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**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 4, 2007**

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**CENTERPOINT ENERGY, INC.**

(Exact name of registrant as specified in its charter)

**Texas**  
(State or other jurisdiction  
of incorporation)

**1-31447**  
(Commission File Number)

**74-0694415**  
(IRS Employer  
Identification No.)

**1111 Louisiana  
Houston, Texas**  
(Address of principal executive offices)

**77002**  
(Zip Code)

Registrant's telephone number, including area code: **(713) 207-1111**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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### ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On May 4, 2007, CenterPoint Energy, Inc. (“CenterPoint Energy”) reported first quarter 2007 earnings. For additional information regarding CenterPoint Energy’s first quarter 2007 earnings, please refer to CenterPoint Energy’s press release attached to this report as Exhibit 99.1 (the “Press Release”), which Press Release is incorporated by reference herein. The information in the Press Release is being furnished, not filed, pursuant to Item 2.02. Accordingly, the information in the Press Release will not be incorporated by reference into any registration statement filed by CenterPoint Energy under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

### ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

The exhibit listed below is furnished pursuant to Item 2.02 of this Form 8-K.

(d) Exhibits.

99.1 Press Release issued May 4, 2007 regarding CenterPoint Energy, Inc.’s first quarter 2007 earnings.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTERPOINT ENERGY, INC.

Date: May 4, 2007

By: /s/ James S. Brian

James S. Brian  
Senior Vice President and  
Chief Accounting Officer

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EXHIBIT INDEX

**EXHIBIT  
NUMBER**

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**EXHIBIT DESCRIPTION**

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99.1

Press Release issued May 4, 2007 regarding CenterPoint Energy, Inc.'s first quarter 2007 earnings



For more information contact

**Media:**

**Leticia Lowe**

Phone 713.207.7702

**Investors:**

**Marianne Paulsen**

Phone 713.207.6500

**For Immediate Release**

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## **CENTERPOINT ENERGY REPORTS FIRST QUARTER 2007 EARNINGS**

**Houston, TX — May 4, 2007** - CenterPoint Energy, Inc. (NYSE: CNP) today reported net income of \$130 million, or \$0.38 per diluted share, for the first quarter of 2007 compared to \$88 million, or \$0.28 per diluted share, for the same period of 2006. The first quarter of 2006 included an addition to the tax reserve related to the company's Zero Premium Exchangeable Subordinated Notes, which reduced net income by \$14 million, or \$0.04 per diluted share.

"I am very pleased with our overall results for the quarter," said David M. McClanahan, president and chief executive officer of CenterPoint Energy. "Our businesses benefited from continued operational improvements, as well as a return to more normal winter weather compared to milder weather last year. I am especially pleased with the performance of our natural gas LDCs this quarter as we are beginning to realize the benefits of our efforts to improve the operating model in these businesses."

### **OPERATING INCOME BY SEGMENT DETAILED**

#### **Electric Transmission & Distribution**

The electric transmission & distribution segment reported operating income of \$104 million in the first quarter of 2007, consisting of \$73 million for the regulated electric transmission & distribution utility (TDU) (including \$11 million for the competition transition charge (CTC)) and \$31 million related to the transition bonds. Operating income for the first quarter of 2006 totaled \$110 million, consisting of \$78 million for the TDU (including \$16 million for the CTC) and \$32 million related to the transition bonds.

The decrease in operating income for the TDU was primarily due to the reduction in the allowed rate of return on the un-recovered CTC balance. Increases in operating income from higher usage primarily due to colder weather and customer growth of nearly 39,000 metered customers since March of 2006, more than offset the impact of the base rate reduction and settlement implemented in October of 2006. In addition, operating income for the first quarter of 2006 benefited from a gain on the sale of land.

#### **Natural Gas Distribution**

The natural gas distribution segment reported operating income of \$129 million for the first quarter of 2007 compared to \$103 million for the same period of 2006. The increase in operating income was driven by increased usage primarily due to a return to normal weather,

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**For Immediate Release**

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customer growth of nearly 48,000 customers since March of 2006, and labor and benefit savings associated with staff reductions in 2006. These increases were partially offset by lower final base rates in Minnesota compared to interim rates accrued in the first quarter of 2006, higher expenses associated with improvements to customer service and increased bad debt expense.

**Competitive Natural Gas Sales and Services**

The competitive natural gas sales and services segment reported operating income of \$56 million for the first quarter of 2007 compared to \$25 million for the same period of 2006. The increase was primarily driven by a \$28 million gain on sales of gas from inventory partially offset by a \$14 million unfavorable change resulting from mark-to-market accounting for non-trading financial derivatives. In addition, the first quarter of 2006 included a \$13 million write-down of natural gas inventory to the lower of average cost or market.

**Interstate Pipelines**

The interstate pipelines segment reported operating income of \$44 million for the first quarter of 2007 compared to \$49 million for the same period of 2006. The decrease in operating income was primarily due to an increase in operating expenses and the absence of a favorable natural gas storage adjustment recorded in the first quarter of 2006.

**Field Services**

The field services segment reported operating income of \$22 million for the first quarter of 2007 compared to \$24 million for the same period of 2006. Continued increased demands for gas gathering and ancillary services were more than offset by lower commodity prices occurring in the first quarter of 2007 and increased operating expenses. In addition, this segment recorded equity income of \$2 million in each of the first quarters of 2006 and 2007 from its 50 percent interest in a jointly-owned gas processing plant. These amounts are included in Other — net under the Other Income (Expense) caption.

**DIVIDEND DECLARATION**

On April 26, 2007, CenterPoint Energy's board of directors declared a regular quarterly cash dividend of \$0.17 per share of common stock payable on June 8, 2007, to shareholders of record as of the close of business on May 16, 2007.

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**For Immediate Release**

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**OUTLOOK FOR 2007**

CenterPoint Energy continues to expect diluted earnings per share for 2007 to be in the range of \$1.02 to \$1.12. This guidance takes into consideration various economic and operational assumptions related to the business segments in which the company operates. The company has made certain assumptions regarding the impact to earnings of various regulatory proceedings, but cannot predict the ultimate outcome of any of those proceedings. In providing this guidance, the company has not projected the impact of any changes in accounting standards, any impact from acquisitions or divestitures, or the outcome of the TDU's true-up appeal.

**FILING OF FORM 10-Q FOR CENTERPOINT ENERGY, INC.**

Today, CenterPoint Energy, Inc. filed with the Securities and Exchange Commission (SEC) its Quarterly Report on Form 10-Q for the period ended March 31, 2007. A copy of that report is available on the company's web site, [www.CenterPointEnergy.com](http://www.CenterPointEnergy.com), under the "Investors" section. Other filings the company makes at the SEC and other documents relating to its corporate governance can also be found on that site.

**WEBCAST OF EARNINGS CONFERENCE CALL**

CenterPoint Energy's management will host an earnings conference call on Friday, May 4, 2007, at 10:30 a.m. Central time or 11:30 a.m. Eastern time. Interested parties may listen to a live audio broadcast of the conference call at [www.CenterPointEnergy.com/investors/events](http://www.CenterPointEnergy.com/investors/events). A replay of the call can be accessed approximately two hours after the completion of the call and will be archived on the web site for at least one year.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, interstate pipelines and field services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total over \$17 billion. With about 8,600 employees, CenterPoint Energy and its predecessor companies have been in business for more than 130 years. For more information, visit the Web site at [www.CenterPointEnergy.com](http://www.CenterPointEnergy.com).

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This news release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this news release regarding future financial performance and results of operations and other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the timing and outcome of appeals from the true-up proceedings, the timing and impact of future regulatory, legislative and IRS decisions, effects of competition, weather variations, changes in CenterPoint Energy's or its subsidiaries' business plans, financial market conditions, the timing and extent of changes in commodity prices, particularly natural gas, the impact of unplanned facility outages, and other factors discussed in CenterPoint Energy's and its subsidiaries' Form 10-Ks for the period ended December 31, 2006, CenterPoint Energy's Form 10-Q for the period ended March 31, 2007, and other filings with the Securities and Exchange Commission.

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

|  | Quarter Ended March 31, |        |
|--|-------------------------|--------|
|  | 2006                    | 2007   |
| <b>Revenues:</b>                           |                         |        |
| Electric Transmission & Distribution       | \$ 385                  | \$ 406 |
| Natural Gas Distribution                   | 1,480                   | 1,567  |
| Competitive Natural Gas Sales and Services | 1,163                   | 1,064  |
| Interstate Pipelines                       | 89                      | 90     |
| Field Services                             | 41                      | 39     |
| Other Operations                           | 4                       | 2      |
| Eliminations                               | (85)                    | (62)   |
| Total                                      | 3,077                   | 3,106  |
| <b>Expenses:</b>                           |                         |        |
| Natural gas                                | 2,193                   | 2,150  |
| Operation and maintenance                  | 331                     | 352    |
| Depreciation and amortization              | 140                     | 145    |
| Taxes other than income taxes              | 107                     | 106    |
| Total                                      | 2,771                   | 2,753  |
| Operating Income                           | 306                     | 353    |
| <b>Other Income (Expense) :</b>            |                         |        |
| Loss on Time Warner investment             | (14)                    | (44)   |
| Gain on indexed debt securities            | 10                      | 41     |
| Interest and other finance charges         | (115)                   | (123)  |
| Interest on transition bonds               | (33)                    | (31)   |
| Other — net                                | 6                       | 6      |
| Total                                      | (146)                   | (151)  |
| Income from Before                         |                         |        |
| Income Taxes                               | 160                     | 202    |
| Income Tax Expense                         | (72)                    | (72)   |
| Net Income                                 | \$ 88                   | \$ 130 |

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<br>March 31, |         |
|---|----------------------------|---------|
|   | 2006                       | 2007    |
| Basic Earnings Per Common Share:                  |                            |         |
| Net Income  | \$ 0.28                    | \$ 0.41 |
| Diluted Earnings Per Common Share:                |                            |         |
| Net Income  | \$ 0.28                    | \$ 0.38 |
| Dividends Declared per Common Share               | \$ 0.15                    | \$ 0.17 |
| Weighted Average Common Shares Outstanding (000): |                            |         |
| - Basic   | 310,846                    | 318,060 |
| - Diluted   | 318,593                    | 340,103 |
| <b><u>Operating Income (Loss) by Segment</u></b>  |                            |         |
| Electric Transmission & Distribution:             |                            |         |
| Transmission & Distribution Operations            | \$ 78                      | \$ 73   |
| Transition Bond Companies                         | 32                         | 31      |
| Total Electric Transmission & Distribution        | 110                        | 104     |
| Natural Gas Distribution                          | 103                        | 129     |
| Competitive Natural Gas Sales and Services        | 25                         | 56      |
| Interstate Pipelines                              | 49                         | 44      |
| Field Services                                    | 24                         | 22      |
| Other Operations                                  | (5)                        | (2)     |
| Total   | \$ 306                     | \$ 353  |

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)

|   | <b>Electric Transmission &amp; Distribution</b> |                      |                       |
|---|---|----------------------|-----------------------|
|   | Quarter Ended<br>March 31,                      |                      | % Diff<br>Fav/(Unfav) |
|   | 2006  | 2007                 |                       |
| <b>Results of Operations:</b>                                     |   |                      |                       |
| Revenues:   |   |                      |                       |
| Electric transmission and distribution utility                    | \$ 331  | \$ 347               | 5%                    |
| Transition bond companies   | 54  | 59                   | 9%                    |
| <b>Total</b>  | <b>385</b>                                      | <b>406</b>           | <b>5%</b>             |
| Expenses:   |   |                      |                       |
| Operation and maintenance   | 134   | 154                  | (15%)                 |
| Depreciation and amortization                                     | 63  | 63                   | —                     |
| Taxes other than income taxes                                     | 56  | 57                   | (2%)                  |
| Transition bond companies   | 22  | 28                   | (27%)                 |
| <b>Total</b>  | <b>275</b>                                      | <b>302</b>           | <b>(10%)</b>          |
| Operating Income  | <u>\$ 110</u>                                   | <u>\$ 104</u>        | (5%)                  |
| Operating Income — Electric transmission and distribution utility | 78  | 73                   | (6%)                  |
| Operating Income — Transition bond companies                      | 32  | 31                   | (3%)                  |
| <b>Total Segment Operating Income</b>                             | <b><u>\$ 110</u></b>                            | <b><u>\$ 104</u></b> | <b>(5%)</b>           |

**Electric Transmission & Distribution**

**Operating Data:**

**Actual MWH Delivered**

|              |                   |                   |           |
|--------------|-------------------|-------------------|-----------|
| Residential  | 3,986,390         | 4,658,059         | 17%       |
| <b>Total</b> | <b>15,986,880</b> | <b>16,659,914</b> | <b>4%</b> |

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

Percentage of normal:

|                     |      |      |       |
|---------------------|------|------|-------|
| Cooling degree days | 137% | 113% | (24%) |
| Heating degree days | 63%  | 110% | 47%   |

**Average number of metered customers:**

|              |                  |                  |           |
|--------------|------------------|------------------|-----------|
| Residential  | 1,717,836        | 1,752,264        | 2%        |
| <b>Total</b> | <b>1,950,829</b> | <b>1,989,744</b> | <b>2%</b> |

|                               | <b>Natural Gas Distribution</b> |               |                       |
|-------------------------------|---------------------------------|---------------|-----------------------|
|                               | Quarter Ended<br>March 31,      |               | % Diff<br>Fav/(Unfav) |
|                               | 2006                            | 2007          |                       |
| <b>Results of Operations:</b> |                                 |               |                       |
| Revenues                      | \$ 1,480                        | \$ 1,567      | 6%                    |
| Expenses:                     |                                 |               |                       |
| Natural gas                   | 1,146                           | 1,212         | (6%)                  |
| Operation and maintenance     | 150                             | 147           | 2%                    |
| Depreciation and amortization | 38                              | 38            | —                     |
| Taxes other than income taxes | 43                              | 41            | 5%                    |
| <b>Total</b>                  | <b>1,377</b>                    | <b>1,438</b>  | <b>(4%)</b>           |
| Operating Income (Loss)       | <u>\$ 103</u>                   | <u>\$ 129</u> | 25%                   |

**Natural Gas Distribution Operating Data:**

**Throughput data in BCF**

|                           |                   |                   |            |
|---------------------------|-------------------|-------------------|------------|
| Residential               | 67                | 86                | 28%        |
| Commercial and Industrial | 72                | 81                | 13%        |
| <b>Total Throughput</b>   | <b><u>139</u></b> | <b><u>167</u></b> | <b>20%</b> |

**Weather (average for service area)**

Percentage of normal:

|                     |     |     |     |
|---------------------|-----|-----|-----|
| Heating degree days | 84% | 98% | 14% |
|---------------------|-----|-----|-----|

**Average number of customers:**

|                           |                         |                         |           |
|---------------------------|-------------------------|-------------------------|-----------|
| Residential               | 2,896,766               | 2,946,203               | 2%        |
| Commercial and Industrial | 245,766                 | 245,576                 | —         |
| <b>Total</b>              | <b><u>3,142,532</u></b> | <b><u>3,191,779</u></b> | <b>2%</b> |



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

|                               | <b>Competitive Natural Gas Sales and Services</b> |              |                       |
|-------------------------------|---|--------------|-----------------------|
|                               | Quarter Ended<br>March 31,                        |              | % Diff<br>Fav/(Unfav) |
|                               | 2006  | 2007         |                       |
| <b>Results of Operations:</b> |   |              |                       |
| Revenues                      | \$ 1,163  | \$ 1,064     | (9%)                  |
| Expenses:                     |   |              |                       |
| Natural gas                   | 1,129   | 998          | 12%                   |
| Operation and maintenance     | 8   | 9            | (13%)                 |
| Depreciation and amortization | —   | —            | —                     |
| Taxes other than income taxes | 1   | 1            | —                     |
| Total                         | <u>1,138</u>                                      | <u>1,008</u> | 11%                   |
| Operating Income              | <u>\$ 25</u>                                      | <u>\$ 56</u> | 124%                  |

**Competitive Natural Gas Sales and Services Operating Data:**

| <b>Throughput data in BCF</b> |            |            |       |
|-------------------------------|------------|------------|-------|
| Wholesale — third parties     | 89         | 94         | 6%    |
| Wholesale — affiliates        | 11         | 3          | (73%) |
| Retail & Pipeline             | 58         | 58         | —     |
| Total Throughput              | <u>158</u> | <u>155</u> | (2%)  |

**Average number of customers:**

|                   |              |              |     |
|-------------------|--------------|--------------|-----|
| Wholesale         | 145          | 223          | 54% |
| Retail & Pipeline | 6,664        | 6,764        | 2%  |
| Total             | <u>6,809</u> | <u>6,987</u> | 3%  |

|                               | <b>Interstate Pipelines</b> |              |                       |
|-------------------------------|-----------------------------|--------------|-----------------------|
|                               | Quarter Ended<br>March 31,  |              | % Diff<br>Fav/(Unfav) |
|                               | 2006                        | 2007         |                       |
| <b>Results of Operations:</b> |                             |              |                       |
| Revenues                      | \$ 89                       | \$ 90        | 1%                    |
| Expenses:                     |                             |              |                       |
| Natural gas                   | (2)                         | 4            | 300%                  |
| Operation and maintenance     | 27                          | 27           | —                     |
| Depreciation and amortization | 10                          | 10           | —                     |
| Taxes other than income taxes | 5                           | 5            | —                     |
| Total                         | <u>40</u>                   | <u>46</u>    | (15%)                 |
| Operating Income              | <u>\$ 49</u>                | <u>\$ 44</u> | (10%)                 |

**Pipelines Operating Data:**

| <b>Throughput data in BCF</b> |            |            |    |
|-------------------------------|------------|------------|----|
| Transportation                | 274        | 294        | 7% |
| Total Throughput              | <u>274</u> | <u>294</u> | 7% |

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)

|                               | <b>Field Services</b>      |              |                       |
|-------------------------------|----------------------------|--------------|-----------------------|
|                               | Quarter Ended<br>March 31, |              | % Diff<br>Fav/(Unfav) |
|                               | 2006                       | 2007         |                       |
| <b>Results of Operations:</b> |                            |              |                       |
| Revenues                      | \$ 41                      | \$ 39        | (5%)                  |
| Expenses:                     |                            |              |                       |
| Natural gas                   | 1                          | (3)          | 400%                  |
| Operation and maintenance     | 13                         | 16           | (23%)                 |
| Depreciation and amortization | 3                          | 3            | —                     |
| Taxes other than income taxes | —                          | 1            | —                     |
| Total                         | <u>17</u>                  | <u>17</u>    | —                     |
| Operating Income              | <u>\$ 24</u>               | <u>\$ 22</u> | (8%)                  |

**Field Services Operating Data:**

**Throughput data in BCF**

|                  | 2006      | 2007      | %  |
|------------------|-----------|-----------|----|
| Gathering        | 88        | 93        | 6% |
| Total Throughput | <u>88</u> | <u>93</u> | 6% |

|                               | <b>Other Operations</b>    |               |                       |
|-------------------------------|----------------------------|---------------|-----------------------|
|                               | Quarter Ended<br>March 31, |               | % Diff<br>Fav/(Unfav) |
|                               | 2006                       | 2007          |                       |
| <b>Results of Operations:</b> |                            |               |                       |
| Revenues                      | \$ 4                       | \$ 2          | (50%)                 |
| Expenses                      | 9                          | 4             | 56%                   |
| Operating Loss                | <u>\$ (5)</u>              | <u>\$ (2)</u> | (60%)                 |

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

|  | Quarter Ended<br>March 31, |               |
|--|----------------------------|---------------|
|  | 2006                       | 2007          |
| <b>Capital Expenditures by Segment</b>     |                            |               |
| Electric Transmission & Distribution       | \$ 79                      | \$ 110        |
| Natural Gas Distribution                   | 40                         | 33            |
| Competitive Natural Gas Sales and Services | 6                          | 2             |
| Interstate Pipelines                       | 19                         | 154           |
| Field Services                             | 11                         | 27            |
| Other Operations                           | 10                         | 11            |
| Total                                      | <u>\$ 165</u>              | <u>\$ 337</u> |

Interest Expense Detail  
(Millions of Dollars)  
(Unaudited)

|   | Quarter Ended<br>March 31, |               |
|---|----------------------------|---------------|
|   | 2006                       | 2007          |
| <b>Interest Expense Detail</b>          |                            |               |
| Amortization of Deferred Financing Cost | \$ 13                      | \$ 19         |
| Capitalization of Interest Cost         | (1)                        | (8)           |
| Transition Bond Interest Expense        | 33                         | 31            |
| Other Interest Expense                  | 103                        | 112           |
| Total Interest Expense                  | <u>\$ 148</u>              | <u>\$ 154</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  
Condensed Consolidated Balance Sheets  
(Millions of Dollars)  
(Unaudited)

|  | <u>December 31,</u><br><u>2006</u> | <u>March 31,</u><br><u>2007</u> |
|--|------------------------------------|---------------------------------|
| <b>ASSETS</b>  |                                    |                                 |
| <b>Current Assets:</b>   |                                    |                                 |
| Cash and cash equivalents  | \$ 127                             | \$ 60                           |
| Other current assets   | 2,868                              | 2,373                           |
| Total current assets   | <u>2,995</u>                       | <u>2,433</u>                    |
| <b>Property, Plant and Equipment, net</b>                        | <u>9,204</u>                       | <u>9,424</u>                    |
| <b>Other Assets:</b>   |                                    |                                 |
| Goodwill   | 1,709                              | 1,709                           |
| Regulatory assets  | 3,290                              | 3,248                           |
| Other non-current assets   | 435                                | 392                             |
| Total other assets   | <u>5,434</u>                       | <u>5,349</u>                    |
| <b>Total Assets</b>  | <u>\$ 17,633</u>                   | <u>\$ 17,206</u>                |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                      |                                    |                                 |
| <b>Current Liabilities:</b>                                      |                                    |                                 |
| Short-term borrowings  | \$ 187                             | \$ 337                          |
| Current portion of transition bond long-term debt                | 147                                | 152                             |
| Current portion of other long-term debt                          | 1,051                              | 993                             |
| Other current liabilities  | 2,836                              | 2,284                           |
| Total current liabilities  | <u>4,221</u>                       | <u>3,766</u>                    |
| <b>Other Liabilities:</b>  |                                    |                                 |
| Accumulated deferred income taxes, net and investment tax credit | 2,362                              | 2,271                           |
| Regulatory liabilities   | 792                                | 809                             |
| Other non-current liabilities                                    | 900                                | 895                             |
| Total other liabilities  | <u>4,054</u>                       | <u>3,975</u>                    |
| <b>Long-term Debt:</b>   |                                    |                                 |
| Transition bond  | 2,260                              | 2,183                           |
| Other  | 5,542                              | 5,635                           |
| Total long-term debt   | <u>7,802</u>                       | <u>7,818</u>                    |
| <b>Shareholders' Equity</b>                                      | <u>1,556</u>                       | <u>1,647</u>                    |
| <b>Total Liabilities and Shareholders' Equity</b>                | <u>\$ 17,633</u>                   | <u>\$ 17,206</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  
Condensed Statements of Consolidated Cash Flows  
(Millions of Dollars)  
(Unaudited)

|   | Three Months Ended December 31, |              |
|---|---------------------------------|--------------|
|   | 2006                            | 2007         |
| <b>Cash Flows from Operating Activities:</b>                                      |                                 |              |
| Net income  | \$ 88                           | \$ 130       |
| Adjustments to reconcile net income to net cash provided by operating activities: |                                 |              |
| Depreciation and amortization   | 154                             | 164          |
| Deferred income taxes and investment tax credit                                   | 4                               | (13)         |
| Changes in net regulatory assets  | 23                              | 22           |
| Changes in other assets and liabilities   | 23                              | (56)         |
| Other, net  | 23                              | 17           |
| <b>Net Cash Provided by Operating Activities</b>                                  | <b>315</b>                      | <b>264</b>   |
| <b>Net Cash Used in Investing Activities</b>                                      | <b>(201)</b>                    | <b>(403)</b> |
| <b>Net Cash Provided by (Used in) Financing Activities</b>                        | <b>(75)</b>                     | <b>72</b>    |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                       | <b>39</b>                       | <b>(67)</b>  |
| <b>Cash and Cash Equivalents at Beginning of Period</b>                           | <b>74</b>                       | <b>127</b>   |
| <b>Cash and Cash Equivalents at End of Period</b>                                 | <b>\$ 113</b>                   | <b>\$ 60</b> |

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