

CenterPoint Energy, Inc. and Subsidiaries
 Statements of Consolidated Income
 (Millions of Dollars)
 (Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2009	2010	2009	2010
Revenues:				
Electric Transmission & Distribution	\$ 521	\$ 562	\$ 933	\$ 1,044
Natural Gas Distribution	518	465	1,939	2,002
Competitive Natural Gas Sales and Services	432	560	1,197	1,412
Interstate Pipelines	155	148	308	286
Field Services	56	80	113	148
Other Operations	3	3	6	6
Eliminations	(45)	(62)	(90)	(119)
Total	<u>1,640</u>	<u>1,756</u>	<u>4,406</u>	<u>4,779</u>
Expenses:				
Natural gas	710	778	2,499	2,713
Operation and maintenance	398	410	811	824
Depreciation and amortization	188	217	354	417
Taxes other than income taxes	91	88	204	205
Total	<u>1,387</u>	<u>1,493</u>	<u>3,868</u>	<u>4,159</u>
Operating Income	<u>253</u>	<u>263</u>	<u>538</u>	<u>620</u>
Other Income (Expense) :				
Gain (loss) on marketable securities	55	(22)	21	16
Gain (loss) on indexed debt securities	(46)	32	(24)	5
Interest and other finance charges	(129)	(121)	(258)	(243)
Interest on transition and system restoration bonds	(33)	(36)	(66)	(72)
Equity in earnings of unconsolidated affiliates	11	7	11	12
Other - net	18	3	22	4
Total	<u>(124)</u>	<u>(137)</u>	<u>(294)</u>	<u>(278)</u>
Income Before Income Taxes	129	126	244	342
Income Tax Expense	<u>(43)</u>	<u>(45)</u>	<u>(91)</u>	<u>(147)</u>
Net Income	<u>\$ 86</u>	<u>\$ 81</u>	<u>\$ 153</u>	<u>\$ 195</u>

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report on Form 10-Q of CenterPoint Energy, Inc.

CenterPoint Energy, Inc. and Subsidiaries
Selected Data From Statements of Consolidated Income
(Millions of Dollars, Except Share and Per Share Amounts)
(Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2009	2010	2009	2010
Basic Earnings Per Common Share	\$ 0.24	\$ 0.20	\$ 0.44	\$ 0.49
Diluted Earnings Per Common Share	\$ 0.24	\$ 0.20	\$ 0.44	\$ 0.49
Dividends Declared per Common Share	\$ 0.190	\$ 0.195	\$ 0.38	\$ 0.39
Weighted Average Common Shares Outstanding (000):				
- Basic	352,461	399,515	346,660	396,203
- Diluted	354,280	401,993	348,522	398,689

Operating Income (Loss) by Segment

Electric Transmission & Distribution:				
Electric Transmission and Distribution Operations	\$ 129	\$ 122	\$ 166	\$ 193
Transition and System Restoration Bond Companies	33	36	66	72
Total Electric Transmission & Distribution	162	158	232	265
Natural Gas Distribution	2	10	120	149
Competitive Natural Gas Sales and Services	6	(6)	8	9
Interstate Pipelines	61	67	130	139
Field Services	23	31	49	54
Other Operations	(1)	3	(1)	4
Total	\$ 253	\$ 263	\$ 538	\$ 620

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contained in the Annual Report on Form 10-Q of CenterPoint Energy, Inc.

CenterPoint Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Millions of Dollars)
(Unaudited)

	Electric Transmission & Distribution					
	Quarter Ended			Six Months Ended		
	June 30,		% Diff Fav/(Unfav)	June 30,		% Diff Fav/(Unfav)
2009	2010	2009		2010		
Results of Operations:						
Revenues:						
Electric transmission and distribution utility	\$ 432	\$ 449	4%	\$ 778	\$ 835	7%
Transition and system restoration bond companies	89	113	27%	155	209	35%
Total	<u>521</u>	<u>562</u>	8%	<u>933</u>	<u>1,044</u>	12%
Expenses:						
Operation and maintenance	181	204	(13%)	369	394	(7%)
Depreciation and amortization	69	71	(3%)	137	144	(5%)
Taxes other than income taxes	53	52	2%	106	104	2%
Transition and system restoration bond companies	56	77	(38%)	89	137	(54%)
Total	<u>359</u>	<u>404</u>	(13%)	<u>701</u>	<u>779</u>	(11%)
Operating Income	<u>\$ 162</u>	<u>\$ 158</u>	(2%)	<u>\$ 232</u>	<u>\$ 265</u>	14%
Operating Income:						
Electric transmission and distribution operations	\$ 129	\$ 122	(5%)	\$ 166	\$ 193	16%
Transition and system restoration bond companies	33	36	9%	66	72	9%
Total Segment Operating Income	<u>\$ 162</u>	<u>\$ 158</u>	(2%)	<u>\$ 232</u>	<u>\$ 265</u>	14%

Electric Transmission & Distribution

Operating Data:

Actual MWH Delivered

Residential	6,831,444	7,064,276	3%	10,797,963	12,237,273	13%
Total	19,840,955	20,173,782	2%	34,983,263	36,610,092	5%

Weather (average for service area):

Percentage of 10-year average:

Cooling degree days	108%	109%	109%	99%
Heating degree days	112%	78%	89%	160%

Number of metered customers - end of period:

Residential	1,846,908	1,866,699	1%	1,846,908	1,866,699	1%
Total	2,092,209	2,113,695	1%	2,092,209	2,113,695	1%

Natural Gas Distribution

	Quarter Ended			Six Months Ended		
	June 30,		% Diff Fav/(Unfav)	June 30,		% Diff Fav/(Unfav)
	2009	2010		2009	2010	
Results of Operations:						
Revenues						
	\$ 518	\$ 465	(10%)	\$ 1,939	\$ 2,002	3%
Expenses:						
Natural gas	295	244	17%	1,340	1,383	(3%)
Operation and maintenance	152	144	5%	321	311	3%
Depreciation and amortization	41	44	(7%)	81	84	(4%)
Taxes other than income taxes	28	23	18%	77	75	3%
Total	<u>516</u>	<u>455</u>	12%	<u>1,819</u>	<u>1,853</u>	(2%)
Operating Income	<u>\$ 2</u>	<u>\$ 10</u>	400%	<u>\$ 120</u>	<u>\$ 149</u>	24%
Natural Gas Distribution Operating Data:						
Throughput data in BCF						
Residential	20	16	(20%)	98	112	14%
Commercial and Industrial	46	49	7%	123	136	11%
Total Throughput	<u>66</u>	<u>65</u>	(2%)	<u>221</u>	<u>248</u>	12%
Weather (average for service area)						
Percentage of 10-year average:						
Heating degree days	109%	66%	103%	111%		
Number of customers - end of period:						
Residential	2,961,941	2,973,013	-	2,961,941	2,973,013	-
Commercial and Industrial	241,875	244,089	1%	241,875	244,089	1%
Total	<u>3,203,816</u>	<u>3,217,102</u>	-	<u>3,203,816</u>	<u>3,217,102</u>	-

CenterPoint Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Millions of Dollars)
(Unaudited)

Competitive Natural Gas Sales and Services

	Quarter Ended		% Diff Fav/(Unfav)	Six Months Ended		% Diff Fav/(Unfav)
	June 30,			June 30,		
	2009	2010		2009	2010	
Results of Operations:						
Revenues	\$ 432	\$ 560	30%	\$ 1,197	\$ 1,412	18%
Expenses:						
Natural gas	414	554	(34%)	1,166	1,380	(18%)
Operation and maintenance	10	10	-	20	19	5%
Depreciation and amortization	1	1	-	2	2	-
Taxes other than income taxes	1	1	-	1	2	(100%)
Total	426	566	(33%)	1,189	1,403	(18%)
Operating Income (Loss)	\$ 6	\$ (6)	(200%)	\$ 8	\$ 9	13%

Competitive Natural Gas Sales and Services

Operating Data:

Throughput data in BCF	114	128	12%	255	269	5%
Number of customers - end of period	10,878	11,694	8%	10,878	11,694	8%

Interstate Pipelines

	Quarter Ended		% Diff Fav/(Unfav)	Six Months Ended		% Diff Fav/(Unfav)
	June 30,			June 30,		
	2009	2010		2009	2010	
Results of Operations:						
Revenues	\$ 155	\$ 148	(5%)	\$ 308	\$ 286	(7%)
Expenses:						
Natural gas	34	24	29%	63	34	46%
Operation and maintenance	41	35	15%	76	70	8%
Depreciation and amortization	12	13	(8%)	24	26	(8%)
Taxes other than income taxes	7	9	(29%)	15	17	(13%)
Total	94	81	14%	178	147	17%
Operating Income	\$ 61	\$ 67	10%	\$ 130	\$ 139	7%

Pipelines Operating Data:

Throughput data in BCF						
Transportation	396	400	1%	857	838	(2%)

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CenterPoint Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Millions of Dollars)
(Unaudited)

Field Services

	Quarter Ended		% Diff Fav/(Unfav)	Six Months Ended		% Diff Fav/(Unfav)
	June 30,			June 30,		
	2009	2010		2009	2010	
Results of Operations:						
Revenues	\$ 56	\$ 80	43%	\$ 113	\$ 148	31%
Expenses:						
Natural gas	11	18	(64%)	18	34	(89%)
Operation and maintenance	18	25	(39%)	37	46	(24%)
Depreciation and amortization	3	5	(67%)	7	11	(57%)
Taxes other than income taxes	1	1	-	2	3	(50%)
Total	33	49	(48%)	64	94	(47%)
Operating Income	\$ 23	\$ 31	35%	\$ 49	\$ 54	10%

**Field Services Operating Data:
Throughput data in BCF**

	2009	2010	% Diff Fav/(Unfav)	2009	2010	% Diff Fav/(Unfav)
Gathering	102	156	53%	206	284	38%

Other Operations

	Quarter Ended		% Diff Fav/(Unfav)	Six Months Ended		% Diff Fav/(Unfav)
	June 30,			June 30,		
	2009	2010		2009	2010	
Results of Operations:						
Revenues	\$ 3	\$ 3	-	\$ 6	\$ 6	-
Expenses	4	-	100%	7	2	71%
Operating Income (Loss)	\$ (1)	\$ 3	400%	\$ (1)	\$ 4	500%

Capital Expenditures by Segment
(Millions of Dollars)
(Unaudited)

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2009	2010	2009	2010
Capital Expenditures by Segment				
Electric Transmission & Distribution	\$ 108	\$ 101	\$ 189	\$ 196
Hurricane Ike	2	-	18	-
Total Electric Transmission & Distribution	110	101	207	196
Natural Gas Distribution	43	45	77	74
Competitive Natural Gas Sales and Services	-	1	1	1
Interstate Pipelines	27	32	74	40
Field Services	66	220	104	341
Other Operations	2	3	9	7
Total	\$ 248	\$ 402	\$ 472	\$ 659

(Millions of Dollars)
(Unaudited)

	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2009	2010	2009	2010
Interest Expense Detail				
Amortization of Deferred Financing Cost	\$ 9	\$ 5	\$ 18	\$ 12
Capitalization of Interest Cost	(1)	(2)	(3)	(3)
Transition and System Restoration Bond Interest Expense	33	36	66	72
Other Interest Expense	121	118	243	234
Total Interest Expense	\$ 162	\$ 157	\$ 324	\$ 315

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CenterPoint Energy, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(Millions of Dollars)
(Unaudited)

	December 31, 2009	June 30, 2010
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 740	\$ 583
Other current assets	2,164	1,769
Total current assets	2,904	2,352
Property, Plant and Equipment, net	10,788	11,217
Other Assets:		
Goodwill	1,696	1,696
Regulatory assets	3,677	3,540
Other non-current assets	708	716
Total other assets	6,081	5,952
Total Assets	\$ 19,773	\$ 19,521
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	\$ 55	\$ 32
Current portion of transition and system restoration bonds long-term debt	241	274
Current portion of indexed debt	121	124
Current portion of other long-term debt	541	769
Other current liabilities	2,080	1,833
Total current liabilities	3,038	3,032
Other Liabilities:		
Accumulated deferred income taxes, net and investment tax credit	2,792	2,786
Regulatory liabilities	921	967
Other non-current liabilities	1,264	1,265
Total other liabilities	4,977	5,018
Long-term Debt:		
Transition and system restoration bonds	2,805	2,665
Other	6,314	5,745
Total long-term debt	9,119	8,410
Shareholders' Equity	2,639	3,061
Total Liabilities and Shareholders' Equity	\$ 19,773	\$ 19,521

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CenterPoint Energy, Inc. and Subsidiaries
Condensed Statements of Consolidated Cash Flows
(Millions of Dollars)
(Unaudited)

	Six Months Ended June 30,	
	2009	2010
Cash Flows from Operating Activities:		
Net income	\$ 153	\$ 195
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	374	431
Deferred income taxes	78	(37)
Write-down of natural gas inventory	6	-
Changes in net regulatory assets	19	26
Changes in other assets and liabilities	422	195
Other, net	4	8
Net Cash Provided by Operating Activities	<u>1,056</u>	<u>818</u>
Net Cash Used in Investing Activities	(504)	(719)
Net Cash Used in Financing Activities	<u>(568)</u>	<u>(256)</u>
Net Decrease in Cash and Cash Equivalents	(16)	(157)
Cash and Cash Equivalents at Beginning of Period	167	740
Cash and Cash Equivalents at End of Period	<u>\$ 151</u>	<u>\$ 583</u>

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