous Employment.

3. EXPIRATION OF OPTION.

(a) Expiration of Option Period. The Option Period shall expire on [10TH ANNIVERSARY OF GRANT DATE].

(b) Termination of Employment Due to Death or Disability. Upon termination of Employment of the Optionee due to death or Disability, the Option shall expire upon the earlier of one year following the date of termination of Employment or expiration of the Option Period.

(c) Termination of Employment Due to Retirement. Upon termination of Employment of the Optionee because of Retirement, the Option shall expire upon the earlier of three years following the date of termination of Employment or expiration of the Option Period.

(d) Termination of Employment by the Company or Due to Resignation. Upon termination of Employment of the Optionee by the Company or any of its Subsidiaries for any reason or due to voluntary

resignation by the Optionee, the portion of the Option not exercisable shall expire immediately, and the portion of the Option exercisable upon termination shall expire upon the earlier of 90 days following the date of termination of Employment or the expiration of the Option Period.

(e) Death Following Termination of Employment. Notwithstanding anything herein to the contrary, in the event the Optionee dies following termination of Employment but prior to the expiration of the Option pursuant to this Section 3, the portion of the Option exercisable upon the Optionee's death shall expire one year following the date of the Optionee's death or, if earlier, upon the expiration of the Option Period.

4. CASH PAYMENT UPON A CHANGE OF CONTROL. Notwithstanding anything herein to the contrary, upon or immediately prior to the occurrence of a Change of Control, the Option, unless previously expired pursuant to Section 3, shall be settled by a cash payment to the Optionee equal to the difference between (i) the Fair Market Value per share of Common Stock on the date immediately preceding the date on which the Change of Control occurs and (ii) the Exercise Price of the Option, multiplied by the total number of unexercised Option Shares, regardless of whether such Option Shares have become exercisable under Section 2. Such cash payment shall satisfy the rights of the Optionee and the obligations of the Company under this Award Agreement in full.

5. EXERCISE OF OPTION. Subject to the limitations set forth herein and in the Plan, this Option may be exercised pursuant to the procedures set forth by the Committee. Unless otherwise permitted by the Committee, upon exercise the Optionee shall provide to the Company or its designated representative, cash, check or money order payable to the Company equal to the full amount of the purchase price for any shares of Common Stock being acquired or, at the election of the Optionee, Common Stock held by such Optionee for at least six months equal in value to the full amount of the purchase price (or any combination of cash, check, money order or such Common Stock). For purposes of determining the amount, if any, of the purchase price satisfied by payment in Common Stock, such Common Stock shall be valued at its Fair Market Value on the date of exercise. Any Common Stock delivered in satisfaction of all or a portion of the purchase price shall be appropriately endorsed for transfer and assignment to the Company. The Company shall have the right to withhold applicable taxes from compensation otherwise payable to the Optionee at the time of exercise pursuant to Section 11 of the Plan.

6. NOTICES. For purposes of this Award Agreement, notices to the Company shall be deemed to have been duly given upon receipt of written notice by the corporate secretary of the Company at 1111 Louisiana, Houston, Texas 77002, or to such other address as the Company may furnish to the Optionee. Notice of exercise of the Option must be made to the person and in the manner set forth by the Committee.

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

7. SHAREHOLDER RIGHTS. The Optionee shall have no rights of a shareholder with respect to shares of Common Stock subject to the Option unless and until such time as the Option has been exercised and vested and ownership of such shares of Common Stock has been transferred to the Optionee.

8. SUCCESSORS AND ASSIGNS. This Award Agreement shall bind and inure to the benefit of and be enforceable by the Optionee, the Company and their respective permitted successors and assigns except as expressly prohibited herein and in the Plan. Notwithstanding anything herein or in the Plan to the contrary, all or a portion of the Option is transferable by Optionee to Immediate Family Members, Immediate Family Member Trusts, and Immediate Family Member Partnerships pursuant to Section 13 of the Plan.

9. NO EMPLOYMENT GUARANTEED. Nothing in this Award Agreement shall give the Optionee any rights to (or impose any obligations for) continued Employment by the Company or any Subsidiary thereof or successor thereto, nor shall it give such entities any rights (or impose any obligations) with respect to continued performance of duties by the Optionee.

10. MODIFICATION OF AGREEMENT. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company.

CENTERPOINT ENERGY, INC.
LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK AWARD AGREEMENT

Pursuant to this Award Agreement, CENTERPOINT ENERGY, INC. (the "Company") hereby grants to [NAME] (the "Participant"), an employee of the Company, on [GRANT DATE] (the "Grant Date"), [NUMBER] restricted shares of Common Stock of the Company (the "Restricted Stock"), pursuant to the LONG-TERM INCENTIVE PLAN OF CENTERPOINT ENERGY, INC. (the "Plan"), with such number of shares being subject to adjustment as provided in Section 14 of the Plan, and further subject to the terms, conditions and restrictions described in the Plan and as follows:

1. RELATIONSHIP TO THE PLAN; DEFINITIONS.

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

"DISABILITY" means a physical or mental impairment of sufficient severity such that the Participant is both eligible for and in receipt of benefits under the long-term disability provisions of the Company's benefit plans.

"EMPLOYMENT" means employment with the Company or any of its Subsidiaries.

"RETIREMENT" means termination of Employment on or after attainment of age 55 and with at least five years of service with the Company.

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

3. VESTING OF RESTRICTED STOCK. Unless earlier forfeited or vested in accordance with Section 4 below or receipt of a cash payment pursuant to Section 5 below, the Participant's right to receive 100% of the shares of Restricted Stock shall vest on [DATE].

The Participant must be in continuous Employment through the vesting date in order for the Restricted Stock to vest on such date; otherwise, all such shares shall be forfeited as of the Participant's termination date.

4. ACCELERATED VESTING AND FORFEITURE. If, prior to the vesting of the shares of Restricted Stock pursuant to Section 3 above and prior to the Participant's receipt of any cash payment pursuant to Section 5 below, the Participant's Employment is terminated due to (a) death, (b) Disability, or (c) Retirement, then the Participant shall vest in the right to receive a number of the shares of Restricted Stock determined by multiplying (i) the total number of shares of Restricted Stock granted under this Award Agreement by a (ii) fraction, the numerator of which is the number of days that have elapsed from the Grant Date, and the denominator of which is the total number of days in the vesting period (which commences on the Grant Date and ends on the date the shares would have fully vested under Section 3). Such vested shares of Restricted Stock shall be delivered to the Participant as soon as practicable following the Participant's termination date. All remaining unvested shares of Restricted Stock as of the Participant's termination date shall be forfeited as of such date.

5. CASH PAYMENT UPON A CHANGE OF CONTROL. Notwithstanding anything herein to the contrary, upon or immediately prior to the occurrence of any Change of Control of the Company, the Participant's right to receive the shares of Restricted Stock shall be settled by a cash payment to the Participant equal to the product of (i) the Fair Market Value per share of Common Stock on the date immediately preceding the date on which the Change of Control occurs and (ii) the number of shares of Restricted Stock not previously vested or forfeited pursuant to Section 3 or Section 4 above. Such cash payment shall satisfy the rights of the Participant and the obligations of the Company under this Award Agreement in full.

6. PAYMENT OF AWARD. Upon the vesting of the Participant's right to receive the shares of Restricted Stock pursuant to Section 3 or Section 4 of this Award Agreement, a number of shares of Common Stock equal to the number of vested shares of Restricted Stock shall be registered in the name of the Participant and certificates representing such Common Stock shall be delivered to the Participant as soon as practicable after the date upon which the Participant's right to such shares vested according to the provisions of Section 3 or Section 4 above. The Company shall have the right to withhold applicable taxes from any such payment of the Restricted Stock (including, but not limited to, from any amounts payable as provided in the following paragraph in respect of dividends) or from other compensation payable to the Participant at the time of such vesting and delivery pursuant to Section 11 of the Plan.

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

above or the Participant becomes entitled to a cash payment under Section 5 above prior to becoming vested under Section 3 above, upon delivery of shares of Common Stock representing Restricted Stock pursuant to the foregoing paragraph of this Section 6 or payment of a cash payment under Section 5 above, as applicable, the Participant shall also be entitled to receive a cash payment equal to the sum of all dividends, if any, announced or paid on such shares of Restricted Stock after the Grant Date but prior to the date such shares of Common Stock are delivered to the Participant.

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

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

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

9. SHAREHOLDER RIGHTS. The Participant shall have no rights of a shareholder with respect to the Restricted Stock, unless and until the Participant is registered as the holder of shares of Common Stock representing such Restricted Stock on the records of the Company, as provided in Section 6 of this Award Agreement.

10. SUCCESSORS AND ASSIGNS. This Award Agreement shall bind and inure to the benefit of and be enforceable by the Participant, the Company and their respective permitted successors and assigns except as expressly prohibited herein and in the Plan. Notwithstanding anything herein or in the Plan to the contrary, the shares of Restricted Stock are transferable by the Participant to Immediate Family Members, Immediate Family Member Trusts, and Immediate Family Member Partnerships pursuant to Section 13 of the Plan.

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

12. MODIFICATION OF AGREEMENT. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company.

CENTERPOINT ENERGY, INC.
LONG-TERM INCENTIVE PLAN

PERFORMANCE SHARE AWARD
20XX - 20XX PERFORMANCE CYCLE

Pursuant to this Award Agreement, CENTERPOINT ENERGY, INC. (the "Company") hereby grants to [NAME] (the "Participant"), an employee of the Company, [NUMBER] performance shares of Common Stock (the "Target Performance Shares"), such number of shares being subject to adjustment as provided in Section 14 of the Long-Term Incentive Plan of CenterPoint Energy, Inc. (the "Plan"), conditioned upon the Company's achievement of the Performance Objectives over the course of the 20XX - 20XX Performance Cycle pursuant to the Plan, and subject to the following terms and conditions:

1. RELATIONSHIP TO THE PLAN; DEFINITIONS.

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

"20XX - 20XX PERFORMANCE CYCLE" means the period from January 1, 20XX to December 31, 20XX.

"ACHIEVEMENT PERCENTAGE" means the percentage of achievement determined by the Committee in accordance with Section 3 that reflects the extent to which the Company achieved the Performance Objectives during the performance cycle applicable to this Award Agreement.

"DISABILITY" means a physical or mental impairment of sufficient severity such that the Participant is both eligible for and in receipt of benefits under the long-term disability provisions of the Company's benefit plans.

"EMPLOYMENT" means employment with the Company or any of its Subsidiaries.

"PERFORMANCE OBJECTIVES" means the standards established by the Committee to determine whether and to what extent the Participant's right to Performance Shares shall vest, which are attached hereto and made a part hereof for all purposes.

"PERFORMANCE SHARES" means the shares of Common Stock potentially deliverable to Participant pursuant to this Award Agreement.

"RETIREMENT" means termination of Employment on or after attainment of age 55 and with at least five years of service with the Company.

"TARGET PERFORMANCE SHARES" means the actual number of Performance Shares initially granted to the Participant pursuant to this Award Agreement, with such number of Performance Shares to be awarded to the Participant at the close of the 20XX - 20XX Performance Cycle if the Company attains an Achievement Percentage of 100%.

"VESTED PERFORMANCE SHARES" means the shares of Common Stock awarded to Participant following Participant's satisfaction of the vesting provisions of Section 4 and, if applicable, the determination by the Committee of the extent to which the Company has achieved the Performance Objectives for the 20XX - 20XX Performance Cycle pursuant to Section 3.

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

3. AWARD OPPORTUNITY. The Performance Objectives established for the 20XX - 20XX Performance Cycle are attached hereto and made a part hereof for all purposes. Except as otherwise provided in Sections 4 and 5, the number of Performance Shares awarded to Participant shall be the product of the number of Target Performance Shares and a percentage (the "Achievement Percentage") that is based upon the Committee's determination of whether and to what extent the Company achieves the Performance Objectives during the 20XX - 20XX Performance Cycle.

As soon as practicable after the close of the 20XX - 20XX Performance Cycle, the Committee shall determine the extent to which the Company has achieved the Performance Objectives. If the Company has performed at or above the threshold level of achievement, the Achievement Percentage shall be between

50% and 150%, with a target level of achievement resulting in an Achievement Percentage of 100%. If the Company has performed below the threshold level of achievement, the Achievement Percentage shall be 0%. In no event shall the Achievement Percentage exceed 150%. Upon completing its determination of the level at which the Performance Objectives have been achieved, the Committee shall notify the Participant of the number of Vested Performance Shares that will be issued to the Participant pursuant to Section 6.

4. VESTING OF PERFORMANCE SHARES.

(a) Unless earlier forfeited or vested in accordance with paragraph (b) or Section 5, Participant's right to receive Performance Shares shall vest upon Participant's receipt of written notice from the Committee, as required by Section 3, of the level at which the Performance Objectives established for the 20XX - 20XX Performance Cycle have been achieved. Such notice shall be given by the Committee as soon as practical after the close of the 20XX - 20XX Performance Cycle in accordance with the terms of the Plan and this Award Agreement.

(b) If Participant's Employment is terminated prior to the close of the 20XX - 20XX Performance Cycle:

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

(ii) due to death, Disability, or Retirement, Participant's right to receive the Target Performance Shares shall vest at the time of such termination in the same proportion as the number of days elapsed in the 20XX - 20XX Performance Cycle as of the date of such termination of Employment bears to the total number of days in the 20XX - 20XX Performance Cycle and shall be delivered to Participant as soon as possible following such termination. Participant's right to receive additional Performance Shares shall be forfeited at such time.

5. CASH PAYMENT UPON A CHANGE OF CONTROL. Notwithstanding anything herein to the contrary, upon or immediately prior to the occurrence of any Change of Control of the Company prior to the end of the 20XX - 20XX Performance Cycle, Participant's right to receive Performance Shares, unless previously forfeited pursuant to Section 4, shall be settled by a cash payment to Participant equal to the product of (i) the Fair Market value per share of Common Stock on the date immediately preceding the date on which the Change of Control occurs and (ii) 150% of the number of Target Performance Shares. Such cash payment shall satisfy the rights of Participant and the obligations of the Company under this Award Agreement in full.

6. PAYMENT OF AWARD.

(a) If Participant's right to receive Performance Shares has vested pursuant to Section 4, a number of shares of Common Stock equal to the number of Vested Performance Shares shall be registered in the name of the Participant and certificates representing such Common Stock shall be delivered to the Participant as soon as practical after the date upon which the Participant's right to such shares vested according to the provisions of Section 4. The Company shall have the right to withhold applicable taxes from any such payment of Vested Performance Shares or from other compensation payable to the Participant at the time of such vesting and delivery pursuant to Section 11 of the Plan.

(b) Upon delivery of the Vested Performance Shares pursuant to paragraph (a), above, Participant shall also be entitled to receive a cash payment equal to the sum of all dividends, if any, announced or paid on the Vested Performance Shares after the commencement of the 20XX - 20XX Performance Cycle but prior to the date the Vested Performance Shares are delivered to the Participant.

7. NOTICES. For purposes of this Award Agreement, notices to the Company shall be deemed to have been duly given upon receipt of written notice by the corporate secretary of the Company at 1111 Louisiana, Houston, Texas 77002, or to such other address as the Company may furnish to the Participant.

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

8. SHAREHOLDER RIGHTS. The Participant shall have no rights of a shareholder with respect to the Performance Shares, unless and until the Participant is registered as the holder of shares of Common Stock representing the Vested Performance Shares on the records of the Company as provided in Section 6.

9. SUCCESSORS AND ASSIGNS. This Award Agreement shall bind and inure to the benefit of and be enforceable by the Participant, the Company and their respective permitted successors and assigns except as expressly prohibited herein and in the Plan. Notwithstanding anything herein or in the Plan to the contrary, the Performance Shares are transferable by the Participant to Immediate Family Members, Immediate Family Members Trusts, and Immediate Family Member Partnerships pursuant to Section 13 of the Plan.

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

11. MODIFICATION OF AGREEMENT. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company.

CENTERPOINT ENERGY, INC.
LONG-TERM INCENTIVE PLANPERFORMANCE UNIT AWARD
20XX - 20XX PERFORMANCE CYCLE

Pursuant to this Award Agreement, CENTERPOINT ENERGY, INC. (the "Company") hereby grants to [NAME] (the "Participant"), an employee of the Company, [NUMBER] performance units representing the right to receive Common Stock or cash ("Performance Units"), such number of Performance Units being subject to adjustment as provided in Section 14 of the Long-Term Incentive Plan of CenterPoint Energy, Inc. (the Plan), conditioned upon the Company's achievement of the Performance Objectives over the course of the 20XX-20XX Performance Cycle pursuant to the Plan, and subject to the following terms and conditions:

1. RELATIONSHIP TO THE PLAN; DEFINITIONS.

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

"20XX-20XX PERFORMANCE CYCLE" means the period from January 1, 20XX to December 31, 20XX.

"CUMULATIVE PERFORMANCE LEVEL" means the Company's combined level of achievement for all of the Performance Objectives over the course of the 20XX-20XX Performance Cycle, as determined by the Committee pursuant to the procedure set forth in Section 2.

"DISABILITY" means a physical or mental impairment of sufficient severity such that the Participant is both eligible for and in receipt of benefits under the long-term disability provisions of the Company's benefit plans.

"EMPLOYMENT" means employment with the Company or any of its Subsidiaries.

"PAYOUT VALUE" means the value of each Performance Unit to which Participant has a vested right following Participant's satisfaction of the vesting provisions of Section 3, determined in accordance with Section 2.

"PERFORMANCE OBJECTIVES" means the standards established by the Committee to measure the performance of the Company over the course of the 20XX-20XX Performance Cycle, which are attached hereto and made a part hereof for all purposes, that will be used to determine the Payout Value of the Performance Units.

"RETIREMENT" means termination of Employment on or after attainment of age 55 with at least five years of service with the Company.

"TARGET LEVEL" means the Company's attainment of a Cumulative Performance Level of 100%.

"THRESHOLD LEVEL" means the Company's attainment of a Cumulative Performance Level of 50%.

2. AWARD OPPORTUNITY. The Payout Value of each Performance Unit shall be based on the Company's Cumulative Performance Level of achievement of the Performance Objectives over the course of the 20XX-20XX Performance Cycle as determined by the Committee. The Performance Objectives established for the 20XX-20XX Performance Cycle are attached hereto and made a part hereof for all purposes. As soon as practicable after the close of the 20XX-20XX Performance Cycle, the Committee shall determine the extent to which the Company has achieved the Performance Objectives. For each individual Performance Objective, the Committee shall determine an objective-specific percentage of achievement, ranging from 50% for the threshold level of achievement to a maximum of 150%, with a target level of achievement resulting in 100% achievement. If the Company's performance for a Performance Objective is below the threshold level, the percentage of achievement for that Performance Objective shall be 0%. A combined level of achievement for all of the Performance Objectives (the "Cumulative Performance Level") shall be determined by weighting the percentages of achievement for each Performance Objective according to the pre-determined weighting factors assigned to each Performance Objective, which are attached hereto. If the Cumulative Performance Level is at or above the Threshold Level of performance, then the Payout Value shall be between \$50 and \$150 depending upon the actual level of performance, with achievement at the Target Level of performance resulting in a Payout Value of \$100. In no event shall the Payout Value exceed \$150. If the Cumulative Performance Level is below the Threshold Level of performance, the Payout Value shall be \$0. Upon completing its determination of the Payout Value, the Committee shall notify the Participant of the Payout Value and the number of shares of Common Stock and/or the amount of cash that will therefore be delivered to the Participant pursuant to Section 5.

3. VESTING OF PERFORMANCE UNITS.

(a) Unless earlier forfeited or vested in accordance with paragraph (b) or Section 4, Participant's right to Performance Units shall vest upon Participant's receipt of written notice from the Committee, as required by Section 2, of the Payout Value of such Performance Units. Such notice shall be given by the Committee as soon as practical following the close of the 20XX-20XX Performance Cycle in accordance with the terms of the Plan and this Award

Agreement.

(b) If Participant's Employment is terminated prior to the close of the 20XX-20XX Performance Cycle:

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

(ii) due to death, Disability, or Retirement, Participant's right to Performance Units shall vest at the time of such termination in the same proportion as the number of days elapsed in the 20XX-20XX Performance Cycle as of the date of such termination of Employment bears to the total number of days in the 20XX-20XX Performance Cycle, and the shares of Common Stock and/or cash then payable to the Participant pursuant to Section 5 shall be delivered to participant as soon as possible after such termination. The Payout Value of such vested Performance Units shall be the value at the Target Level of performance as set forth in Section 2. Participant's right to receive additional Performance Units shall be forfeited at such time.

4. CASH PAYMENT UPON A CHANGE OF CONTROL. Notwithstanding anything herein to the contrary, upon or immediately prior to the occurrence of any Change of Control of the Company prior to the end of the 20XX-20XX Performance Cycle, Participant's right to receive Performance Units, unless previously forfeited pursuant to Section 3, shall be settled by a cash payment to Participant equal to the product of the number of Performance Units granted hereunder and the maximum Payout Value as set forth in Section 2. Such cash payment shall satisfy the rights of Participant and the obligations of the Company under this Award Agreement in full.

5. PAYMENT OF AWARD.

(a) If Participant's right to Performance Units has vested pursuant to Section 3, Participant shall be entitled to receive payment in one of the following forms, to be decided by the Committee:

(i) a number of shares of Common Stock equal to (x) the product of the Payout Value and the number of Performance Units granted hereunder, divided by (y) the Fair Market Value of Common Stock (rounded down to the nearest whole share) on the date the Committee determines the Payout Value pursuant to Section 2;

(ii) a cash payment equal to the product of the Payout Value and the number of Performance Units granted hereunder; or

(iii) any combination of (i) and (ii), above, the combined Fair Market Value of which is not to exceed the product of the Payout Value and the number of Performance Units granted hereunder.

Any shares of Common Stock so awarded shall be registered in the name of the Participant, and any certificates representing such Common Stock and/or payment of cash shall be delivered to the Participant as soon as practical after the Participant has vested pursuant to Section 3. The Company shall have the right to withhold applicable taxes from any such payment of cash or Common Stock, or from other compensation payable to the Participant, at the time of such vesting and delivery pursuant to Section 11 of the Plan.

(b) Upon delivery of shares of Common Stock and/or a cash payment to Participant pursuant to Section 4 or paragraph (a), above, Participant shall also be entitled to receive a cash payment equal to the sum of all dividends paid, if any, on such shares of Common Stock after the commencement of the 20XX-20XX Performance Cycle but prior to the date such shares of Common Stock are delivered to the Participant.

6. NOTICES. For purposes of this Award Agreement, notices to the Company shall be deemed to have been duly given upon receipt of written notice by the corporate secretary of the Company at 1111 Louisiana, Houston, Texas 77002, or to such other address as the Company may furnish to the Participant.

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

7. SHAREHOLDER RIGHTS. The Participant shall have no rights of a shareholder with respect to the shares of Common Stock potentially granted hereunder unless and until the Participant is registered as the holder of shares of Common Stock on the records of the Company as provided in Section 5.

8. SUCCESSORS AND ASSIGNS. This Award Agreement shall bind and inure to the benefit of and be enforceable by the Participant, the Company and their respective permitted successors and assigns except as expressly prohibited herein and in the Plan. Notwithstanding anything herein or in the Plan to the contrary, the Performance Shares are transferable by the Participant to Immediate Family Members, Immediate Family Members Trusts, and Immediate Family Member Partnerships pursuant to Section 13 of the Plan.

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

10. MODIFICATION OF AGREEMENT. Any modification of this Award Agreement shall be binding only if evidenced in writing and signed by an authorized representative of the Company.

SUMMARY OF PERFORMANCE OBJECTIVES FOR AWARDS UNDER THE LONG-TERM INCENTIVE PLAN OF CENTERPOINT ENERGY, INC.

Distributions pursuant to Performance Unit Awards and Performance Share Awards:

- o for the 2002 - 2004 performance cycle are based on (i) a total shareholder return measure of CenterPoint Energy, Inc. compared to a peer group of companies in which at least 80% of revenues are generated from regulated operations (the "Total Shareholder Return Measure") and (ii) operating cash flow of CenterPoint Energy, Inc. ("Operating Cash Flow"), weighted 40% for the Total Shareholder Return Measure and 60% for Operating Cash Flow, for all participants other than those employed by Texas Genco Holdings, Inc. Distributions for participants employed by Texas Genco Holdings, Inc. are based on the Total Shareholder Return Measure, a combined goal based on controlling operations and maintenance expenses and capital expenditures and a goal based on limiting forced outages, weighted 25%, 40% and 35%, respectively;
- o for the 2003 - 2005 performance cycle are based on the Total Shareholder Return Measure and Operating Cash Flow weighted 60% and 40%, respectively, for all participants; and
- o for the 2004 - 2006 performance cycle are based on a total shareholder return measure of CenterPoint Energy, Inc. compared to the companies in the S&P utility index for all participants.

[LOGO OF CENTERPOINT ENERGY, INC.]

1994 LONG-TERM INCENTIVE COMPENSATION PLAN

NON-QUALIFIED STOCK OPTION NOTICE

[Name]	Grant Date:
[Address]	Shares Granted:
	Stock Option Price:
	Last Date to Exercise:

We are pleased to inform you that the Compensation Committee of the Board has granted you an option to purchase CenterPoint Energy's common stock. Your grant has been made under the Company's 1994 Long-Term Incentive Compensation Plan (the "Plan"), which together with the terms contained in this Notice, sets forth the terms and conditions of your grant and is incorporated herein by reference. A copy of the Plan Summary is attached. Please review it carefully.

VESTING:

Subject to the terms of the Plan, shares vest according to the following vesting schedule:

DATE OF VEST	SHARES VEST	LAST DATE TO EXERCISE
- - - - -	- - - - -	- - - - -

EXERCISE:

You may exercise this Option, in whole or in part, to purchase a whole number of vested shares at any time, by following the exercise procedures set up by the Company. All exercises must take place before the Last Date to Exercise, or such earlier date as is set out in the Plan following your death, disability or your ceasing to be an employee. The number of shares you may purchase as of any date cannot exceed the total number of shares vested by that date, less any shares you have previously acquired by exercising this Option.

EMPLOYMENT REQUIREMENTS:

Standard: Upon termination of employment all vesting of shares on this grant will cease and the unvested portion are canceled. However, the vested portion shall remain exercisable for three (3) years from your date of termination or until the expiration of the grant [Date] which ever occurs first.

Death, Disability or Retirement: Upon termination after age 60 but prior to age 65 the vested portion of your Option shall remain exercisable for three (3) years from your date of termination or until the expiration of the grant [Date] which ever occurs first. However, if your termination is due to retirement at or after the age of 65, your option shall automatically become fully vested and will remain exercisable for three (3) years from your date of retirement or until the expiration of the grant [Date] which ever occurs first.

TAXES AND WITHHOLDING:

This option is not intended to be an Incentive Stock Option, as defined under Section 422(b) of the Internal Revenue Code. Therefore, upon exercise of a Non-Qualified Stock Option, you will need to remit payment for all taxes in accordance with the Long-Term Incentive Compensation Plan under which your Stock Option is granted.