

CENTERPOINT ENERGY INC

Form 11-K

June 27, 2007

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**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 11-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the Fiscal Year Ended December 31, 2006

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934 [NO FEE REQUIRED]**

For the transition period from _____ to _____

Commission file number 1-3187

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

CenterPoint Energy Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

**CenterPoint Energy, Inc.
1111 Louisiana Street
Houston, Texas 77002**

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Consent of McConnell & Jones LLP

Pursuant to Item 4 of Form 11-K, the financial statements and schedules referred to above have been prepared in accordance with regulations of the Employee Retirement Income Security Act of 1974.

Other supplemental schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

CenterPoint Energy Savings Plan

We have audited the accompanying statements of net assets available for benefits of the CenterPoint Energy Savings Plan (Plan) as of December 31, 2006 and 2005 and the related statement of changes in net assets available for benefits for the year ended December 31, 2006. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2006 and 2005 and the changes in net assets available for benefits for the year ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules, listed in the Table of Contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ McConnell & Jones LLP

Houston, Texas

June 22, 2007

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**CENTERPOINT ENERGY SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

| | December 31, | |
|--|----------------------|----------------------|
| | 2006 | 2005 |
| Assets | | |
| Investments, at fair value | \$ 1,329,579,251 | \$ 1,161,623,533 |
| Participant loans | 34,161,360 | 34,276,549 |
| Receivables: | | |
| Dividends and interest | 959,929 | 890,741 |
| Pending investment transactions | 2,729,530 | 4,695,563 |
| Employer contributions | 14,266,550 | 14,413,501 |
| Participant contributions | 2,001,378 | 2,038,490 |
| Total receivables | 19,957,387 | 22,038,295 |
| Total Assets | 1,383,697,998 | 1,217,938,377 |
| Liabilities | | |
| Pending investment transactions | 791,274 | 1,416,604 |
| Other | 414,077 | 328,714 |
| Total Liabilities | 1,205,351 | 1,745,318 |
| Net Assets Available for Benefits, at fair value | 1,382,492,647 | 1,216,193,059 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 2,210,402 | 2,240,541 |
| Net Assets Available for Benefits | \$ 1,384,703,049 | \$ 1,218,433,600 |

See Notes to Plan's Financial Statements.

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**CENTERPOINT ENERGY SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Investment Gain:

| | | |
|---------------------------------|---------------|--------------------|
| Dividends | \$ 33,957,776 | |
| Interest | 3,225 | |
| Net appreciation of investments | 187,679,484 | |
| Total investment gain | | \$ 221,640,485 |

Contributions:

| | | |
|-----------------------------|------------|-------------------|
| Participant contributions | 42,696,762 | |
| Employer contributions | 34,410,911 | |
| Total contributions | | 77,107,673 |
| Administrative expenses | | (2,172,062) |
| Benefit payments | | (130,306,647) |

| | |
|--|--------------------|
| Increase in Net Assets Available for Benefits | 166,269,449 |
|--|--------------------|

Net Assets Available for Benefits:

| | |
|----------------------------|----------------------|
| Beginning of Period | 1,218,433,600 |
|----------------------------|----------------------|

| | |
|----------------------|-------------------------|
| End of Period | \$ 1,384,703,049 |
|----------------------|-------------------------|

See Notes to Plan's Financial Statements.

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**CENTERPOINT ENERGY SAVINGS PLAN
NOTES TO FINANCIAL STATEMENTS**

1. Summary of the Plan

Description of the Plan

The following description of the CenterPoint Energy Savings Plan (Plan) provides only general information. Participants (as defined below) should refer to the Plan document for a more complete description of the Plan's provisions. In the case of any discrepancy between this summary and the Plan document, the Plan's provisions will govern.

General

The Plan is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Participants include all employees of CenterPoint Energy, Inc. (Company or CenterPoint Energy) and those subsidiaries and affiliates of the Company that have adopted the Plan except (a) employees covered by a collective bargaining agreement unless such agreement provides for participation in the Plan, (b) leased employees, (c) independent contractors or (d) non-resident aliens who receive no U.S. sourced income (Participants).

Contributions

Active Participants may contribute up to 16% of eligible compensation, as defined in the Plan. Active Participants age 50 or over may contribute an additional pre-tax contribution up to a total amount of \$5,000 for 2006. Participants may also contribute amounts representing rollover eligible distributions from other defined benefit or defined contribution plans, 403(b) annuity plans, 457 governmental plans or conduit Individual Retirement Accounts that have been holding a distribution from a qualified plan. Participants direct their contributions into the various eligible investment options offered by the Plan.

In general, the employer matching contribution is 75% of the first 6% of eligible compensation that the Participant contributes into the Plan. Additional discretionary matching contributions may be made of up to 50% of the first 6% of eligible compensation that the Participant contributes to the Plan. All employer matching contributions (including the discretionary match) are fully vested at all times.

Participants may elect to invest all or a portion of their contributions to the Plan in the Company Common Stock Fund. In addition, Participants may elect to have dividends paid on their investment in Company common stock either reinvested in the Company Common Stock Fund or paid to them in cash, and they can transfer all or part of their investment in Company Common Stock Fund to the other investment options offered by the Plan. Employer contributions are made in the form of cash and are invested in accordance with Participant elections.

Contributions are subject to certain limitations.

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Investment Options

The Plan offered the following investment funds (Funds):

Company Common Stock Fund

Large Company Growth Fund

Large Company Value Fund

International Equity Fund

Balanced Fund

Fixed Income Fund

Stable Value Fund

S&P 500 Index Fund

Small Company Fund

Reliant Energy, Inc. Common Stock Fund

Vanguard Target Retirement Fund

Vanguard Target Retirement 2005 Fund

Vanguard Target Retirement 2015 Fund

Vanguard Target Retirement 2025 Fund

Vanguard Target Retirement 2035 Fund

Vanguard Target Retirement 2045 Fund

Upon enrollment in the Plan, Participants may direct contributions (as permitted), in 1% increments, in any of the investment options, except for the Reliant Energy, Inc. Common Stock Fund (REI Stock Fund) which is closed to new contributions. Participants should refer to the Plan prospectus for a detailed description of each investment fund. During 2006, the Plan was amended to discontinue the REI Stock Fund as an investment option in the Plan. Participants with a balance in the REI Stock Fund had until December 29, 2006 to transfer their balance into any of the other investment options; otherwise such holdings were liquidated and transferred to the Stable Value Fund in 2007.

Participant Accounts

Individual accounts are maintained for each Participant. Each Participant's account is credited with the Participant's contributions and with allocations of the Company contributions and Plan earnings. Each Participant's account is also charged with an allocation of administrative expenses. Allocations are based on Participant account balances. A Participant is entitled to their vested account balance.

Vesting and Forfeitures

Participants are vested immediately in all contributions plus actual earnings thereon. As a result, there are no forfeitures available to reduce employer contributions.

Participant Loans

A Participant may borrow against their vested account balance. The maximum amount that a Participant may borrow is the lesser of (a) \$50,000, reduced by the excess, if any, of the highest outstanding balance of loans to the Participant from all plans maintained by the Company or an affiliated entity during the one-year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan on the date on which such loan is made or (b) 50% of the value of the Participant's vested account balance under the Plan.

The loans are to be secured by the pledge of a portion of the Participant's right, title and value of the Participant's vested account balance under the Plan as determined immediately after the loans are made. Loans may be repaid over a period of up to five years and are subject to a \$25 origination fee. The minimum loan amount is \$500. Interest rates are fixed at the prime rate listed in The Wall Street Journal for the first of each month in which the loan is requested plus one percent. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant loans fund.

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Payment of Benefits

Upon termination, a Participant whose account exceeds \$1,000 may elect, upon written request at any time, to receive a distribution in a single lump sum payment or fixed monthly, quarterly, semi-annually or annual installments over a period of ten years or less. Such distributions are generally paid in the form of cash. However, if the Participant had investments in the Company Common Stock Fund or the REI Stock Fund, the Participant may elect to have an in-kind distribution of those funds.

Generally, to the extent a Participant has not requested a distribution by the time he reaches age 70 ¹/₂, required minimum distributions will be made consistent with the terms and conditions of the Plan and the requirements of the Internal Revenue Code of 1986, as amended (Code). Immediate lump sum distributions are made for accounts which do not exceed \$1,000.

A Participant who is under age 59 ¹/₂ may make a withdrawal from amounts attributable to after-tax contributions and, if applicable, rollover contributions in the Plan and associated earnings. A Participant who is under age 59 ¹/₂ and has less than five years of service who withdraws matched after-tax contributions will be suspended from Plan participation for six months.

A Participant who is age 59 ¹/₂ or older may make unlimited withdrawals from pre-tax contributions, after-tax contributions, vested portion of prior Plan accounts, rollover account and the associated earnings.

Administration

The assets of the Plan are held in trust by The Northern Trust Company (Trustee). Hewitt Associates is the recordkeeper for the Plan. The Benefits Committee of CenterPoint Energy, Inc. (Committee), appointed by the Board of Directors of the Company, is the Plan Administrator. The Committee retains an independent investment consultant to provide investment advice with respect to the funds. The fees charged by the Trustee, recordkeeper and the investment consultant are paid by the Trustee out of the funds.

Termination of the Plan

Although it has not expressed any intent to do so, the Company may terminate the Plan at any time subject to the provisions of ERISA and must give written notice to the Trustee.

2. Accounting Policies

Use of Estimates and Basis of Accounting

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates that affect the financial statements and accompanying notes. Actual results could differ from those estimates.

As described in Financial Accounting Standards Board (FASB) Staff Position AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (FSP AAG INV-1 and SOP 94-4-1), investment contracts held by a defined contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution attributable to fully benefit-responsive investment contracts because contract value is the amount Participants would receive if they were to initiate permitted transactions under the terms of the Plan. As required by FSP AAG INV-1 and SOP 94-4-1, the statement of net assets available for benefits presents the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive contracts from fair value to contract value. The statement of changes in net assets available for benefits is prepared on a contract value basis.

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Investment Valuation and Income Recognition

The Plan recognizes net appreciation or depreciation in the fair value of its investments. Investments are reflected at fair value in the financial statements. The fair value for securities are based on quoted market prices in an active market. Fair value for mutual and institutional funds is determined using the net asset value of each fund as of the financial statement dates. Security transactions are recorded as of the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Participant loans are valued at cost, which approximates fair value.

Payment of Benefits

Benefits are recorded when paid.

Risks and Uncertainties

The Plan provides for investments in Company common stock, various mutual funds and other investments. Investments, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of net assets available for benefits and Participant account balances. Rates of return will vary, and returns will depend on the market value of the Plan's investments.

New Accounting Pronouncements

In December 2005, the FASB issued FSP AAG INV-1 and SOP 94-4-1. FSP AAG INV-1 and SOP 94-4-1, adopted as of December 31, 2006, amends the presentation and disclosure requirements of investments meeting the definition of fully benefit-responsive investment contracts presented in the statement of net assets available for benefits. Related to the implementation of FSP AAG INV-1 and SOP 94-4-1, certain amounts have been reclassified to conform to the 2006 presentation of the financial statements. For additional information on the impacts of this new accounting pronouncement, please refer to Note 2, *Use of Estimates and Basis of Accounting*.

In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157, Fair Value Measurements (SFAS 157). SFAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements and applies to reporting periods beginning after November 15, 2007. Based on current assets held by the Plan, the Plan's management does not expect the adoption of SFAS 157 to have a material impact on the Plan's financial statements.

Table of Contents**3. Investments**

The following presents investments that represent five percent or more of the Plan's net assets available for benefits.

| | December 31, | |
|--|---------------------|-----------------------|
| | 2006 | 2005 |
| Company common stock, 22,728,974 and 27,720,006 shares, respectively | \$376,846,389 | \$356,202,077 |
| Reliant Energy common stock, 1,966,254 and 8,766,917 shares, respectively | 27,940,469 | 90,474,583 |
| PIMCO Total Return Fund, 7,159,992 and 6,808,085 shares, respectively | 74,320,722 | 71,484,891 |
| Barclays Global Investors Equity Index Fund, 6,881,452 and 5,017,019 shares, respectively | 142,583,687 | 89,704,294 |
| Barclays Global Investors Russell 1000 Value Fund, 4,592,459 and 2,481,048 shares, respectively | 74,030,437 | 32,700,208 |
| Advisors Inner Circle LSV Value Equity Fund, 3,800,880 and 2,693,128 shares, respectively | 72,748,848 | 43,628,680 |
| Dwight Target 2 Fund, 4,785,929 and 4,409,079 shares, respectively | 76,177,489 | 67,000,898 |
| During 2006 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows: | | |
| Common stocks | | \$ 120,551,986 |
| Common or collective trusts | | 43,472,609 |
| Mutual funds | | 23,654,889 |
| | | \$ 187,679,484 |

As detailed above, the Plan has significant holdings of Company common stock. As a result, the values of the Plan's investments may be materially impacted by the changes in fair value related to this security.

4. Stable Value Fund

The Company has a Stable Value Fund that has investments in synthetic guaranteed investment contracts (Synthetic GICs).

Synthetic GICs are an investment contract issued by an insurance company or bank, backed by a portfolio of short-term and intermediate term fixed income investments that are owned by the fund. The underlying assets are maintained separate from the contract issuer's general assets by a third party custodian. The contracts provide that realized and unrealized gains and losses on the underlying assets are not reflected immediately in the net assets of the fund, but rather are amortized, usually over the time to maturity or the duration of the underlying investments, through adjustments to the future interest crediting rate. The issuer guarantees that all qualified Participant withdrawals will occur at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting rates for Synthetic GICs are reset quarterly and are based on the market value of the underlying portfolio of assets backing these contracts. Inputs used to determine the crediting rate include each contract's portfolio value, current yield to maturity, duration and market value relative to the Synthetic GICs book value. Crediting rates for Synthetic GICs can not be less than zero.

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During 2006 and 2005, the average yields for the Synthetic GICs were as follows:

| | 2006 | 2005 |
|---|-------------|-------------|
| Based on actual earnings | 5.47% | 5.05% |
| Based on the interest rate credited to Participants | 4.92% | 4.57% |

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Benefit-responsive investment contracts are designed to preserve capital and provide a stable crediting rate. Such contracts are fully benefit-responsive and provide Participant initiated withdrawals to be paid at contract value. However, such contracts do provide that withdrawals associated with certain events not in the ordinary course of fund operations may be paid at market rather than contract value. Examples of such circumstances may include significant plan design changes, complete or partial plan terminations, severance programs, early retirement programs, the closing or sale of a subsidiary, bankruptcy of the plan sponsor or the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe that the occurrence of the above events that would limit the Plan's ability to conduct transactions with Participants at contract value is probable.

Contracts associated with Synthetic GICs are evergreen agreements with termination provisions. Accordingly, such agreements permit the Plan's investment manager or issuer to terminate upon notice at any time at market value and provide for automatic termination of the contract if the book value or the market value of the contract equal zero. The issuer is not excused from paying the excess contract value when the market value equals zero. Contracts that permit the issuer to terminate at market value generally provide portfolio guidelines and transition provisions intended to result in the contract value equaling the market value of the portfolio by such termination date. Non-adherence to the guidelines and provisions may result in the settlement of the contract at market value; however, the Plan Administrator does not believe that the occurrence of these circumstances is probable.

5. Tax Status

The Internal Revenue Service (IRS) has determined and informed the Company by letter dated April 2, 2001 that the Plan is qualified and the trust fund established is tax-exempt under the appropriate sections of the Code.

Although the Plan has been amended and restated since receiving the determination letter, the Plan Administrator and the Plan sponsor's counsel believe that the Plan is designed and is currently operated in compliance with the applicable requirements of the Code.

6. Related Party Transactions

During 2006, the Plan purchased and sold shares of the Company's common stock and units of short-term investment funds managed by the Trustee as temporary investments (party-in-interest transactions) as shown below:

| | | 2006 |
|-----------|--|---------------|
| Purchases | Company common stock | \$ 32,462,476 |
| | Northern Trust collective short-term investment fund | 388,895,006 |
| Sales | Company common stock | \$101,531,986 |
| | Northern Trust collective short-term investment fund | 381,398,566 |

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7. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to Form 5500:

| | December 31, 2006 |
|---|------------------------------|
| Net Assets Available for Benefits per the financial statements | \$ 1,384,703,049 |
| Adjustment from contract value to fair value for fully benefit-responsive contracts | (2,210,402) |
| Net Assets Available for Benefits per Form 5500 | \$ 1,382,492,647 |

The following is a reconciliation of the changes in net assets available for benefits per the financial statements to Form 5500 for the year ended December 31, 2006:

| | |
|---|----------------|
| Increase in Net Assets Available for Benefits per the financial statements | \$ 166,269,449 |
| Adjustment from contract value to fair value for fully benefit-responsive contracts | (2,210,402) |
| Increase in Net Assets Available for Benefits per Form 5500 | \$ 164,059,047 |

8. Excess Contributions

Benefit payments of \$130,306,647 for the plan year ended December 31, 2006 include distributions of \$226,534 made to certain Participants to refund excess deferral contributions to satisfy the relevant nondiscrimination provisions of the Plan for the prior year. The Plan also expects to refund \$208,270 in 2007 related to excess contributions for plan year 2006.

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**CENTERPOINT ENERGY SAVINGS PLAN
EIN 74-0694415 PLAN 015
SCHEDULE H, LINE 4a
SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2006**

| | | | Total that constitute nonexempt prohibited transactions | | |
|-----------|--|-----------------------------|---|--------------------------------|-----------------------|
| | | | Contributions | Contributions | |
| | | | corrected | pending correction | Total corrected under |
| | | | outside | in | Voluntary |
| | Participant contributions transferred late | Contributions not corrected | Voluntary Fiduciary Correction | Voluntary Fiduciary Correction | Fiduciary Correction |
| Plan Year | to plan | corrected | Program | Program | Program and PTE |
| 2005 * | \$ 67,412 | | \$ 67,412 | | 2002-51 |

* Certain participant contributions were not remitted timely during the year ended December 31, 2005. Form 5330 was filed and applicable excise taxes were paid by the Plan in 2006. Lost earnings were also remitted to the Plan in 2006.

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CENTERPOINT ENERGY SAVINGS PLAN
EIN 74-0694415 PLAN 015
SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2006

| (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | (e) Current value |
|--|--|-------------------|
| COMMON OR COLLECTIVE TRUSTS | | |
| BARCLAYS GLOBAL INVESTORS | BGI EQUITY INDEX FUND | \$ 142,583,68 |
| BARCLAYS GLOBAL INVESTORS | BGI RUSSELL 1000 GROWTH FUND | 26,524,21 |
| BARCLAYS GLOBAL INVESTORS | BGI RUSSELL 1000 VALUE FUND | 74,030,43 |
| BARCLAYS GLOBAL INVESTORS | BGI RUSSELL 2000 INDEX FUND | 10,310,97 |
| CAPITAL GUARDIAN | CAPITAL GUARDIAN INTERNATIONAL (NON-US) | |
| | EQUITY FUND | 13,287,39 |
| CAPITAL GUARDIAN | CAPITAL GUARDIAN INTERNATIONAL (NON-US) | |
| | EQUITY FUND | 41,919,45 |
| CAPITAL GUARDIAN | CAPITAL GUARDIAN US GROWTH EQUITY FUND | 43,865,11 |
| DWIGHT ASSET MANAGEMENT | CORE INTERMEDIATE FUND | 20,577,63 |
| DWIGHT ASSET MANAGEMENT | TARGET 2 FUND | 76,177,48 |
| DWIGHT ASSET MANAGEMENT | TARGET 5 FUND | 28,727,62 |
| MELLON BANK | EB DAILY LIQUIDITY AGGREGATE BOND FUND | 30,692,32 |
| NORTHERN TRUST | COLLECTIVE SHORT-TERM INVESTMENT FUND | 15,293,48 |
| SEI | SEI STABLE ASSET FUND | 4,167,32 |
| WELLINGTON CAPITAL | SMALL CAP FUND | 9,305,33 |
| SUBTOTAL | | 537,462,49 |
| COMMON STOCKS | | |
| 3M CO | COMMON STOCK | 522,13 |
| AAR CORP | COMMON STOCK | 162,88 |
| ABBOTT LAB | COMMON STOCK | 983,94 |
| ACTIVISION INC | COMMON STOCK | 654,77 |
| ACUITY BRANDS INC | COMMON STOCK | 96,79 |
| ADOBE SYS INC | COMMON STOCK | 682,59 |
| ADR ELAN CORP PLC | ADR | 178,47 |
| ADVANTA CORP | COMMON STOCK | 233,42 |
| ADVENT SOFTWARE INC | COMMON STOCK | 125,98 |
| AFFILIATED MANAGERS GROUP INC | COMMON STOCK | 201,85 |
| AGNICO EAGLE MINES LTD | COMMON STOCK | 146,40 |

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CENTERPOINT ENERGY SAVINGS PLAN
EIN 74-0694415 PLAN 015
SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2006

| (a) (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | (e) Current value |
|--|--|-------------------|
| AIR PROD & CHEM INC | COMMON STOCK | 393,568 |
| AIRGAS INC | COMMON STOCK | 103,731 |
| AKAMAI TECHNOLOGIES INC | COMMON STOCK | 284,723 |
| ALASKA AIR GROUP INC | COMMON STOCK | 156,815 |
| ALCOA INC | COMMON STOCK | 462,154 |
| ALLIANCE DATA SYS CORP | COMMON STOCK | 96,204 |
| ALLIANCE IMAGING INC | COMMON STOCK | 166,250 |
| ALLIS-CHALMERS ENERGY INC | COMMON STOCK | 117,504 |
| ALTRIA GROUP INC | COMMON STOCK | 763,798 |
| AMERICAN RAILCAR INDS INC | COMMON STOCK | 120,502 |
| AMERN COML LINES INC | COMMON STOCK | 119,228 |
| AMERN ORIENTAL BIOENGINEERING INC | COMMON STOCK | 127,203 |
| AMETEK INC | COMMON STOCK | 185,309 |
| AMYLIN PHARMACEUTICALS INC | COMMON STOCK | 234,455 |
| ANALOGIC CORP | COMMON STOCK | 148,210 |
| ANDREW CORP | COMMON STOCK | 192,938 |
| APPLEBEES INTL INC | COMMON STOCK | 184,532 |
| AQUA AMER INC | COMMON STOCK | 124,288 |
| AQUANTIVE INC | COMMON STOCK | 193,088 |
| ARBITRON INC | COMMON STOCK | 122,066 |
| ARCH CAPITAL GROUP | COMMON STOCK | 165,644 |
| ARRIS GROUP INC | COMMON STOCK | 146,492 |
| ASTEC INDS INC | COMMON STOCK | 121,446 |
| ATMI INC | COMMON STOCK | 163,641 |
| AUDIOVOX CORP | COMMON STOCK, CLASS A | 104,125 |
| AVERY DENNISON CORP | COMMON STOCK | 455,131 |
| BALL CORP | COMMON STOCK | 265,960 |
| BARNES GROUP INC | COMMON STOCK | 161,602 |
| BIOMED RLTY TR INC | COMMON STOCK | 191,048 |

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CENTERPOINT ENERGY SAVINGS PLAN
EIN 74-0694415 PLAN 015
SCHEDULE H, LINE 4i
SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2006

| (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | (e) Current value |
|---|---|--------------------------|
| BISYS GROUP INC | COMMON STOCK | 250,45 |
| BJS WHSL CLUB INC | COMMON STOCK | 219,94 |
| BK HAW CORP | COMMON STOCK | 137,03 |
| BOEING CO | COMMON STOCK | 728,48 |
| BRIGHTPOINT INC | COMMON STOCK | 132,75 |
| BROADCOM CORP | COMMON STOCK, CLASS A | 639,73 |
| BRUSH ENGINEERED MATLS INC | COMMON STOCK | 75,98 |
| C H ROBINSON WORLDWIDE INC | COMMON STOCK | 429,34 |
| CABELAS INC | COMMON STOCK | 173,25 |
| CACI INTL INC | COMMON STOCK, CLASS A | 153,11 |
| CAPITALSOURCE INC | COMMON STOCK | 676,27 |
| CARDINAL HLTH INC | COMMON STOCK | 715,17 |
| CARTER INC | COMMON STOCK | 112,71 |
| CASUAL MALE RETAIL GROUP INC | COMMON STOCK | 114,31 |
| CATERPILLAR INC | COMMON STOCK | 282,11 |
| CENTERPOINT ENERGY INC | COMMON STOCK | 376,846,38 |
| CENTRAL GARDEN & PET CO | COMMON STOCK | 152,52 |
| CEPHALON INC | COMMON STOCK | 476,67 |
| CHILDRENS PL RETAIL STORES INC | COMMON STOCK | 113,70 |
| CLEAN HBRS INC | COMMON STOCK | 214,45 |
| CLEVELAND CLIFFS | COMMON STOCK | 128,85 |
| CLOROX CO | COMMON STOCK | 352,82 |
| COLDWATER CREEK INC | COMMON STOCK | 84,71 |
| COLONIAL BANCGROUP INC | COMMON STOCK | 117,63 |
| COMCAST CORP | COMMON STOCK, CLASS A | 596,85 |
| COMPASS MINERALS INTL INC | COMMON STOCK | 109,51 |
| COMSTOCK RES INC | COMMON STOCK | 174,55 |
| COMTECH GROUP INC | COMMON STOCK | 169,16 |
| CONS GRAPHICS INC | COMMON STOCK | 172,48 |
| CONSTELLATION BRANDS INC | COMMON STOCK, CLASS A | 1,599,00 |

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| (a) (b) Identity of issue, borrower, lessor or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par or maturity value | (e) Current value |
|--|--|-------------------|
| COOPER INDUSTRIES INC | COMMON STOCK | 217,032 |
| CORNING INC | COMMON STOCK | 836,337 |
| CORP OFFICE PPTYS TRUST | COMMON STOCK | 159,990 |
| CORRECTIONS CORP OF AMERICA | COMMON STOCK | 148,128 |
| COVANCE INC | COMMON STOCK | 181,443 |
| COVANTA HLDG CORP | COMMON STOCK | 121,220 |
| CROWN HLDGS INC | COMMON STOCK | 155,226 |
| CYMER INC | COMMON STOCK | 98,009 |
| CYTYC CORP | COMMON STOCK | 91,126 |
| DANAHER CORP | COMMON STOCK | 485,348 |
| DAVITA INC | COMMON STOCK | 212,731 |
| DELPHI FINL GROUP INC | COMMON STOCK, CLASS A | 202,907 |
| DIAMONDROCK HOSPITALITY CO | COMMON STOCK | 202,432 |
| DICKS SPORTING GOODS INC | COMMON STOCK | 210,657 |
| DIGITAL RIV INC | COMMON STOCK | 145,612 |
| DIGITAL RLTY TR INC | COMMON STOCK | 148,901 |
| DISNEY WALT CO | COMMON STOCK | 294,722 |
| DOMINOS PIZZA INC | COMMON STOCK | 178,080 |
| DRIL-QUIP INC | COMMON STOCK | 96,725 |
| E*TRADE FIN CORP | COMMON STOCK | 408,044 |
| EASTGROUP PPTYS INC | COMMON STOCK | 209,420 |
| EATON VANCE CORP | COMMON STOCK NON-VOTING | 150,195 |
| EBAY INC | COMMON STOCK | 559,302 |
| ECI TELECOM LTD | COMMON STOCK | 99,677 |
| EFUNDS CORP | COMMON STOCK | 215,600 |
| EL PASO ELEC CO | COMMON STOCK | 129,648 |
| ELECTR ARTS | COMMON STOCK | 725,184 |
| ELI LILLY & CO | COMMON STOCK | 682,510 |
| EMC CORP | COMMON STOCK | 1,277,760 |
| EMERSON ELEC CO | COMMON STOCK | 387,992 |

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|---|--|-------------------------|
| EMULEX CORP | COMMON STOCK | 165,250 |
| EOG RESOURCES INC | COMMON STOCK | 418,415 |
| EQUINIX INC | COMMON STOCK | 121,748 |
| F5 NETWORKS INC | COMMON STOCK | 192,204 |
| FDRY NETWORKS INC | COMMON STOCK | 251,364 |
| FIRST MIDWEST BANCORP INC | COMMON STOCK | 154,720 |
| FOREST LAB INC | COMMON STOCK | 369,380 |
| FPIC INS GROUP INC | COMMON STOCK | 222,129 |
| FTI CONSULTING INC | COMMON STOCK | 143,076 |
| GAP INC | COMMON STOCK | 193,050 |
| GATEHOUSE MEDIA INC | COMMON STOCK | 41,760 |
| GATX CORP | COMMON STOCK | 135,623 |
| GENERAL CABLE CORP | COMMON STOCK | 158,667 |
| GENESIS HEALTHCARE CORP | COMMON STOCK | 191,754 |
| GENLYTE GROUP INC | COMMON STOCK | 74,986 |
| GERBER SCIENTIFIC INC | COMMON STOCK | 95,707 |
| GILEAD SCI INC | COMMON STOCK | 623,328 |
| GLATFELTER | COMMON STOCK | 157,635 |
| GLOBAL PMTS INC | COMMON STOCK | 163,439 |
| GLOBALSTAR INC | COMMON STOCK | 165,251 |
| GMX RES INC | COMMON STOCK | 102,950 |
| GOOGLE INC | COMMON STOCK, CLASS A | 1,116,664 |
| GREATER BAY BANCORP | COMMON STOCK | 109,533 |
| GREENHILL & CO INC | COMMON STOCK | 168,264 |
| GRIFFON CORP | COMMON STOCK | 124,185 |
| GUESS INC | COMMON STOCK | 177,604 |
| HALLIBURTON CO | COMMON STOCK | 717,255 |
| HARSCO CORP | COMMON STOCK | 178,074 |
| HEALTH NET INC | COMMON STOCK | 95,374 |
| HERBALIFE LTD | COMMON STOCK | 154,616 |

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|---|--|-------------------|
| HERITAGE COMM CORP | COMMON STOCK | 169,164 |
| HEWLETT PACKARD CO | COMMON STOCK | 2,084,214 |
| HIGHLAND HOSPITALITY CORP | COMMON STOCK | 83,077 |
| HOLLY CORP | COMMON STOCK, PAR \$.01 | 83,268 |
| HOME PROPS INC | COMMON STOCK | 128,023 |
| HOST HOTELS & RESORTS INC | COMMON STOCK | 1,013,915 |
| HUB INTL LTD | COMMON STOCK | 342,465 |
| HURON CONSULTING GROUP INC | COMMON STOCK | 108,363 |
| HYDRIL CO | COMMON STOCK | 118,048 |
| ICONIX BRAND GROUP INC | COMMON STOCK | 167,142 |
| INTEGRATED DEVICE TECHNOLOGY INC | COMMON STOCK | 102,942 |
| INTEL CORP | COMMON STOCK | 1,223,100 |
| INTERCONTINENTALEXCHANGE INC | COMMON STOCK | 677,612 |
| INTL FLAVORS & FRAGRANCES INC | COMMON STOCK | 73,740 |
| INTL SEC EXCHANGE HOLDINGS INC | COMMON STOCK | 89,369 |
| INTUITIVE SURGICAL INC | COMMON STOCK | 110,285 |
| INVT TECH GROUP INC | COMMON STOCK | 224,262 |
| IPC HLDGS LTD | COMMON STOCK, PAR \$.01 | 211,973 |
| ITC HLDGS CORP | COMMON STOCK | 95,760 |
| IXIA | COMMON STOCK | 141,216 |
| JACOBS ENGR GROUP INC | COMMON STOCK | 99,479 |
| JARDEN CORP | COMMON STOCK | 144,378 |
| JDS UNIPHASE CORP | COMMON STOCK, PAR \$.01 | 91,497 |
| JEFFERIES GROUP INC | COMMON STOCK | 93,870 |
| JETBLUE AWYS CORP | COMMON STOCK | 1,047,960 |
| JONES LANG LASALLE INC | COMMON STOCK | 210,148 |
| KADANT INC | COMMON STOCK | 132,871 |
| KAMAN CORP | COMMON STOCK | 178,448 |
| KHD HUMBOLDT WEDAG INTL LTD | COMMON STOCK | 122,645 |
| KILROY RLTY CORP | COMMON STOCK | 99,840 |

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|--|--|-------------------|
| KIMBERLY-CLARK CORP | COMMON STOCK | 563,985 |
| KIRBY CORP | COMMON STOCK | 45,734 |
| KOHL'S CORP | COMMON STOCK | 1,765,494 |
| KS CY SOUTHN | COMMON STOCK | 110,124 |
| LANDSTAR SYS INC | COMMON STOCK | 439,070 |
| LASALLE HOTEL PPTYS | COMMON STOCK | 175,605 |
| LEAP WIRELESS INTL INC | COMMON STOCK | 201,603 |
| LIFE TIME FITNESS INC | COMMON STOCK | 121,760 |
| LINCOLN ELEC HLDGS INC | COMMON STOCK | 92,443 |
| LIVE NATION INC | COMMON STOCK | 157,248 |
| LOCKHEED MARTIN CORP | COMMON STOCK | 432,729 |
| MACROVISION CORP | COMMON STOCK | 376,140 |
| MANPOWER INC | COMMON STOCK | 689,356 |
| MAXIM INTEGRATED PRODS INC | COMMON STOCK | 1,255,420 |
| MC CORMICK & CO INC | COMMON STOCK NON-VOTING | 133,032 |
| MCDERMOTT INTL INC | COMMON STOCK, PAR \$1.00 | 167,329 |
| MCGRAW HILL COMPANIES INC | COMMON STOCK | 401,318 |
| MCKESSON CORP | COMMON STOCK | 1,105,260 |
| MDU RES GROUP INC | COMMON STOCK | 155,635 |
| MEDICIS PHARMACEUTICAL CORP | COMMON STOCK, CLASS A | 85,717 |
| MEDTRONIC INC | COMMON STOCK | 1,412,664 |
| MICROSOFT CORP | COMMON STOCK | 1,922,984 |
| MID-AMER APT CMNTYS INC | COMMON STOCK | 117,914 |
| MILLENNIUM PHARMACEUTICALS INC | COMMON STOCK | 594,050 |
| MOBILE MINI INC | COMMON STOCK | 106,952 |
| MONEYGRAM INTL INC | COMMON STOCK | 618,106 |
| NASDAQ STK MKT INC | COMMON STOCK | 700,780 |
| NAVIGATORS GROUP INC | COMMON STOCK | 148,876 |
| NELNET INC | COMMON STOCK, CLASS A | 251,712 |
| NEUSTAR INC | COMMON STOCK, CLASS A | 690,972 |

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|--|--|-------------------|
| NEXCEN BRANDS INC | COMMON STOCK | 118,138 |
| NJ RES CORP | COMMON STOCK | 140,882 |
| NUTRI SYS INC | COMMON STOCK | 218,695 |
| NUVEEN INVTS INC | COMMON STOCK, CLASS A | 399,476 |
| OCEANEERING INTL INC | COMMON STOCK | 94,883 |
| OFFICE DEPOT INC | COMMON STOCK | 370,249 |
| OIL STS INTL INC | COMMON STOCK | 165,340 |
| OMNICOM GROUP INC | COMMON STOCK | 292,712 |
| ON SEMICONDUCTOR CORP | COMMON STOCK | 241,710 |
| ONLINE RES CORP | COMMON STOCK | 119,559 |
| OREGON STEEL MILLS, INC. | COMMON STOCK | 104,225 |
| OSI RESTAURANT PARTNERS | COMMON STOCK | 505,680 |
| P F CHANGS CHINA BISTRO INC | COMMON STOCK | 195,738 |
| PARALLEL PETROLEUM CORP | COMMON STOCK, PAR \$.01 | 74,145 |
| PETRO DEV CORP | COMMON STOCK | 108,486 |
| PHILLIPS VAN HEUSEN CORP | COMMON STOCK | 139,974 |
| PINNACLE ENTMT INC | COMMON STOCK | 207,457 |
| POLYCOM INC | COMMON STOCK | 327,647 |
| POLYMEDICA CORP | COMMON STOCK | 136,586 |
| POTLATCH CORP | COMMON STOCK | 215,156 |
| POZEN INC | COMMON STOCK | 166,162 |
| PREFERRED BK LOS ANGELES | COMMON STOCK | 145,418 |
| PRICELINE COM INC | COMMON STOCK | 120,364 |
| PROASSURANCE CORP | COMMON STOCK | 152,755 |
| PROGENICS PHARMACEUTICALS INC | COMMON STOCK | 62,033 |
| PROSPERITY BANCSHARES INC | COMMON STOCK | 137,005 |
| PROVIDENCE SVC CORP | COMMON STOCK | 142,738 |
| PSYCHIATRIC SOLUTIONS INC | COMMON STOCK | 225,120 |
| QLOGIC CORP | COMMON STOCK | 78,035 |
| RALCORP HLDGS INC | COMMON STOCK | 141,474 |

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|--|--|-------------------|
| RANGE RES CORP | COMMON STOCK | 136,064 |
| RED HAT INC | COMMON STOCK | 508,300 |
| RELIANT ENERGY INC | COMMON STOCK | 27,940,469 |
| RESEARCH IN MOTION LTD | COMMON STOCK | 1,073,352 |
| RESOURCES CONNECTION INC | COMMON STOCK | 442,576 |
| RESPIRONICS INC | COMMON STOCK | 146,470 |
| REYNOLDS AMERN INC | COMMON STOCK | 405,914 |
| ROPER INDS INC | COMMON STOCK | 141,677 |
| S.W. AIRL CO | COMMON STOCK | 212,948 |
| SALESFORCE COM INC | COMMON STOCK | 154,184 |
| SBA COMMUNICATIONS CORP | COMMON STOCK, CLASS A | 206,250 |
| SCHEIN HENRY INC | COMMON STOCK | 103,838 |
| SCHERING-PLOUGH CORP | COMMON STOCK | 1,416,036 |
| SEI INVTS CO | COMMON STOCK | 113,760 |
| SELECTIVE INS GROUP INC | COMMON STOCK | 105,414 |
| SEMTECH CORP | COMMON STOCK | 155,272 |
| SIGNATURE BK | COMMON STOCK | 193,935 |
| SPARTAN MTRS INC | COMMON STOCK | 149,371 |
| SPRINT NEXTEL CORP | COMMON STOCK | 19 |
| STAPLES INC | COMMON STOCK | 1,911,720 |
| STATE STR CORP | COMMON STOCK | 539,520 |
| STERLING CONSTR INC | COMMON STOCK | 114,675 |
| SUNPOWER CORP | COMMON STOCK, CLASS A | 71,738 |
| SVB FINL GROUP | COMMON STOCK | 278,321 |
| SWS GROUP INC | COMMON STOCK | 88,893 |
| TEKELEC | COMMON STOCK | 203,171 |
| TESSERA TECHNOLOGIES INC | COMMON STOCK | 110,532 |
| TEXAS ROADHOUSE INC | COMMON STOCK, CLASS A | 89,240 |
| T-HQ INC | COMMON STOCK | 155,933 |
| TIME WARNER TELECOM INC | COMMON STOCK, CLASS A | 267,062 |

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|---|--|-------------------|
| TITAN INTL INC | COMMON STOCK | 187,395 |
| TITANIUM METALS CORP | COMMON STOCK | 121,876 |
| TRANSACTION SYS ARCHITECTS INC | COMMON STOCK | 225,059 |
| TRINITY IND INC | COMMON STOCK | 123,728 |
| TWEEN BRANDS INC | COMMON STOCK | 120,988 |
| TXU CORP | COMMON STOCK | 986,622 |
| U S AWYS GROUP INC | COMMON STOCK | 156,165 |
| UMB FINL CORP | COMMON STOCK | 178,534 |
| UNDER ARMOR INC | COMMON STOCK, CLASS A | 165,981 |
| UNISOURCE ENERGY CORP | COMMON STOCK | 157,444 |
| UNITED NAT FOODS INC | COMMON STOCK | 110,274 |
| UNITED PARCEL SVC INC CL B | COMMON STOCK, CLASS B | 877,266 |
| UNITED TECHNOLOGIES CORP | COMMON STOCK | 500,160 |
| UNITEDHEALTH GROUP INC | COMMON STOCK | 1,074,600 |
| UTD AMER INDY LTD | COMMON STOCK | 218,345 |
| UTD THERAPEUTICS CORP | COMMON STOCK | 107,653 |
| UTI WORLDWIDE INC | COMMON STOCK | 113,321 |
| VARIAN SEMICONDUCTOR EQUIPMENT ASSOC INC | COMMON STOCK | 416,280 |
| VERASUN ENERGY CORP | COMMON STOCK | 85,320 |
| VERIGY LTD | COMMON STOCK | 115,908 |
| VERTEX PHARMACEUTICALS INC | COMMON STOCK | 826,982 |
| VIACOM INC | COMMON STOCK, CLASS B | 603,141 |
| VIRGINIA COMM BANCORP INC | COMMON STOCK | 156,953 |
| VISTAPRINT COM INC | COMMON STOCK | 148,995 |
| WA GROUP INTL INC | COMMON STOCK | 226,604 |
| WADDELL & REED FINL INC | COMMON STOCK, CLASS A | 149,933 |
| WATTS WTR TECHNOLOGIES INC | COMMON STOCK | 151,696 |
| WELLCARE HLTH PLANS INC | COMMON STOCK | 130,910 |
| WESTFIELD FINL INC | COMMON STOCK | 97,226 |
| WET SEAL INC | COMMON STOCK, CLASS A | 94,514 |

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|--|--|-----------------------|
| W-H ENERGY SVCS INC | COMMON STOCK | 103,7 |
| WMS INDS INC | COMMON STOCK | 357,6 |
| XM SATELLITE RADIO HLDGS INC CL A | COMMON STOCK, CLASS A | 244,2 |
| XTO ENERGY INC | COMMON STOCK | 315,2 |
| YUM BRANDS INC | COMMON STOCK | 188,1 |
| SUBTOTAL | | 489,559,3 |
| MUTUAL FUNDS | | |
| ADVISORS INNER CIRCLE | LSV VALUE EQUITY FUND | 72,748,8 |
| ISHARES | RUSSELL 1000 GROWTH INDEX FUND | 1,083,5 |
| LOOMIS SAYLES | LOOMIS SAYLES FIXED INCOME FUND | 33,528,1 |
| PIMCO | PIMCO TOTAL RETURN FUND | 74,320,7 |
| TEMPLETON INVESTMENTS | TEMPLETON INSTITUTIONAL FOREIGN EQUITIES FUND | 41,257,7 |
| VANGUARD | VANGUARD TARGET RETIREMENT FUND | 2,141,3 |
| VANGUARD | VANGUARD TARGET RETIREMENT FUND 2005 | 4,196,2 |
| VANGUARD | VANGUARD TARGET RETIREMENT FUND 2015 | 14,655,0 |
| VANGUARD | VANGUARD TARGET RETIREMENT FUND 2025 | 21,238,4 |
| VANGUARD | VANGUARD TARGET RETIREMENT FUND 2035 | 25,896,6 |
| VANGUARD | VANGUARD TARGET RETIREMENT FUND 2045 | 11,490,7 |
| SUBTOTAL | | 302,557,4 |
| TOTAL PLAN INVESTMENTS AT FAIR VALUE | | \$ 1,329,579,2 |
| PARTICIPANT LOANS | | |
| CENTERPOINT ENERGY SAVINGS PLAN | PARTICIPANT LOANS, INTEREST RATE 4.0% - 10.5% | \$ 34,161,3 |

* PARTY IN
INTEREST

HISTORICAL COST INFORMATION COLUMN (D) IS NOT PRESENTED SINCE THE INVESTMENTS DISPLAYED ARE PARTICIPANT DIRECTED.

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SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

**CENTERPOINT ENERGY SAVINGS
PLAN**

By /s/ Byron R. Kelley
(Byron R. Kelley, Chairman of the
Benefits Committee of CenterPoint
Energy, Inc., Plan Administrator)

June 27, 2007

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EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|----------------------------------|
| 23 | Consent of McConnell & Jones LLP |