

# SECURITIES AND EXCHANGE COMMISSION

## FORM 424B3

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### FILER

#### HOUSTON LIGHTING & POWER CO

CIK: **48732** | IRS No.: **740694415** | State of Incorporation: **TX** | Fiscal Year End: **1231**  
Type: **424B3** | Act: **33** | File No.: **033-51417** | Film No.: **94528403**  
SIC: **4911** Electric services

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PROSPECTUS SUPPLEMENT  
(TO PROSPECTUS DATED DECEMBER 16, 1993, AS SUPPLEMENTED  
BY A PROSPECTUS SUPPLEMENT DATED JANUARY 3, 1994)

Houston Lighting and Power Company  
COLLATERALIZED MEDIUM-TERM NOTES, SERIES D

The discussion of original issue discount in this Prospectus Supplement is based in part on final regulations which apply to debt instruments which are issued on or after April 4, 1994 but upon which a taxpayer may rely (except with respect to a portion thereof which is identified below) for debt instruments which are issued on or after December 21, 1992. The following discussion replaces the discussion set forth in the last three paragraphs on page 22 of the accompanying Prospectus under the heading "United States Taxation -- United States Holders". The balance of the discussion in the Prospectus under such heading remains in full force and effect. Capitalized terms not defined herein have the meanings assigned to such terms in the accompanying Prospectus.

QUALIFIED STATED INTEREST ON DEBT SECURITIES. A Holder of a Debt Security will be required to report qualified stated interest on the Debt Security in accordance with the Holder's method of accounting for tax purposes.

ORIGINAL ISSUE DISCOUNT. If the stated redemption price at maturity of a Debt Security exceeds the issue price of the Debt Security by at least 1/4 of 1 percent of the stated redemption price at maturity of the Debt Security multiplied by the number of complete years to maturity of the Debt Security, then such excess, which is referred to as original issue discount, is included for United States federal income tax purposes in income over the term of the Debt Security by the holder of such Debt Security before the receipt of cash in respect thereof. The amount of any original issue discount which is included in income for a taxable year is equal to the sum of the daily portions of the original issue discount for each day during the taxable year during which the Debt Security was held. The daily portion is determined by allocating to each day in each accrual period the ratable portion for such day of the increase in the adjusted issue price during the accrual period, which is the excess of (a) the product of the adjusted issue price at the beginning of the accrual period and the yield to maturity of such Debt Security (determined on the basis of compounding at the close of each accrual period and adjusted for the length of the accrual period) over (b) the sum of the qualified stated interest which is allocable to the accrual period.

The final regulations provide that (a) the stated redemption price at maturity of a Debt Security is the amount payable on the Debt

Security excluding qualified stated interest, (b) qualified stated interest is, unless the holder of the debt instrument elects to the contrary as noted below, stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate (which single fixed rate must appropriately take into account the length of the interval between payments) or permitted variable rate, (c) the issue price of a publicly offered debt instrument is the initial offering price to the public (excluding bond houses and brokers) at which price a substantial amount of such issue of debt instruments was sold, (d) the accrual periods for a Debt Security are periods each of which is no longer than one year; provided that each scheduled payment of principal or interest occurs either on the final day or the first day of an accrual period and (e) yield to maturity is the discount rate which when used in computing the present value of all principal and interest payments to be made under the Debt Security produces an amount equal to the issue price of the Debt Security. The final regulations also describe the circumstances in which a variable interest rate will generate qualified stated interest, provide that a holder may elect for a debt instrument which is issued on or after April 4, 1994 (but not theretofore) to treat all qualified stated interest on the debt instrument as original issue discount, contain rules which apply when payments of debt service are subject to one or more contingencies, and contain special rules for purposes of determining whether the original issue discount of an installment obligation is de minimis.

The terms of a Debt Security, which will be specified in the applicable Prospectus Supplement, and the final regulations which are summarized in the foregoing will determine the amount of any original issue discount which exists with respect to that Debt Security and the rate at which such original issue discount will be included in income of the holder of that Debt Security.

THE DATE OF THIS PROSPECTUS SUPPLEMENT IS MAY 13, 1994