

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

	Quarter Ended December 31,		Year Ended December 31,	
	2008	2009	2008	2009
<b>Revenues:</b>				
Electric Transmission & Distribution	\$ 445	\$ 472	\$ 1,916	\$ 2,013
Natural Gas Distribution	1,250	1,043	4,226	3,384
Competitive Natural Gas Sales and Services	896	634	4,528	2,230
Interstate Pipelines	182	137	650	598
Field Services	61	65	252	241
Other Operations	3	2	11	11
Eliminations	(63)	(54)	(261)	(196)
Total	<u>2,774</u>	<u>2,299</u>	<u>11,322</u>	<u>8,281</u>
<b>Expenses:</b>				
Natural gas	1,791	1,290	7,466	4,371
Operation and maintenance	424	438	1,502	1,664
Depreciation and amortization	168	181	708	743
Taxes other than income taxes	88	91	373	379
Total	<u>2,471</u>	<u>2,000</u>	<u>10,049</u>	<u>7,157</u>
Operating Income	<u>303</u>	<u>299</u>	<u>1,273</u>	<u>1,124</u>
<b>Other Income (Expense) :</b>				
Gain (loss) on marketable securities	(66)	14	(139)	82
Gain (loss) on indexed debt securities	62	(14)	128	(68)
Interest and other finance charges	(122)	(129)	(468)	(513)
Interest on transition and system restoration bonds	(34)	(33)	(136)	(131)
Distribution from AOL Time Warner litigation settlement	-	3	-	3
Additional distribution to ZENS holders	-	(3)	-	(3)
Equity in earnings of unconsolidated affiliates	5	7	51	15
Other - net	4	8	14	39
Total	<u>(151)</u>	<u>(147)</u>	<u>(550)</u>	<u>(576)</u>
Income Before Income Taxes	152	152	723	548
Income Tax Expense	<u>(65)</u>	<u>(47)</u>	<u>(277)</u>	<u>(176)</u>
Net Income	<u>\$ 87</u>	<u>\$ 105</u>	<u>\$ 446</u>	<u>\$ 372</u>

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report on Form 10-K 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 December 31,		Year Ended December 31,	
	2008	2009	2008	2009
Basic Earnings Per Common Share	\$ 0.25	\$ 0.27	\$ 1.32	\$ 1.02
Diluted Earnings Per Common Share	\$ 0.25	\$ 0.27	\$ 1.30	\$ 1.01
Dividends Declared per Common Share	\$ 0.1825	\$ 0.19	\$ 0.73	\$ 0.76
Weighted Average Common Shares Outstanding (000):				
- Basic	344,536	390,922	336,387	365,229
- Diluted	346,839	393,472	343,555	367,681

Operating Income (Loss) by Segment

Electric Transmission & Distribution:				
Electric Transmission and Distribution Operations	\$ 55	\$ 61	\$ 407	\$ 414
Competition Transition Charge	-	-	5	-
Total Electric Transmission and Distribution Utility	55	61	412	414
Transition and System Restoration Bond Companies	33	34	133	131
Total Electric Transmission & Distribution	88	95	545	545
Natural Gas Distribution	96	99	215	204
Competitive Natural Gas Sales and Services	26	21	62	21
Interstate Pipelines	66	62	293	256
Field Services	26	22	147	94
Other Operations	1	-	11	4
Total	\$ 303	\$ 299	\$ 1,273	\$ 1,124

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

	<b>Electric Transmission &amp; Distribution</b>					
	Quarter Ended		% Diff Fav/(Unfav)	Year Ended		% Diff Fav/(Unfav)
	December 31,	2009		December 31,	2009	
	2008		2008	2009		
<b>Results of Operations:</b>						
Revenues:						
Electric transmission and distribution utility	\$ 373	\$ 392	5%	\$ 1,593	\$ 1,673	5%
Transition and system restoration bond companies	72	80	11%	323	340	5%
Total	<u>445</u>	<u>472</u>	6%	<u>1,916</u>	<u>2,013</u>	5%
Expenses:						
Operation and maintenance	201	211	(5%)	703	774	(10%)
Depreciation and amortization	69	70	(1%)	277	277	-
Taxes other than income taxes	48	50	(4%)	201	208	(3%)
Transition and system restoration bond companies	39	46	(18%)	190	209	(10%)
Total	<u>357</u>	<u>377</u>	(6%)	<u>1,371</u>	<u>1,468</u>	(7%)
Operating Income	<u>\$ 88</u>	<u>\$ 95</u>	8%	<u>\$ 545</u>	<u>\$ 545</u>	-
Operating Income:						
Electric transmission and distribution operations	\$ 55	\$ 61	11%	\$ 407	\$ 414	2%
Competition transition charge	-	-	-	5	-	(100%)
Transition and system restoration bond companies	33	34	3%	133	131	(2%)
Total Segment Operating Income	<u>\$ 88</u>	<u>\$ 95</u>	8%	<u>\$ 545</u>	<u>\$ 545</u>	-

**Electric Transmission & Distribution  
Operating Data:**

<b>Actual MWH Delivered</b>						
Residential	4,635,129	4,774,799	3%	24,258,254	24,815,397	2%
Total	16,316,691	16,632,601	2%	74,839,972	74,579,298	-

**Weather (average for service area):**

Percentage of 10-year average:						
Cooling degree days	88%	82%	(6%)	102%	105%	3%
Heating degree days	88%	122%	34%	92%	103%	11%

**Number of metered customers - end of period:**

Residential	1,821,267	1,849,019	2%	1,821,267	1,849,019	2%
Total	2,064,854	2,094,210	1%	2,064,854	2,094,210	1%

**Natural Gas Distribution**

	Quarter Ended		% Diff Fav/(Unfav)	Year Ended		% Diff Fav/(Unfav)
	December 31,	2009		December 31,	2009	
		2008		2008	2009	
<b>Results of Operations:</b>						
Revenues:						
	\$ 1,250	\$ 1,043	(17%)	\$ 4,226	\$ 3,384	(20%)
Expenses:						
Natural gas	928	713	23%	3,124	2,251	28%
Operation and maintenance	153	161	(5%)	589	639	(8%)
Depreciation and amortization	39	40	(3%)	157	161	(3%)
Taxes other than income taxes	34	30	12%	141	129	9%
Total	<u>1,154</u>	<u>944</u>	18%	<u>4,011</u>	<u>3,180</u>	21%
Operating Income	<u>\$ 96</u>	<u>\$ 99</u>	3%	<u>\$ 215</u>	<u>\$ 204</u>	(5%)

**Natural Gas Distribution Operating Data:**

<b>Throughput data in BCF</b>						
Residential	58	62	7%	175	173	(1%)
Commercial and Industrial	65	69	6%	236	233	(1%)
Total Throughput	<u>123</u>	<u>131</u>	7%	<u>411</u>	<u>406</u>	(1%)

**Weather (average for service area)**

Percentage of 10-year average:						
Heating degree days	102%	110%	8%	104%	105%	1%

**Number of customers - end of period:**

Residential	2,987,222	3,002,114	-	2,987,222	3,002,114	-
Commercial and Industrial	248,476	244,101	(2%)	248,476	244,101	(2%)
Total	<u>3,235,698</u>	<u>3,246,215</u>	-	<u>3,235,698</u>	<u>3,246,215</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)	Year Ended		% Diff Fav/(Unfav)
	December 31,			December 31,		
	2008	2009		2008	2009	
<b>Results of Operations:</b>						
Revenues	\$ 896	\$ 634	(29%)	\$ 4,528	\$ 2,230	(51%)
Expenses:						
Natural gas	856	603	30%	4,423	2,165	51%
Operation and maintenance	13	9	31%	39	39	-
Depreciation and amortization	1	1	-	3	4	(33%)
Taxes other than income taxes	-	-	-	1	1	-
Total	870	613	30%	4,466	2,209	51%
Operating Income	<u>\$ 26</u>	<u>\$ 21</u>	(19%)	<u>\$ 62</u>	<u>\$ 21</u>	(66%)

**Competitive Natural Gas Sales and Services**

**Operating Data:**

<b>Throughput data in BCF</b>	<u>136</u>	<u>134</u>	(1%)	<u>528</u>	<u>504</u>	(5%)
<b>Number of customers - end of period</b>	<u>9,771</u>	<u>11,168</u>	14%	<u>9,771</u>	<u>11,168</u>	14%

**Interstate Pipelines**

	Quarter Ended		% Diff Fav/(Unfav)	Year Ended		% Diff Fav/(Unfav)
	December 31,			December 31,		
	2008	2009		2008	2009	
<b>Results of Operations:</b>						
Revenues	\$ 182	\$ 137	(25%)	\$ 650	\$ 598	(8%)
Expenses:						
Natural gas	58	12	79%	155	97	37%
Operation and maintenance	40	43	(8%)	133	166	(25%)
Depreciation and amortization	12	12	-	46	48	(4%)
Taxes other than income taxes	6	8	(33%)	23	31	(35%)
Total	116	75	35%	357	342	4%
Operating Income	<u>\$ 66</u>	<u>\$ 62</u>	(6%)	<u>\$ 293</u>	<u>\$ 256</u>	(13%)

**Pipelines Operating Data:**

<b>Throughput data in BCF</b>						
Transportation	<u>393</u>	<u>357</u>	(9%)	<u>1,538</u>	<u>1,592</u>	4%

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

	<b>Field Services</b>					
	Quarter Ended December 31,		% Diff Fav/(Unfav)	Year Ended December 31,		% Diff Fav/(Unfav)
	2008	2009		2008	2009	
<b>Results of Operations:</b>						
Revenues	\$ 61	\$ 65	7%	\$ 252	\$ 241	(4%)
Expenses:						
Natural gas	10	15	(50%)	21	51	(143%)
Operation and maintenance	21	23	(10%)	69	77	(12%)
Depreciation and amortization	3	4	(33%)	12	15	(25%)
Taxes other than income taxes	1	1	-	3	4	(33%)
Total	35	43	(23%)	105	147	(40%)
Operating Income	<u>\$ 26</u>	<u>\$ 22</u>	(15%)	<u>\$ 147</u>	<u>\$ 94</u>	(36%)

**Field Services Operating Data:**

<b>Throughput data in BCF</b>						
Gathering	110	114	4%	421	426	1%

	<b>Other Operations</b>					
	Quarter Ended December 31,		% Diff Fav/(Unfav)	Year Ended December 31,		% Diff Fav/(Unfav)
	2008	2009		2008	2009	
<b>Results of Operations:</b>						
Revenues	\$ 3	\$ 2	(33%)	\$ 11	\$ 11	-
Expenses	2	2	-	-	7	-
Operating Income	<u>\$ 1</u>	<u>\$ -</u>	(100%)	<u>\$ 11</u>	<u>\$ 4</u>	(64%)

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

	Quarter Ended December 31,		Year Ended December 31,	
	2008	2009	2008	2009
<b>Capital Expenditures by Segment</b>				
Electric Transmission & Distribution	\$ 80	\$ 114	\$ 336	\$ 402
Hurricane Ike	4	-	145	26
Total Electric Transmission & Distribution	84	114	481	428
Natural Gas Distribution	63	44	214	165
Competitive Natural Gas Sales and Services	5	-	8	2
Interstate Pipelines	59	58	189	176
Field Services	45	131	122	348
Other Operations	21	11	39	29
Total	<u>\$ 277</u>	<u>\$ 358</u>	<u>\$ 1,053</u>	<u>\$ 1,148</u>

**Interest Expense Detail**  
(Millions of Dollars)  
(Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2008	2009	2008	2009
<b>Interest Expense Detail</b>				
Amortization of Deferred Financing Cost	\$ 7	\$ 7	\$ 25	\$ 34
Capitalization of Interest Cost	(2)	-	(12)	(4)
Transition and System Restoration Bond Interest Expense	34	33	136	131
Other Interest Expense	117	122	455	483
Total Interest Expense	<u>\$ 156</u>	<u>\$ 162</u>	<u>\$ 604</u>	<u>\$ 644</u>

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

	December 31, 2008	December 31, 2009
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 167	\$ 740
Other current assets	2,868	2,164
Total current assets	3,035	2,904
<b>Property, Plant and Equipment, net</b>	10,296	10,788
<b>Other Assets:</b>		
Goodwill	1,696	1,696
Regulatory assets	3,684	3,677
Other non-current assets	965	708
Total other assets	6,345	6,081
<b>Total Assets</b>	\$ 19,676	\$ 19,773
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current Liabilities:</b>		
Short-term borrowings	\$ 153	\$ 55
Current portion of transition and system restoration bonds long-term debt	208	241
Current portion of other long-term debt	125	662
Other current liabilities	2,362	2,080
Total current liabilities	2,848	3,038
<b>Other Liabilities:</b>		
Accumulated deferred income taxes, net and investment tax credit	2,632	2,792
Regulatory liabilities	821	921
Other non-current liabilities	1,172	1,264
Total other liabilities	4,625	4,977
<b>Long-term Debt:</b>		
Transition and system restoration bonds	2,381	2,805
Other	7,800	6,314
Total long-term debt	10,181	9,119
<b>Shareholders' Equity</b>	2,022	2,639
<b>Total Liabilities and Shareholders' Equity</b>	\$ 19,676	\$ 19,773

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

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

	Year Ended December 31,	
	2008	2009
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 446	\$ 372
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	737	780
Deferred income taxes	487	269
Write-down of natural gas inventory	30	6
Changes in net regulatory assets	(366)	-
Changes in other assets and liabilities	(450)	398
Other, net	(33)	16
<b>Net Cash Provided by Operating Activities</b>	851	1,841
<b>Net Cash Used in Investing Activities</b>	(1,368)	(896)
<b>Net Cash Provided by (Used in) Financing Activities</b>	555	(372)
<b>Net Increase in Cash and Cash Equivalents</b>	38	573
<b>Cash and Cash Equivalents at Beginning of Period</b>	129	167
<b>Cash and Cash Equivalents at End of Period</b>	\$ 167	\$ 740

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