

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

| | Quarter Ended June 30, | | Six Months Ended June 30, | |
|---|---------------------------|--------------|------------------------------|---------------|
| | 2008 | 2009 | 2008 | 2009 |
| Revenues: | | | | |
| Electric Transmission & Distribution | \$ 510 | \$ 521 | \$ 919 | \$ 933 |
| Natural Gas Distribution | 726 | 518 | 2,426 | 1,939 |
| Competitive Natural Gas Sales and Services | 1,243 | 432 | 2,363 | 1,197 |
| Interstate Pipelines | 192 | 155 | 325 | 308 |
| Field Services | 62 | 56 | 120 | 113 |
| Other Operations | 2 | 3 | 5 | 6 |
| Eliminations | (65) | (45) | (125) | (90) |
| Total | <u>2,670</u> | <u>1,640</u> | <u>6,033</u> | <u>4,406</u> |
| Expenses: | | | | |
| Natural gas | 1,750 | 710 | 4,143 | 2,499 |
| Operation and maintenance | 342 | 398 | 707 | 811 |
| Depreciation and amortization | 188 | 188 | 346 | 354 |
| Taxes other than income taxes | 93 | 91 | 204 | 204 |
| Total | <u>2,373</u> | <u>1,387</u> | <u>5,400</u> | <u>3,868</u> |
| Operating Income | <u>297</u> | <u>253</u> | <u>633</u> | <u>538</u> |
| Other Income (Expense) : | | | | |
| Gain (loss) on marketable securities | 17 | 55 | (37) | 21 |
| Gain (loss) on indexed debt securities | (17) | (46) | 33 | (24) |
| Interest and other finance charges | (114) | (129) | (230) | (258) |
| Interest on transition bonds | (35) | (33) | (68) | (66) |
| Equity in earnings of unconsolidated affiliates | 14 | 11 | 23 | 11 |
| Other - net | - | 18 | 4 | 22 |
| Total | <u>(135)</u> | <u>(124)</u> | <u>(275)</u> | <u>(294)</u> |
| Income Before Income Taxes | 162 | 129 | 358 | 244 |
| Income Tax Expense | <u>(61)</u> | <u>(43)</u> | <u>(135)</u> | <u>(91)</u> |
| Net Income | <u>\$ 101</u> | <u>\$ 86</u> | <u>\$ 223</u> | <u>\$ 153</u> |

Reference is made to the Notes to the Consolidated Financial Statements
 contained in the Quarterly 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, | |
|---|---------------------------|---------|------------------------------|---------|
| | 2008 | 2009 | 2008 | 2009 |
| Basic Earnings Per Common Share | \$ 0.30 | \$ 0.24 | \$ 0.68 | \$ 0.44 |
| Diluted Earnings Per Common Share | \$ 0.30 | \$ 0.24 | \$ 0.66 | \$ 0.44 |
| Dividends Declared per Common Share | \$ 0.1825 | \$ 0.19 | \$ 0.365 | \$ 0.38 |
| Weighted Average Common Shares Outstanding (000): | | | | |
| - Basic | 331,354 | 352,461 | 329,316 | 346,660 |
| - Diluted | 342,027 | 354,280 | 340,873 | 348,522 |

Operating Income by Segment

| | | | | |
|--|--------|--------|--------|--------|
| Electric Transmission & Distribution: | | | | |
| Electric Transmission and Distribution Operations | \$ 129 | \$ 129 | \$ 183 | \$ 166 |
| Competition Transition Charge | - | - | 5 | - |
| Total Electric Transmission and Distribution Utility | 129 | 129 | 188 | 166 |
| Transition Bond Companies | 35 | 33 | 67 | 66 |
| Total Electric Transmission & Distribution | 164 | 162 | 255 | 232 |
| Natural Gas Distribution | 4 | 2 | 125 | 120 |
| Competitive Natural Gas Sales and Services | (5) | 6 | 1 | 8 |
| Interstate Pipelines | 101 | 61 | 172 | 130 |
| Field Services | 32 | 23 | 77 | 49 |
| Other Operations | 1 | (1) | 3 | (1) |
| Total | \$ 297 | \$ 253 | \$ 633 | \$ 538 |

Reference is made to the Notes to the Consolidated Financial Statements
contained in the Quarterly 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) |
| | 2008 | 2009 | | 2008 | 2009 | |
| Results of Operations: | | | | | | |
| Revenues: | | | | | | |
| Electric transmission and distribution utility | \$ 419 | \$ 432 | 3% | \$ 765 | \$ 778 | 2% |
| Transition bond companies | 91 | 89 | (2%) | 154 | 155 | 1% |
| Total | <u>510</u> | <u>521</u> | 2% | <u>919</u> | <u>933</u> | 2% |
| Expenses: | | | | | | |
| Operation and maintenance | 167 | 181 | (8%) | 335 | 369 | (10%) |
| Depreciation and amortization | 71 | 69 | 3% | 137 | 137 | - |
| Taxes other than income taxes | 52 | 53 | (2%) | 105 | 106 | (1%) |
| Transition bond companies | 56 | 56 | - | 87 | 89 | (2%) |
| Total | <u>346</u> | <u>359</u> | (4%) | <u>664</u> | <u>701</u> | (6%) |
| Operating Income | <u>\$ 164</u> | <u>\$ 162</u> | (1%) | <u>\$ 255</u> | <u>\$ 232</u> | (9%) |
| Operating Income: | | | | | | |
| Electric transmission and distribution operations | \$ 129 | \$ 129 | - | \$ 183 | \$ 166 | (9%) |
| Competition transition charge | - | - | - | 5 | - | (100%) |
| Transition bond companies | 35 | 33 | (6%) | 67 | 66 | (1%) |
| Total Segment Operating Income | <u>\$ 164</u> | <u>\$ 162</u> | (1%) | <u>\$ 255</u> | <u>\$ 232</u> | (9%) |
| Electric Transmission & Distribution Operating Data: | | | | | | |
| Actual MWH Delivered | | | | | | |
| Residential | 6,774,069 | 6,831,444 | 1% | 11,177,381 | 10,797,963 | (3%) |
| Total | 20,359,540 | 19,840,955 | (3%) | 36,929,230 | 34,983,263 | (5%) |
| Weather (average for service area): | | | | | | |
| Percentage of 10-year average: | | | | | | |
| Cooling degree days | 111% | 108% | (3%) | 113% | 109% | (4%) |
| Heating degree days | 73% | 112% | 39% | 95% | 89% | (6%) |
| Number of metered customers - end of period: | | | | | | |
| Residential | 1,820,092 | 1,846,908 | 1% | 1,820,092 | 1,846,908 | 1% |
| Total | 2,063,924 | 2,092,209 | 1% | 2,063,924 | 2,092,209 | 1% |
| Natural Gas Distribution | | | | | | |
| | Quarter Ended | | | Six Months Ended | | |
| | June 30, | | % Diff Fav/(Unfav) | June 30, | | % Diff Fav/(Unfav) |
| | 2008 | 2009 | | 2008 | 2009 | |
| Results of Operations: | | | | | | |
| Revenues | | | | | | |
| | \$ 726 | \$ 518 | (29%) | \$ 2,426 | \$ 1,939 | (20%) |
| Expenses: | | | | | | |
| Natural gas | 512 | 295 | 42% | 1,845 | 1,340 | 27% |
| Operation and maintenance | 141 | 152 | (8%) | 297 | 321 | (8%) |
| Depreciation and amortization | 39 | 41 | (5%) | 78 | 81 | (4%) |
| Taxes other than income taxes | 30 | 28 | 7% | 81 | 77 | 5% |
| Total | <u>722</u> | <u>516</u> | 29% | <u>2,301</u> | <u>1,819</u> | 21% |
| Operating Income | <u>\$ 4</u> | <u>\$ 2</u> | (50%) | <u>\$ 125</u> | <u>\$ 120</u> | (4%) |
| Natural Gas Distribution Operating Data: | | | | | | |
| Throughput data in BCF | | | | | | |
| Residential | 20 | 20 | - | 104 | 98 | (6%) |
| Commercial and Industrial | 47 | 43 | (9%) | 130 | 116 | (11%) |
| Total Throughput | <u>67</u> | <u>63</u> | (6%) | <u>234</u> | <u>214</u> | (9%) |
| Weather (average for service area) | | | | | | |
| Percentage of 10-year average: | | | | | | |
| Heating degree days | 113% | 109% | (4%) | 107% | 103% | (4%) |
| Number of customers - end of period: | | | | | | |
| Residential | 2,945,460 | 2,961,941 | 1% | 2,945,460 | 2,961,941 | 1% |
| Commercial and Industrial | 250,993 | 241,875 | (4%) | 250,993 | 241,875 | (4%) |
| Total | <u>3,196,453</u> | <u>3,203,816</u> | - | <u>3,196,453</u> | <u>3,203,816</u> | - |

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

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, | | |
| | 2008 | 2009 | | 2008 | 2009 | |
| Results of Operations: | | | | | | |
| Revenues | \$ 1,243 | \$ 432 | (65%) | \$ 2,363 | \$ 1,197 | (49%) |
| Expenses: | | | | | | |
| Natural gas | 1,237 | 414 | 67% | 2,342 | 1,166 | 50% |
| Operation and maintenance | 10 | 10 | - | 18 | 20 | (11%) |
| Depreciation and amortization | - | 1 | - | 1 | 2 | (100%) |
| Taxes other than income taxes | 1 | 1 | - | 1 | 1 | - |
| Total | 1,248 | 426 | 66% | 2,362 | 1,189 | 50% |
| Operating Income (Loss) | \$ (5) | \$ 6 | 220% | \$ 1 | \$ 8 | 700% |

Competitive Natural Gas Sales and Services

Operating Data:

| | | | | | | |
|--|-------|--------|-------|-------|--------|------|
| Throughput data in BCF | 129 | 114 | (12%) | 267 | 255 | (4%) |
| Number of customers - end of period | 8,923 | 10,878 | 22% | 8,923 | 10,878 | 22% |

Interstate Pipelines

| | Quarter Ended | | % Diff Fav/(Unfav) | Six Months Ended | | % Diff Fav/(Unfav) |
|-------------------------------|---------------|--------|-----------------------|------------------|--------|-----------------------|
| | June 30, | | | June 30, | | |
| | 2008 | 2009 | | 2008 | 2009 | |
| Results of Operations: | | | | | | |
| Revenues | \$ 192 | \$ 155 | (19%) | \$ 325 | \$ 308 | (5%) |
| Expenses: | | | | | | |
| Natural gas | 58 | 34 | 41% | 73 | 63 | 14% |
| Operation and maintenance | 16 | 41 | (156%) | 46 | 76 | (65%) |
| Depreciation and amortization | 11 | 12 | (9%) | 23 | 24 | (4%) |
| Taxes other than income taxes | 6 | 7 | (17%) | 11 | 15 | (36%) |
| Total | 91 | 94 | (3%) | 153 | 178 | (16%) |
| Operating Income | \$ 101 | \$ 61 | (40%) | \$ 172 | \$ 130 | (24%) |

Pipelines Operating Data:

| | | | | | | |
|-------------------------------|-----|-----|----|-----|-----|----|
| Throughput data in BCF | | | | | | |
| Transportation | 361 | 390 | 8% | 785 | 857 | 9% |

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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, | | |
| | 2008 | 2009 | | 2008 | 2009 | |
| Results of Operations: | | | | | | |
| Revenues | \$ 62 | \$ 56 | (10%) | \$ 120 | \$ 113 | (6%) |
| Expenses: | | | | | | |
| Natural gas | 8 | 11 | (38%) | 6 | 18 | (200%) |
| Operation and maintenance | 18 | 18 | - | 29 | 37 | (28%) |
| Depreciation and amortization | 3 | 3 | - | 6 | 7 | (17%) |
| Taxes other than income taxes | 1 | 1 | - | 2 | 2 | - |
| Total | 30 | 33 | (10%) | 43 | 64 | (49%) |
| Operating Income | \$ 32 | \$ 23 | (28%) | \$ 77 | \$ 49 | (36%) |

Field Services Operating Data:

Throughput data in BCF

| | 2008 | 2009 | % Diff | 2008 | 2009 | % Diff |
|-----------|------|------|--------|------|------|--------|
| Gathering | 104 | 102 | (2%) | 202 | 206 | 2% |

Other Operations

| | Quarter Ended | | % Diff Fav/(Unfav) | Six Months Ended | | % Diff Fav/(Unfav) |
|-------------------------------|---------------|--------|-----------------------|------------------|--------|-----------------------|
| | June 30, | | | June 30, | | |
| | 2008 | 2009 | | 2008 | 2009 | |
| Results of Operations: | | | | | | |
| Revenues | \$ 2 | \$ 3 | 50% | \$ 5 | \$ 6 | 20% |
| Expenses | 1 | 4 | (300%) | 2 | 7 | (250%) |
| Operating Income (Loss) | \$ 1 | \$ (1) | (200%) | \$ 3 | \$ (1) | (133%) |

Capital Expenditures by Segment

(Millions of Dollars)

(Unaudited)

| | Quarter Ended | | Six Months Ended | |
|--|---------------|--------|------------------|--------|
| | June 30, | | June 30, | |
| | 2008 | 2009 | 2008 | 2009 |
| Capital Expenditures by Segment | | | | |
| Electric Transmission & Distribution | \$ 87 | \$ 108 | \$ 176 | \$ 189 |
| Hurricane Ike | - | 2 | - | 18 |
| Total Electric Transmission & Distribution | 87 | 110 | 176 | 207 |
| Natural Gas Distribution | 56 | 43 | 94 | 77 |
| Competitive Natural Gas Sales and Services | 1 | - | 2 | 1 |
| Interstate Pipelines | 42 | 27 | 70 | 74 |
| Field Services | 28 | 66 | 46 | 104 |
| Other Operations | 5 | 2 | 13 | 9 |
| Total | \$ 219 | \$ 248 | \$ 401 | \$ 472 |

Interest Expense Detail

(Millions of Dollars)

(Unaudited)

| | Quarter Ended | | Six Months Ended | |
|---|---------------|--------|------------------|--------|
| | June 30, | | June 30, | |
| | 2008 | 2009 | 2008 | 2009 |
| Interest Expense Detail | | | | |
| Amortization of Deferred Financing Cost | \$ 6 | \$ 9 | \$ 12 | \$ 18 |
| Capitalization of Interest Cost | (4) | (1) | (7) | (3) |
| Transition Bond Interest Expense | 35 | 33 | 68 | 66 |
| Other Interest Expense | 112 | 121 | 225 | 243 |
| Total Interest Expense | \$ 149 | \$ 162 | \$ 298 | \$ 324 |

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

| | December 31, 2008 | June 30, 2009 |
|--|----------------------|------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 167 | \$ 151 |
| Other current assets | 2,868 | 1,777 |
| Total current assets | 3,035 | 1,928 |
| Property, Plant and Equipment, net | 10,296 | 10,524 |
| Other Assets: | | |
| Goodwill | 1,696 | 1,696 |
| Regulatory assets | 3,684 | 3,606 |
| Other non-current assets | 965 | 963 |
| Total other assets | 6,345 | 6,265 |
| Total Assets | \$ 19,676 | \$ 18,717 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Short-term borrowings | \$ 153 | \$ 75 |
| Current portion of transition bond long-term debt | 208 | 211 |
| Current portion of other long-term debt | 125 | 133 |
| Other current liabilities | 2,362 | 1,675 |
| Total current liabilities | 2,848 | 2,094 |
| Other Liabilities: | | |
| Accumulated deferred income taxes, net and investment tax credit | 2,632 | 2,627 |
| Regulatory liabilities | 821 | 874 |
| Other non-current liabilities | 1,172 | 1,254 |
| Total other liabilities | 4,625 | 4,755 |
| Long-term Debt: | | |
| Transition bond | 2,381 | 2,274 |
| Other | 7,800 | 7,357 |
| Total long-term debt | 10,181 | 9,631 |
| Shareholders' Equity | 2,022 | 2,237 |
| Total Liabilities and Shareholders' Equity | \$ 19,676 | \$ 18,717 |

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

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

| | Six Months Ended June 30, | |
|---|---------------------------|---------------|
| | 2008 | 2009 |
| Cash Flows from Operating Activities: | | |
| Net income | \$ 223 | \$ 153 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 361 | 374 |
| Deferred income taxes | 12 | 78 |
| Write-down of natural gas inventory | - | 6 |
| Changes in net regulatory assets | 14 | 19 |
| Changes in other assets and liabilities | 256 | 422 |
| Other, net | 2 | 4 |
| Net Cash Provided by Operating Activities | <u>868</u> | <u>1,056</u> |
| Net Cash Used in Investing Activities | (700) | (504) |
| Net Cash Used in Financing Activities | <u>(147)</u> | <u>(568)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 21 | (16) |
| Cash and Cash Equivalents at Beginning of Period | 129 | 167 |
| Cash and Cash Equivalents at End of Period | <u>\$ 150</u> | <u>\$ 151</u> |

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