
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 1-31447

CenterPoint Energy, Inc.

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction of incorporation or organization)

1111 Louisiana

(Address of Principal Executive Offices)

Houston Texas

74-0694415

(I.R.S. Employer Identification No.)

77002

(Zip Code)

(713) 207-1111

Registrant's telephone number, including area code

Commission file number 1-3187

CenterPoint Energy Houston Electric, LLC

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction of incorporation or organization)

1111 Louisiana

(Address of Principal Executive Offices)

Houston Texas

22-3865106

(I.R.S. Employer Identification No.)

77002

(Zip Code)

(713) 207-1111

Registrant's telephone number, including area code

Commission file number 1-13265

CenterPoint Energy Resources Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1111 Louisiana

(Address of Principal Executive Offices)

Houston Texas

76-0511406

(I.R.S. Employer Identification No.)

77002

(Zip Code)

(713) 207-1111

Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

<u>Registrant</u>	<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
CenterPoint Energy, Inc.	Common Stock, \$0.01 par value	CNP	The New York Stock Exchange NYSE Chicago
CenterPoint Energy Houston Electric, LLC	6.95% General Mortgage Bonds due 2033	n/a	The New York Stock Exchange
CenterPoint Energy Resources Corp.	6.625% Senior Notes due 2037	n/a	The New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

CenterPoint Energy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CenterPoint Energy Houston Electric, LLC	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CenterPoint Energy Resources Corp.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

CenterPoint Energy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CenterPoint Energy Houston Electric, LLC	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CenterPoint Energy Resources Corp.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
CenterPoint Energy, Inc.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CenterPoint Energy Houston Electric, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CenterPoint Energy Resources Corp.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

CenterPoint Energy, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
CenterPoint Energy Houston Electric, LLC	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
CenterPoint Energy Resources Corp.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Indicate the number of shares outstanding of each of the issuers’ classes of common stock as of July 22, 2024:

CenterPoint Energy, Inc.	641,966,980	shares of common stock outstanding, excluding 166 shares held as treasury stock
CenterPoint Energy Houston Electric, LLC	1,000	common shares outstanding, all held by Utility Holding, LLC, a wholly-owned subsidiary of CenterPoint Energy, Inc.
CenterPoint Energy Resources Corp.	1,000	shares of common stock outstanding, all held by Utility Holding, LLC, a wholly-owned subsidiary of CenterPoint Energy, Inc.

CenterPoint Energy Houston Electric, LLC and CenterPoint Energy Resources Corp. meet the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format specified in General Instruction H(2) of Form 10-Q.

TABLE OF CONTENTS

PART I.	FINANCIAL INFORMATION	
Item 1.	Financial Statements	1
	CenterPoint Energy, Inc. Financial Statements (Unaudited)	1
	CenterPoint Energy Houston Electric, LLC Financial Statements (Unaudited)	7
	CenterPoint Energy Resources Corp. Financial Statements (Unaudited)	12
	Combined Notes to Interim Condensed Financial Statements (Unaudited)	18
	(1) Background and Basis of Presentation	18
	(2) New Accounting Pronouncements	19
	(3) Held for Sale and Divestitures	19
	(4) Revenue Recognition and Allowance for Credit Losses	21
	(5) Employee Benefit Plans	24
	(6) Regulatory Matters	25
	(7) Derivative Instruments	28
	(8) Fair Value Measurements	31
	(9) Goodwill	33
	(10) Equity Securities and Indexed Debt Securities (ZENS)	34
	(11) Short-term Borrowings and Long-term Debt	34
	(12) Income Taxes	37
	(13) Commitments and Contingencies	38
	(14) Earnings Per Share	44
	(15) Reportable Segments	45
	(16) Supplemental Disclosure of Cash Flow and Balance Sheet Information	46
	(17) Related Party Transactions	47
	(18) Equity	48
	(19) Leases	49
	(20) Subsequent Events	52
Item 2.	Management’s Discussion and Analysis of Financial Condition and Results of Operations	53
	Recent Events	53
	Consolidated Results of Operations	55
	Results of Operations by Reportable Segment	57
	Certain Factors Affecting Future Earnings	64
	Liquidity and Capital Resources	65
Item 3.	Quantitative and Qualitative Disclosures about Market Risk	82
Item 4.	Controls and Procedures	83
PART II.	OTHER INFORMATION	
Item 1.	Legal Proceedings	83
Item 1A.	Risk Factors	83
Item 5.	Other Information	84
Item 6.	Exhibits	84
	Signatures	87

GLOSSARY

ACE	Affordable Clean Energy
AFUDC	Allowance for funds used during construction
ALJ	Administrative Law Judge
AMA	Asset Management Agreement
Arevon	Arevon Energy, Inc., which was formed through the combination of Capital Dynamics, Inc.'s U.S. Clean Energy Infrastructure business unit and Arevon Asset Management
ARO	Asset retirement obligation
ARP	Alternative revenue program
ASC	Accounting Standards Codification
ASU	Accounting Standards Update
AT&T Common	AT&T Inc. common stock
ATM Forward Purchasers	Bank of America, N.A., Barclays Bank PLC, Citibank, N.A., Goldman Sachs & Co. LLC, JPMorgan Chase Bank, National Association, Mizuho Markets Americas LLC, MUFG Securities EMEA plc and Royal Bank of Canada
ATM Forward Sellers	BofA Securities, Inc. Barclays Capital Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, MUFG Securities Americas Inc. and RBC Capital Markets, LLC
ATM Managers	BofA Securities, Inc., Barclays Capital Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, MUFG Securities Americas Inc. and RBC Capital Markets, LLC
Bcf	Billion cubic feet
Bond Companies	Bond Company IV and Restoration Bond Company, each a wholly-owned, bankruptcy remote entity formed solely for the purpose of purchasing and owning transition or system restoration property through the issuance of Securitization Bonds
Bond Company IV	CenterPoint Energy Transition Bond Company IV, LLC, a wholly-owned subsidiary of Houston Electric
BTA	Build Transfer Agreement
CAMT	Corporate Alternative Minimum Tax
CCN	Certificate of Convenience and Necessity
CCR	Coal Combustion Residuals
CECA	Clean Energy Cost Adjustment
CEIP	CenterPoint Energy Intrastate Pipelines, LLC, a wholly-owned subsidiary of CERC Corp.
CenterPoint Energy	CenterPoint Energy, Inc., and its subsidiaries
CEOH	Vectren Energy Delivery of Ohio, LLC, doing business as CenterPoint Energy Ohio, which converted its corporate structure from Vectren Energy Delivery of Ohio, Inc. to an Ohio limited liability company on June 13, 2022, formerly a wholly-owned subsidiary of Vectren, acquired by CERC on June 30, 2022
CEP	Capital Expenditure Program
CERC	CERC Corp., together with its subsidiaries
CERC Corp.	CenterPoint Energy Resources Corp.
CES	CenterPoint Energy Services, Inc. (now known as Symmetry Energy Solutions, LLC), previously a wholly-owned subsidiary of CERC Corp.
Charter Common	Charter Communications, Inc. common stock
CIP	Conservation Improvement Program
CODM	Chief Operating Decision Maker, who is each Registrant's Chief Operating Executive
Common Stock	CenterPoint Energy, Inc. common stock, par value \$0.01 per share
Convertible Notes	CenterPoint Energy's 4.25% Convertible Senior Notes due 2026
Convertible Notes Indenture	Indenture dated as of August 4, 2023 by and between CenterPoint Energy and The Bank of New York Mellon Trust Company, National Association, as trustee
COVID-19	Novel coronavirus disease 2019, and any mutations or variants thereof, and related global outbreak that was subsequently declared a pandemic by the World Health Organization
CPCN	Certificate of Public Convenience and Necessity
CPP	Clean Power Plan
CSIA	Compliance and System Improvement Adjustment
DCRF	Distribution Cost Recovery Factor
DOC	U.S. Department of Commerce
DRR	Distribution Replacement Rider
DSMA	Demand Side Management Adjustment

GLOSSARY

ECA	Environmental Cost Adjustment
EDF Renewables	EDF Renewables Development, Inc.
EDIT	Excess deferred income taxes
EECR	Energy Efficiency Cost Recovery
EECRF	Energy Efficiency Cost Recovery Factor
EEFC	Energy Efficiency Funding Component
EEFR	Energy Efficiency Funding Rider
Energy Systems Group	Energy Systems Group, LLC, previously a wholly-owned subsidiary of Vectren
EPA	Environmental Protection Agency
Equity Distribution Agreement	Equity Distribution Agreement, dated as of January 10, 2024, by and between CenterPoint Energy, the ATM Managers, the ATM Forward Purchasers and the ATM Forward Sellers
Equity Purchase Agreement	Equity Purchase Agreement, dated as of May 21, 2023, by and between Vectren Energy Services and ESG Holdings Group
ERCOT	Electric Reliability Council of Texas
ESG Holdings Group	ESG Holdings Group, LLC, a Delaware limited liability company, and an affiliate of Oaktree Capital Management
Exchange Act	The Securities Exchange Act of 1934, as amended
February 2021 Winter Storm Event	The extreme and unprecedented winter weather event in February 2021 (Winter Storm Uri) that resulted in electricity generation supply shortages, including in Texas, and natural gas supply shortages and increased wholesale prices of natural gas in the United States, primarily due to prolonged freezing temperatures
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings, Inc.
Form 10-Q	Quarterly Report on Form 10-Q
General Mortgage	General Mortgage Indenture, dated as of October 10, 2002, between Houston Electric and JPMorgan Chase Bank, as Trustee, as supplemented
GHG	Greenhouse gases
GRIP	Gas Reliability Infrastructure Program
GWh	Gigawatt-hours
Houston Electric	CenterPoint Energy Houston Electric, LLC and its subsidiaries
Hurricane Beryl	The powerful and destructive storm that made landfall in Texas on July 8, 2024 as a Category 1 hurricane event on the Saffir-Simpson Hurricane Wind Scale and caused widespread damage to Houston Electric's electric system
IAS	International Accounting Standards
IDEM	Indiana Department of Environmental Management
Indiana Electric	Operations of SIGECO's electric transmission and distribution services, and includes its power generating and wholesale power operations
Indiana Gas	Indiana Gas Company, Inc., formerly a wholly-owned subsidiary of Vectren, acquired by CERC on June 30, 2022
Indiana North	Gas operations of Indiana Gas
Indiana South	Gas operations of SIGECO
Indiana Utilities	The combination of Indiana Electric, Indiana North and Indiana South
Interim Condensed Financial Statements	Unaudited condensed consolidated interim financial statements and combined notes
IRA	Inflation Reduction Act of 2022
IRP	Integrated Resource Plan
IRS	Internal Revenue Service
IURC	Indiana Utility Regulatory Commission
kV	Kilovolt
LAMS Asset Purchase Agreement	Asset Purchase Agreement, dated as of February 19, 2024, by and among CERC Corp. and the LAMS Buyers
LAMS Buyers	Delta Utilities No. LA, LLC, a Delaware limited liability company, Delta Utilities S. LA, LLC, a Delaware limited liability company, Delta Utilities MS, LLC, a Delaware limited liability company, and Delta Shared Services Co., LLC, a Delaware limited liability company
LDC	Local distribution company
LPSC	Louisiana Public Service Commission

GLOSSARY

M&DOT	Mortgage and Deed of Trust, dated November 1, 1944, between Houston Lighting and Power Company and Chase Bank of Texas, National Association (formerly, South Texas Commercial National Bank of Houston), as Trustee, as amended and supplemented
MDL	Multi-district litigation
May 2024 Storm Events	The sudden and destructive severe weather events in May 2024 that included Category 2 hurricane-like winds and tornadoes, that resulted in widespread damage to Houston Electric’s electric delivery system
Merger	The merger of Merger Sub with and into Vectren on the terms and subject to the conditions set forth in the Merger Agreement, with Vectren continuing as the surviving corporation and as a wholly-owned subsidiary of CenterPoint Energy, Inc.
Merger Agreement	Agreement and Plan of Merger, dated as of April 21, 2018, among CenterPoint Energy, Vectren and Merger Sub
Merger Sub	Pacer Merger Sub, Inc., an Indiana corporation and wholly-owned subsidiary of CenterPoint Energy
MGP	Manufactured gas plant
MISO	Midcontinent Independent System Operator
MMBtu	One million British thermal units
Moody’s	Moody’s Investors Service, Inc.
MPSC	Mississippi Public Service Corporation
MPUC	Minnesota Public Utilities Commission
MW	Megawatt
NERC	North American Electric Reliability Corporation
NOLs	Net operating losses
NRG	NRG Energy, Inc.
NYSE	New York Stock Exchange
Oriden	Oriden LLC
Origis	Origis Energy USA Inc.
OUCC	Indiana Office of Utility Consumer Counselor
Posey Solar	Posey Solar, LLC, a special purpose entity
PPA	Power Purchase Agreement
PRPs	Potentially responsible parties
PTCs	Production Tax Credits
PUCO	Public Utilities Commission of Ohio
PUCT	Public Utility Commission of Texas
Railroad Commission	Railroad Commission of Texas
RCRA	Resource Conservation and Recovery Act of 1976
Registrants	CenterPoint Energy, Houston Electric and CERC, collectively
REP	Retail electric provider
Restoration Bond Company	CenterPoint Energy Restoration Bond Company, LLC, a wholly-owned subsidiary of Houston Electric
Restructuring	CERC Corp.’s common control acquisition of Indiana Gas and CEOH from VUH on June 30, 2022
ROE	Return on equity
ROU	Right of use
RRA	Rate Regulation Adjustment
RSP	Rate Stabilization Plan
S&P	S&P Global Ratings
Scope 1 emissions	Direct source of emissions from a company’s operations
Scope 2 emissions	Indirect source of emissions from a company’s energy usage
Scope 3 emissions	Indirect source of emissions from a company’s end-users
SEC	Securities and Exchange Commission
Securitization Bonds	Transition and system restoration bonds issued by the Bond Companies and SIGECO Securitization Bonds issued by the SIGECO Securitization Subsidiary
Series A Preferred Stock	CenterPoint Energy’s Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share
SIGECO	Southern Indiana Gas and Electric Company, a wholly-owned subsidiary of Vectren

GLOSSARY

SIGECO Securitization Bonds	SIGECO Securitization Subsidiary’s Series 2023-A Senior Secured Securitization Bonds
SIGECO Securitization Subsidiary	SIGECO Securitization I, LLC, a direct, wholly-owned subsidiary of SIGECO
SOFR	Secured Overnight Financing Rate
SRC	Sales Reconciliation Component
TBD	To be determined
TCJA	Tax reform legislation informally called the Tax Cuts and Jobs Act of 2017
TCOS	Transmission Cost of Service
TCRF	Transmission Cost Recovery Factor
TDSIC	Transmission, Distribution and Storage System Improvement Charge
TDU	Transmission and distribution utility
TEEEF	Assets leased or costs incurred as “temporary emergency electric energy facilities” under the Public Utility Regulatory Act Section 39.918, also referred to as mobile generation
Topic 326	Accounting Standards Update 2016-13 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments
Utility Holding	Utility Holding, LLC, a wholly-owned subsidiary of CenterPoint Energy
Vectren	Vectren, LLC, which converted its corporate structure from Vectren Corporation to a limited liability company on June 30, 2022, a wholly-owned subsidiary of CenterPoint Energy as of February 1, 2019
Vectren Energy Services	Vectren Energy Services Corporation, an Indiana corporation and a wholly-owned subsidiary of CenterPoint Energy
VIE	Variable interest entity
Vistra Energy Corp.	Texas-based energy company focused on the competitive energy and power generation markets
VRP	Voluntary Remediation Program
VUH	Vectren Utility Holdings, LLC, which converted its corporate structure from Vectren Utility Holdings, Inc. to a limited liability company on June 30, 2022, a wholly-owned subsidiary of Vectren
WBD Common	Warner Bros. Discovery, Inc. Series A common stock
Winter Storm Elliott	From December 21 to 26, 2022, a historic extratropical cyclone created winter storm conditions, including blizzards, high winds, snowfall and record cold temperatures across the majority of the United States and parts of Canada
ZENS	2.0% Zero-Premium Exchangeable Subordinated Notes due 2029
ZENS-Related Securities	As of June 30, 2024 and December 31, 2023, consisted of AT&T Common, Charter Common and WBD Common
2023 Form 10-K	Annual Report on Form 10-K for the fiscal year ended December 31, 2023 as filed with the SEC on February 20, 2024

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

From time to time the Registrants make statements concerning their expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied by these statements. You can generally identify forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “target,” “will” or other similar words.

The Registrants have based their forward-looking statements on management’s beliefs and assumptions based on information reasonably available to management at the time the statements are made. The Registrants caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, the Registrants cannot assure you that actual results will not differ materially from those expressed or implied by the Registrants’ forward-looking statements. In this Form 10-Q, unless context requires otherwise, the terms “our,” “we” and “us” are used as abbreviated references to CenterPoint Energy, Inc. together with its consolidated subsidiaries, including Houston Electric, CERC and SIGECO.

The following are some of the factors that could cause actual results to differ from those expressed or implied by the Registrants’ forward-looking statements and apply to all Registrants unless otherwise indicated:

- CenterPoint Energy’s business strategies and strategic initiatives, restructurings, joint ventures and acquisitions or dispositions of assets or businesses, including the announced sale of our Louisiana and Mississippi natural gas LDC businesses, and the completed sale of Energy Systems Group, which we cannot assure will have the anticipated benefits to us;
- industrial, commercial and residential growth in our service territories and changes in market demand, including the effects of energy efficiency measures and demographic patterns;
- our ability to fund and invest planned capital and the timely recovery of our investments, including those related to Indiana Electric’s generation transition plan as part of its IRPs;
- our ability to successfully construct, operate, repair and maintain electric generating facilities, natural gas facilities, TEEEF and electric transmission facilities, including complying with applicable environmental standards and the implementation of a well-balanced energy and resource mix, as appropriate;
- timely and appropriate rate actions that allow and authorize requested and timely recovery of costs and a reasonable return on investment, including the timing and amount of recovery of Houston Electric’s TEEEF leases and restoration costs relating to the May 2024 Storm Events and Hurricane Beryl, and requested or favorable adjustments to rates and approval of other requested items as part of base rate proceedings;
- economic conditions in regional and national markets, including changes to inflation and interest rates, and instability of banking institutions, and their effect on sales, prices and costs;
- weather variations and other natural phenomena, including the impact of severe weather events on operations, capital, legislation and/or regulations, such as seen in connection with the February 2021 Winter Storm Event, the May 2024 Storm Events and Hurricane Beryl;
- volatility in the markets for natural gas as a result of, among other factors, armed conflicts, including the conflict in the Middle East and any broader related conflict, and the conflict in Ukraine, and the related sanctions on certain Russian entities;
- disruptions to the global supply chain, including volatility in commodity prices, and tariffs and other legislation impacting the supply chain, that could prevent CenterPoint Energy from securing the resources needed to, among other things, fully execute on its 10-year capital plan or achieve its net zero and carbon emissions reduction goals;
- non-payment for our services due to financial distress of our customers and the ability of our customers, including REPs, to satisfy their obligations to CenterPoint Energy, Houston Electric, and CERC, and the negative impact on such ability related to adverse economic conditions and severe weather events;
- public health threats and their effect on our operations, business and financial condition, our industries and the communities we serve, U.S. and world financial markets and supply chains, potential regulatory actions and changes in customer and stakeholder behavior relating thereto;
- state and federal legislative and regulatory actions or developments affecting various aspects of our businesses, including, among others, the transmission and distribution system resiliency plan filed by Houston Electric with the PUCT, any actions resulting from the May 2024 Storm Events and/or Hurricane Beryl, energy deregulation or re-regulation, pipeline integrity and safety and changes in regulation and legislation pertaining to trade, health care, finance and actions regarding the rates charged by our regulated businesses;
- our ability to execute Houston Electric’s initial hurricane preparedness and response action plan, as described to the PUCT on July 25, 2024, including enhancing the resiliency of Houston Electric’s electric system through various investments, improving customer communications, and strengthening emergency response;

- direct or indirect effects on our facilities, resources, operations and financial condition resulting from terrorism, cyberattacks or intrusions, data security breaches or other attempts to disrupt our businesses or the businesses of third parties, or other catastrophic events such as fires, ice, earthquakes, explosions, leaks, floods, droughts, hurricanes, tornadoes and other severe weather events, pandemic health events or other occurrences;
- risks relating to potential wildfires, including costs of potential regulatory penalties and damages in excess of insurance liability coverage;
- tax legislation, including the effects of the IRA (which includes but is not limited to any potential changes to tax rates, CAMT imposed, tax credits and/or interest deductibility), as well as any changes in tax laws under the current or future administrations, and uncertainties involving state commissions' and local municipalities' regulatory requirements and determinations regarding the treatment of EDIT and our rates;
- our ability to mitigate weather impacts through normalization or rate mechanisms, and the effectiveness of such mechanisms;
- actions by credit rating agencies, including any potential downgrades to credit ratings;
- matters affecting regulatory approval, legislative actions, construction, implementation of necessary technology or other issues with respect to major capital projects that result in delays or cancellation or in costs that cannot be recouped in rates;
- local, state and federal legislative and regulatory actions or developments relating to the environment, including, among others, those related to global climate change, air emissions, carbon, waste water discharges and the handling and disposal of CCR that could impact operations, cost recovery of generation plant costs and related assets, and CenterPoint Energy's net zero and carbon emissions reduction goals;
- the impact of unplanned facility outages or other closures;
- the sufficiency of our insurance coverage, including availability, cost, coverage and terms and ability to recover claims;
- the availability and prices of raw materials and services and changes in labor for current and future construction projects and operations and maintenance costs, including our ability to control such costs;
- impacts from CenterPoint Energy's pension and postretirement benefit plans, such as the investment performance and increases to net periodic costs as a result of plan settlements and changes in assumptions, including discount rates;
- changes in interest rates and their impact on costs of borrowing and the valuation of CenterPoint Energy's pension benefit obligation;
- commercial bank and financial market conditions, including disruptions in the banking industry, our access to capital, the cost of such capital, impacts on our vendors, customers and suppliers, and the results of our financing and refinancing efforts, including availability of funds in the debt capital markets;
- inability of various counterparties to meet their obligations to us;
- the extent and effectiveness of our risk management activities;
- timely and appropriate regulatory actions, which include actions allowing securitization, for any hurricanes or other severe weather events, such as the May 2024 Storm Events and Hurricane Beryl, or natural disasters or other recovery of costs, including stranded coal-fired generation asset costs;
- acquisition and merger or divestiture activities involving us or our industry, including the ability to successfully complete merger, acquisition and divestiture plans on the timelines we expect or at all, such as the proposed sale of our Louisiana and Mississippi natural gas LDC businesses;
- our ability to recruit, effectively transition, motivate and retain management and key employees and maintain good labor relations;
- changes in technology, particularly with respect to efficient battery storage or the emergence or growth of new, developing or alternative sources of generation, and their adoption by consumers;
- the impact of climate change and alternate energy sources on the demand for natural gas and electricity generated or transmitted by us;
- the timing and outcome of any audits, disputes and other proceedings related to taxes;
- the recording of impairment charges;
- political and economic developments, including energy and environmental policies under the current administration;
- CenterPoint Energy's ability to execute on its strategy, initiatives, targets and goals, including its net zero and carbon emissions reduction goals and its operations and maintenance expenditure goals;
- the outcome of litigation, including litigation related to the February 2021 Winter Storm Event and Hurricane Beryl;
- obligations related to warranties, guarantees and other contractual and legal obligations;
- the effect of changes in and application of accounting standards and pronouncements; and
- other factors discussed in "Risk Factors" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K, which are incorporated herein by reference, and in other reports that the Registrants file from time to time with the SEC.

You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and the Registrants undertake no obligation to update or revise any forward-looking statements. Investors should note that the Registrants announce material financial and other information in SEC filings, press releases and

public conference calls. Based on guidance from the SEC, the Registrants may use the Investors section of CenterPoint Energy's website (<http://www.centerpointenergy.com>) to communicate with investors about the Registrants. It is possible that the financial and other information posted there could be deemed to be material information. The information on CenterPoint Energy's website is not part of this combined Form 10-Q.

PART I. FINANCIAL INFORMATION
Item 1. FINANCIAL STATEMENTS

CENTERPOINT ENERGY, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CONSOLIDATED INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions, except per share amounts)			
Revenues:				
Utility revenues	\$ 1,892	\$ 1,789	\$ 4,499	\$ 4,506
Non-utility revenues	13	86	26	148
Total	1,905	1,875	4,525	4,654
Expenses:				
Utility natural gas, fuel and purchased power	233	280	1,020	1,358
Non-utility cost of revenues, including natural gas	—	57	1	97
Operation and maintenance	678	679	1,387	1,342
Depreciation and amortization	386	349	749	668
Taxes other than income taxes	141	130	285	268
Total	1,438	1,495	3,442	3,733
Operating Income	467	380	1,083	921
Other Income (Expense):				
Gain (loss) on equity securities	19	(31)	(64)	7
Gain (loss) on indexed debt securities	(18)	34	67	(5)
Loss on sale	—	(12)	—	(12)
Interest expense and other finance charges	(212)	(165)	(410)	(313)
Interest expense on Securitization Bonds	(5)	(2)	(11)	(4)
Other income, net	10	13	24	26
Total	(206)	(163)	(394)	(301)
Income Before Income Taxes	261	217	689	620
Income tax expense	33	99	111	177
Net Income	228	118	578	443
Income allocated to preferred shareholders	—	12	—	24
Income Available to Common Shareholders	\$ 228	\$ 106	\$ 578	\$ 419
Basic Earnings Per Common Share	\$ 0.36	\$ 0.17	\$ 0.91	\$ 0.66
Diluted Earnings Per Common Share	\$ 0.36	\$ 0.17	\$ 0.91	\$ 0.66
Weighted Average Common Shares Outstanding, Basic	641	631	636	631
Weighted Average Common Shares Outstanding, Diluted	642	633	638	633

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME
(Unaudited)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	(in millions)			
Net income	\$ 228	\$ 118	\$ 578	\$ 443
Other comprehensive income (loss):				
Adjustment to pension and other postretirement plans (net of tax of \$-0-, \$-0-, \$-0-, and \$-0-)	2	—	1	(1)
Net deferred gain from cash flow hedges (net of tax of \$1, \$-0-, \$1, and \$-0-)	1	—	4	—
Total	3	—	5	(1)
Comprehensive income	231	118	583	442
Income allocated to preferred shareholders	—	12	—	24
Comprehensive income available to common shareholders	\$ 231	\$ 106	\$ 583	\$ 418

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2024	December 31, 2023
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents (\$66 and \$90 related to VIEs, respectively)	\$ 66	\$ 90
Investment in equity securities	477	541
Accounts receivable (\$28 and \$21 related to VIEs, respectively), less allowance for credit losses of \$30 and \$27, respectively	633	710
Accrued unbilled revenues (\$2 and \$2 related to VIEs, respectively), less allowance for credit losses of \$2 and \$2, respectively	336	516
Natural gas and coal inventory	133	197
Materials and supplies	569	573
Taxes receivable	186	94
Current assets held for sale	1,325	—
Regulatory assets	243	161
Prepaid expenses and other current assets (\$13 and \$15 related to VIEs, respectively)	112	145
Total current assets	4,080	3,027
Property, Plant and Equipment, net:		
Property, plant and equipment	40,589	40,396
Less: accumulated depreciation and amortization	10,372	10,543
Property, plant and equipment, net	30,217	29,853
Other Assets:		
Goodwill	3,943	4,160
Regulatory assets (\$322 and \$402 related to VIEs, respectively)	2,525	2,513
Other non-current assets	211	162
Total other assets	6,679	6,835
Total Assets	\$ 40,976	\$ 39,715

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS – (continued)
(Unaudited)

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
	(in millions, except par value and shares)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	\$ 2	\$ 4
Current portion of VIE Securitization Bonds long-term debt	94	178
Indexed debt, net	4	5
Current portion of other long-term debt	510	872
Indexed debt securities derivative	538	605
Accounts payable	1,057	917
Taxes accrued	211	291
Interest accrued	244	236
Dividends accrued	—	126
Customer deposits	95	111
Non-trading derivative liabilities	4	9
Current liabilities held for sale	218	—
Other current liabilities	433	510
Total current liabilities	3,410	3,864
Other Liabilities:		
Deferred income taxes, net	4,324	4,079
Non-trading derivative liabilities	1	3
Benefit obligations	590	572
Regulatory liabilities	3,039	3,208
Other non-current liabilities	744	763
Total other liabilities	8,698	8,625
Long-term Debt, net:		
VIE Securitization Bonds, net	314	320
Other long-term debt, net	18,200	17,239
Total long-term debt, net	18,514	17,559
Commitments and Contingencies (Note 13)		
Shareholders' Equity:		
Common stock, \$0.01 par value, 1,000,000,000 shares authorized, 641,953,090 shares and 631,225,829 shares outstanding, respectively	6	6
Additional paid-in capital	8,836	8,604
Retained earnings	1,542	1,092
Accumulated other comprehensive loss	(30)	(35)
Total shareholders' equity	10,354	9,667
Total Liabilities and Shareholders' Equity	\$ 40,976	\$ 39,715

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
	(in millions)	
Cash Flows from Operating Activities:		
Net income	\$ 578	\$ 443
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	749	668
Deferred income taxes	200	22
Loss on divestitures	—	12
Loss (gain) on equity securities	64	(7)
Loss (gain) on indexed debt securities	(67)	5
Pension contributions	(3)	(4)
Changes in other assets and liabilities:		
Accounts receivable and unbilled revenues, net	188	647
Inventory	52	142
Taxes receivable	(92)	2
Accounts payable	(83)	(403)
Net regulatory assets and liabilities	(366)	1,022
Other current assets and liabilities	(93)	(120)
Other non-current assets and liabilities	21	48
Other operating activities, net	(34)	5
Net cash provided by operating activities	<u>1,114</u>	<u>2,482</u>
Cash Flows from Investing Activities:		
Capital expenditures	(1,657)	(2,259)
Proceeds from divestitures	—	145
Other investing activities, net	57	(40)
Net cash used in investing activities	<u>(1,600)</u>	<u>(2,154)</u>
Cash Flows from Financing Activities:		
Decrease in short-term borrowings, net	(4)	(14)
Payments of commercial paper, net	(623)	(920)
Proceeds from long-term debt and term loans, net	1,596	3,675
Payments of long-term debt and term loans, including make-whole premiums	(463)	(2,613)
Payment of debt issuance costs	(12)	(28)
Payment of dividends on Common Stock	(254)	(240)
Payment of dividends on Preferred Stock	—	(24)
Proceeds from issuance of Common Stock, net	247	—
Other financing activities, net	(28)	(23)
Net cash provided by (used in) financing activities	<u>459</u>	<u>(187)</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	<u>(27)</u>	<u>141</u>
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	<u>109</u>	<u>91</u>
Cash, Cash Equivalents and Restricted Cash at End of Period	<u>\$ 82</u>	<u>\$ 232</u>

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY, INC. AND SUBSIDIARIES
CONDENSED STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY
(Unaudited)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
(in millions of dollars and shares, except authorized shares and par value amounts)								
Cumulative Preferred Stock, \$0.01 par value; authorized 20,000,000 shares								
Balance, beginning of period	—	\$ —	1	\$ 790	—	\$ —	1	\$ 790
Balance, end of period	—	—	1	790	—	—	1	790
Common Stock, \$0.01 par value; authorized 1,000,000,000 shares								
Balance, beginning of period	633	6	631	6	631	6	630	6
Issuances of Common Stock	9	—	—	—	9	—	—	—
Issuances related to benefit and investment plans	—	—	—	—	2	—	1	—
Balance, end of period	642	6	631	6	642	6	631	6
Additional Paid-in-Capital								
Balance, beginning of period		8,583		8,558		8,604		8,568
Issuances of Common Stock, net of issuance costs		244		—		247		—
Issuances related to benefit and investment plans		9		12		(15)		2
Balance, end of period		8,836		8,570		8,836		8,570
Retained Earnings								
Balance, beginning of period		1,442		1,034		1,092		709
Net income		228		118		578		443
Common Stock dividends declared (see Note 18)		(128)		(120)		(128)		(120)
Balance, end of period		1,542		1,032		1,542		1,032
Accumulated Other Comprehensive Loss								
Balance, beginning of period		(33)		(32)		(35)		(31)
Other comprehensive income (loss)		3		—		5		(1)
Balance, end of period		(30)		(32)		(30)		(32)
Total Shareholders' Equity		<u>\$ 10,354</u>		<u>\$ 10,366</u>		<u>\$ 10,354</u>		<u>\$ 10,366</u>

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED STATEMENTS OF CONSOLIDATED INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
Revenues	\$ 1,044	\$ 909	\$ 1,945	\$ 1,701
Expenses:				
Operation and maintenance	456	401	893	781
Depreciation and amortization	210	186	409	345
Taxes other than income taxes	75	67	150	131
Total	741	654	1,452	1,257
Operating Income	303	255	493	444
Other Income (Expense):				
Interest expense and other finance charges	(79)	(63)	(155)	(116)
Interest expense on Securitization Bonds	(1)	(2)	(2)	(4)
Other income, net	10	10	21	17
Total	(70)	(55)	(136)	(103)
Income Before Income Taxes	233	200	357	341
Income tax expense	46	42	71	75
Net Income	\$ 187	\$ 158	\$ 286	\$ 266

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2024	December 31, 2023
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents (\$61 and \$76 related to VIEs, respectively)	\$ 61	\$ 76
Accounts receivable (\$26 and \$19 related to VIEs, respectively), less allowance for credit losses of \$1 and \$1, respectively	370	295
Accounts and notes receivable—affiliated companies	298	251
Accrued unbilled revenues	172	142
Materials and supplies	415	409
Taxes receivable	—	38
Prepaid expenses and other current assets (\$13 and \$13 related to VIEs, respectively)	28	48
Total current assets	1,344	1,259
Property, Plant and Equipment, net:		
Property, plant and equipment	20,448	19,515
Less: accumulated depreciation and amortization	4,573	4,469
Property, plant and equipment, net	15,875	15,046
Other Assets:		
Regulatory assets (\$-0- and \$74 related to VIEs, respectively)	845	752
Other non-current assets	37	29
Total other assets	882	781
Total Assets	\$ 18,101	\$ 17,086

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED CONSOLIDATED BALANCE SHEETS – (continued)
(Unaudited)

	June 30, 2024	December 31, 2023
	(in millions)	
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Current portion of VIE Securitization Bonds long-term debt	\$ 81	\$ 161
Accounts payable	644	351
Accounts payable—affiliated companies	113	104
Taxes accrued	103	155
Interest accrued	114	99
Other current liabilities	122	111
Total current liabilities	1,177	981
Other Liabilities:		
Deferred income taxes, net	1,437	1,406
Benefit obligations	40	32
Regulatory liabilities	961	1,025
Other non-current liabilities	92	107
Total other liabilities	2,530	2,570
Long-Term Debt, net	7,924	7,426
Commitments and Contingencies (Note 13)		
Member's Equity:		
Common stock	—	—
Additional paid-in capital	4,975	4,745
Retained earnings	1,495	1,364
Total member's equity	6,470	6,109
Total Liabilities and Member's Equity	\$ 18,101	\$ 17,086

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
	(in millions)	
Cash Flows from Operating Activities:		
Net income	\$ 286	\$ 266
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	409	345
Deferred income taxes	18	53
Changes in other assets and liabilities:		
Accounts receivable and unbilled revenues, net	(108)	(16)
Accounts receivable/payable—affiliated companies	11	(24)
Inventory	(6)	(8)
Accounts payable	39	(18)
Taxes receivable	38	—
Net regulatory assets and liabilities	(302)	(192)
Other current assets and liabilities	(20)	(21)
Other non-current assets and liabilities	(7)	39
Other operating activities, net	(8)	(9)
Net cash provided by operating activities	<u>350</u>	<u>415</u>
Cash Flows from Investing Activities:		
Capital expenditures	(854)	(1,185)
Increase in notes receivable—affiliated companies	(49)	—
Other investing activities, net	51	(13)
Net cash used in investing activities	<u>(852)</u>	<u>(1,198)</u>
Cash Flows from Financing Activities:		
Proceeds from long-term debt and term loan, net	498	898
Payments of long-term debt	(80)	(77)
Decrease in notes payable—affiliated companies	—	(532)
Dividend to parent	(155)	(160)
Contribution from parent	230	650
Payment of debt issuance costs	(4)	(9)
Other financing activities, net	(2)	(1)
Net cash provided by financing activities	<u>487</u>	<u>769</u>
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	<u>(15)</u>	<u>(14)</u>
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	<u>89</u>	<u>88</u>
Cash, Cash Equivalents and Restricted Cash at End of Period	<u>\$ 74</u>	<u>\$ 74</u>

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY
(Unaudited)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
	(in millions, except share amounts)							
Common Stock								
Balance, beginning of period	1,000	\$ —	1,000	\$ —	1,000	\$ —	1,000	\$ —
Balance, end of period	1,000	—	1,000	—	1,000	—	1,000	—
Additional Paid-in-Capital								
Balance, beginning of period		4,975		4,510		4,745		3,860
Contribution from parent		—		—		230		650
Balance, end of period		4,975		4,510		4,975		4,510
Retained Earnings								
Balance, beginning of period		1,427		1,195		1,364		1,138
Net income		187		158		286		266
Dividend to parent		(119)		(109)		(155)		(160)
Balance, end of period		1,495		1,244		1,495		1,244
Total Member's Equity		<u>\$ 6,470</u>		<u>\$ 5,754</u>		<u>\$ 6,470</u>		<u>\$ 5,754</u>

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED STATEMENTS OF CONSOLIDATED INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(in millions)				
Revenues:				
Utility revenues	\$ 668	\$ 733	\$ 2,168	\$ 2,440
Non-utility revenues	11	12	23	22
Total	<u>679</u>	<u>745</u>	<u>2,191</u>	<u>2,462</u>
Expenses:				
Utility natural gas	182	260	906	1,258
Non-utility cost of revenues, including natural gas	—	—	1	1
Operation and maintenance	181	211	407	429
Depreciation and amortization	138	122	265	240
Taxes other than income taxes	61	59	125	128
Total	<u>562</u>	<u>652</u>	<u>1,704</u>	<u>2,056</u>
Operating Income	<u>117</u>	<u>93</u>	<u>487</u>	<u>406</u>
Other Income (Expense):				
Interest expense and other finance charges	(58)	(45)	(107)	(87)
Other income, net	3	5	6	6
Total	<u>(55)</u>	<u>(40)</u>	<u>(101)</u>	<u>(81)</u>
Income Before Income Taxes	62	53	386	325
Income tax expense	15	10	75	70
Net Income	<u>\$ 47</u>	<u>\$ 43</u>	<u>\$ 311</u>	<u>\$ 255</u>

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
Net income	\$ 47	\$ 43	\$ 311	\$ 255
Adjustment to pension and other postretirement plans (net of tax of, \$-0-, \$-0-, \$-0- and \$-0-)	—	—	(1)	(1)
Other comprehensive loss	—	—	(1)	(1)
Comprehensive income	<u>\$ 47</u>	<u>\$ 43</u>	<u>\$ 310</u>	<u>\$ 254</u>

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2024	December 31, 2023
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1	\$ 1
Accounts receivable, less allowance for credit losses of \$28 and \$25, respectively	215	356
Accrued unbilled revenues, less allowance for credit losses of \$1 and \$1, respectively	117	329
Accounts and notes receivable—affiliated companies	104	43
Materials and supplies	103	107
Natural gas inventory	98	156
Taxes receivable	114	101
Current assets held for sale	1,230	—
Regulatory assets	240	161
Prepaid expenses and other current assets	28	55
Total current assets	2,250	1,309
Property, Plant and Equipment, net:		
Property, plant and equipment	14,998	15,672
Less: accumulated depreciation and amortization	4,039	4,169
Property, plant and equipment, net	10,959	11,503
Other Assets:		
Goodwill	1,461	1,583
Regulatory assets	768	850
Other non-current assets	89	51
Total other assets	2,318	2,484
Total Assets	\$ 15,527	\$ 15,296

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED CONSOLIDATED BALANCE SHEETS – (continued)
(Unaudited)

	June 30, 2024	December 31, 2023
	(in millions)	
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Short-term borrowings	\$ 2	\$ 4
Current portion of long-term debt	10	—
Accounts payable	238	392
Accounts payable–affiliated companies	98	99
Taxes accrued	102	145
Interest accrued	69	70
Customer deposits	81	95
Non-trading derivative liabilities	3	8
Current liabilities held for sale	218	—
Other current liabilities	217	274
Total current liabilities	1,038	1,087
Other Liabilities:		
Deferred income taxes, net	1,361	1,246
Non-trading derivative liabilities	1	3
Benefit obligations	73	74
Regulatory liabilities	1,802	1,882
Other non–current liabilities	445	455
Total other liabilities	3,682	3,660
Long-Term Debt, net	4,574	4,670
Commitments and Contingencies (Note 13)		
Stockholder's Equity:		
Common stock	—	—
Additional paid-in capital	4,519	4,229
Retained earnings	1,699	1,634
Accumulated other comprehensive income	15	16
Total stockholder's equity	6,233	5,879
Total Liabilities and Stockholder's Equity	\$ 15,527	\$ 15,296

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2024	2023
	(in millions)	
Cash Flows from Operating Activities:		
Net income	\$ 311	\$ 255
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	265	240
Deferred income taxes	92	22
Accounts receivable and unbilled revenues, net	285	644
Accounts receivable/payable—affiliated companies	9	(24)
Inventory	47	168
Taxes receivable	(13)	—
Accounts payable	(133)	(372)
Net regulatory assets and liabilities	(53)	1,198
Other current assets and liabilities	(36)	10
Other non-current assets and liabilities	12	7
Other operating activities, net	(31)	(1)
Net cash provided by operating activities	755	2,147
Cash Flows from Investing Activities:		
Capital expenditures	(659)	(807)
Increase in notes receivable—affiliated companies	(71)	(417)
Other investing activities, net	25	(9)
Net cash used in investing activities	(705)	(1,233)
Cash Flows from Financing Activities:		
Decrease in short-term borrowings, net	(4)	(14)
Payments of commercial paper, net	(484)	(805)
Proceeds from long-term debt and term loan, net	399	2,006
Payments of long-term debt and term loan	—	(2,275)
Dividends to parent	(246)	(311)
Payment of debt issuance costs	(3)	(13)
Contribution from parent	290	500
Other financing activities, net	(2)	(1)
Net cash used in financing activities	(50)	(913)
Net Increase in Cash, Cash Equivalents and Restricted Cash	—	1
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	1	—
Cash, Cash Equivalents and Restricted Cash at End of Period	\$ 1	\$ 1

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)
CONDENSED STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY
(Unaudited)

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
(in millions, except share amounts)								
Common Stock								
Balance, beginning of period	1,000	\$ —	1,000	\$ —	1,000	\$ —	1,000	\$ —
Balance, end of period	1,000	—	1,000	—	1,000	—	1,000	—
Additional Paid-in-Capital								
Balance, beginning of period		4,229		3,729		4,229		3,729
Contribution from parent		290		500		290		500
Balance, end of period		4,519		4,229		4,519		4,229
Retained Earnings								
Balance, beginning of period		1,783		1,626		1,634		1,618
Net income		47		43		311		255
Dividend to parent		(131)		(107)		(246)		(311)
Balance, end of period		1,699		1,562		1,699		1,562
Accumulated Other Comprehensive Income								
Balance, beginning of period		15		15		16		16
Other comprehensive loss		—		—		(1)		(1)
Balance, end of period		15		15		15		15
Total Stockholder's Equity		<u>\$ 6,233</u>		<u>\$ 5,806</u>		<u>\$ 6,233</u>		<u>\$ 5,806</u>

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY, INC. AND SUBSIDIARIES
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES

COMBINED NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS

(1) Background and Basis of Presentation

General. This combined Form 10-Q is filed separately by three registrants: CenterPoint Energy, Inc., CenterPoint Energy Houston Electric, LLC and CenterPoint Energy Resources Corp. Information contained herein relating to any individual registrant is filed by such registrant solely on its own behalf. Each registrant makes no representation as to information relating exclusively to the other Registrants or the subsidiaries of CenterPoint Energy other than itself or its subsidiaries.

Except as discussed in Note 11, no registrant has an obligation in respect of any other Registrant's debt securities, and holders of such debt securities should not consider the financial resources or results of operations of any Registrant other than the obligor in making a decision with respect to such securities.

Basis of Presentation. Included in this combined Form 10-Q are the Interim Condensed Financial Statements of CenterPoint Energy, Houston Electric and CERC, which are referred to collectively as the Registrants. The Interim Condensed Financial Statements are unaudited, omit certain financial statement disclosures and should be read with the Registrants' financial statements included in the Registrants' combined 2023 Form 10-K. The Combined Notes to Interim Condensed Financial Statements apply to all Registrants and specific references to Houston Electric and CERC herein also pertain to CenterPoint Energy, unless otherwise indicated. The Interim Condensed Financial Statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the respective periods. Amounts reported in the Condensed Statements of Consolidated Income are not necessarily indicative of amounts expected for a full-year period due to the effects of, among other things, (a) seasonal fluctuations in demand for energy, (b) changes in energy commodity prices, (c) timing of maintenance and other expenditures and (d) acquisitions and dispositions of businesses, assets and other interests.

Background. CenterPoint Energy, Inc. is a public utility holding company. On June 30, 2023, CenterPoint Energy completed the sale of its indirect subsidiary, Energy Systems Group, to an unaffiliated third party. On February 19, 2024, CenterPoint Energy, through its subsidiary CERC Corp., entered into the LAMS Asset Purchase Agreement to sell its Louisiana and Mississippi natural gas LDC businesses. The transaction is expected to close in the first quarter of 2025. For additional information, see Note 3.

As of June 30, 2024, CenterPoint Energy's operating subsidiaries were as follows:

- Houston Electric owns and operates electric transmission and distribution facilities in the Texas gulf coast area that includes the city of Houston;
- CERC Corp. (i) directly owns and operates natural gas distribution systems in Louisiana, Minnesota, Mississippi and Texas, (ii) indirectly, through Indiana Gas and CEOH, owns and operates natural gas distribution systems in Indiana and Ohio, respectively, and (iii) owns and operates permanent pipeline connections through interconnects with various interstate and intrastate pipeline companies through CEIP; and
- SIGECO provides energy delivery services to electric and natural gas customers located in and near Evansville in southwestern Indiana and owns and operates electric generation assets to serve its electric customers and optimizes those assets in the wholesale power market.

As of June 30, 2024, CenterPoint Energy's reportable segments were Electric, Natural Gas, and Corporate and Other. Houston Electric and CERC each consist of a single reportable segment. For a description of CenterPoint Energy's reportable segments, see Note 15.

Principles of Consolidation. The accompanying Interim Condensed Financial Statements have been prepared in conformity with generally accepted accounting principles. The accounts of the Registrants and their wholly-owned and majority-owned and controlled subsidiaries are included in the Interim Condensed Financial Statements. All intercompany transactions and balances are eliminated in consolidation.

As of June 30, 2024, CenterPoint Energy, Houston Electric and SIGECO had VIEs including the Bond Companies and the SIGECO Securitization Subsidiary, which are consolidated. The consolidated VIEs are wholly-owned, bankruptcy-remote, special purpose entities that were formed solely for the purpose of securitizing transition property or facilitating the securitization financing of qualified costs in the second quarter of 2023 associated with the completed retirement of SIGECO's A.B. Brown coal generation facilities. CenterPoint Energy, through SIGECO, has a controlling financial interest in the SIGECO Securitization Subsidiary and is the VIE's primary beneficiary. For further information, see Note 6. Creditors of CenterPoint Energy, Houston Electric and SIGECO have no recourse to any assets or revenues of the Bond Companies or the SIGECO Securitization Subsidiary, as applicable. The Securitization Bonds issued by these VIEs are payable only from and secured by transition or securitization property, as applicable, and the bondholders have no recourse to the general credit of CenterPoint Energy, Houston Electric or SIGECO.

The preparation of the Registrants' financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) New Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). This ASU updates segment disclosure requirements through enhanced disclosures around significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Registrants are currently evaluating the impact of this ASU on their respective consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). This ASU enhances the transparency of income tax disclosures related to rate reconciliation and income taxes. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Registrants are currently evaluating the impact of this ASU on their respective consolidated financial statements.

Management believes that all other recently adopted and recently issued accounting standards that are not yet effective will not have a material impact on the Registrants' financial position, results of operations or cash flows upon adoption.

(3) Held for Sale and Divestitures (CenterPoint Energy and CERC)

Held for Sale. On February 19, 2024, CERC Corp. entered into the LAMS Asset Purchase Agreement, pursuant to which CERC Corp. has agreed to sell its Louisiana and Mississippi natural gas LDC businesses. The purchase price for the Louisiana and Mississippi natural gas LDC businesses is \$1.2 billion and subject to adjustment as set forth in the LAMS Asset Purchase Agreement, including adjustments based on net working capital, regulatory assets and liabilities and capital expenditures at closing. The completion of the proposed transaction is subject to customary closing conditions, including (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (ii) approval of the LPSC, (iii) approval of the MPSC, (iv) no Material Adverse Effect (as defined in the LAMS Asset Purchase Agreement) having occurred, and (v) customary closing conditions regarding the accuracy of the representations and warranties and compliance by the parties with the respective obligations under the LAMS Asset Purchase Agreement. The proposed transaction is not subject to a financing condition and is expected to close by the end of the first quarter of 2025, subject to satisfaction of the foregoing conditions. The businesses include approximately 12,000 miles of main pipeline in Louisiana and Mississippi serving more than 300,000 customers. The Louisiana and Mississippi natural gas LDC businesses are reflected in CenterPoint Energy's Natural Gas reportable segment and CERC's single reportable segment, as applicable. Filings were made on April 24, 2024 to the LPSC and on April 25, 2024 to the MPSC requesting approval of the transaction.

In February 2024, certain assets and liabilities representing the Louisiana and Mississippi natural gas LDC businesses met the held for sale criteria. The sale will be considered an asset sale for tax purposes, requiring net deferred tax liabilities to be excluded from held for sale balances.

The Registrants record assets and liabilities held for sale at the lower of their carrying value or their estimated fair value less cost to sell. Neither CenterPoint Energy nor CERC recognized any gains or losses upon classification of held for sale during the three and six months ended June 30, 2024. See Note 9 for further information about the allocation of goodwill to the businesses to be sold.

The assets and liabilities of the Louisiana and Mississippi natural gas LDC businesses classified as held for sale in CenterPoint Energy's and CERC's Condensed Consolidated Balance Sheets, as applicable, included the following:

	June 30, 2024	
	CenterPoint Energy	CERC
	(in millions)	
Receivables, net	\$ 15	\$ 15
Accrued unbilled revenues	11	11
Natural gas inventory	3	3
Materials and supplies	14	14
Property, plant and equipment, net	1,008	1,008
Goodwill	217	122
Regulatory assets	55	55
Other	2	2
Total current assets held for sale	\$ 1,325	\$ 1,230
Accounts payable	\$ 20	\$ 20
Customer deposits	14	14
Regulatory liabilities	92	92
Other	92	92
Total current liabilities held for sale	\$ 218	\$ 218

Although the Louisiana and Mississippi natural gas LDC businesses meet the held for sale criteria, their proposed disposals do not represent a strategic shift for CenterPoint Energy and CERC as both will retain significant operations in, and will continue to invest in, their natural gas businesses. Therefore, the assets and liabilities associated with these transactions are not reflected as discontinued operations on CenterPoint Energy's and CERC's Condensed Statements of Consolidated Income, as applicable, and the December 31, 2023 Condensed Consolidated Balance Sheets were not required to be recast for assets held for sale. Since the depreciation on the Louisiana and Mississippi natural gas LDC businesses assets will continue to be reflected in revenues through customer rates until the expected closing of the transaction and will be reflected in the carryover basis of the rate-regulated assets once sold, CenterPoint Energy and CERC will continue to record depreciation on those assets through the expected closing of the transaction.

The pre-tax income for the Louisiana and Mississippi natural gas LDC businesses, excluding interest and corporate allocations, included in CenterPoint Energy's and CERC's Condensed Statements of Consolidated Income is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
Income Before Income Taxes	\$ 3	\$ 3	\$ 44	\$ 35

Divestiture of Energy Systems Group. On May 21, 2023, CenterPoint Energy, through its subsidiary Vectren Energy Services, entered into an Equity Purchase Agreement to sell all of the outstanding limited liability company interests of Energy Systems Group to ESG Holdings Group, for a purchase price of \$157 million, subject to customary adjustments set forth in the Equity Purchase Agreement, including adjustments based on Energy Systems Group's net working capital at closing, indebtedness, cash and cash equivalents and transaction expenses. The transaction closed on June 30, 2023, and CenterPoint Energy received \$154 million in cash, subject to finalization of the purchase price adjustment. Additionally, as of June 30, 2024, CenterPoint Energy had a payable of approximately \$2 million to ESG Holdings Group for working capital and other adjustments set forth in the Equity Purchase Agreement.

In May 2023, certain assets and liabilities of Energy Systems Group met the held for sale criteria. The divestiture of Energy Systems Group reflects CenterPoint Energy's continued strategic focus on its core utility businesses. The historical annual revenues, net income and total assets of Energy Systems Groups did not have a sufficient effect, quantitatively or qualitatively, on CenterPoint Energy's financial results to be considered a strategic shift. Therefore, the income and expenses associated with Energy Systems Group were not reflected as discontinued operations on CenterPoint Energy's Condensed Statements of Consolidated Income. Depreciation and amortization of long-lived assets ceased at the end of the quarter in which the held for sale criteria was met. Additionally, as a result of the completion of the sale of Energy Systems Group in June 2023, there were

no assets or liabilities associated with Energy Systems Group classified as held for sale as of June 30, 2024. For a discussion of guarantees and product warranties related to Energy Systems Group prior to the sale, see Note 13(b).

CenterPoint Energy recognized a loss on sale of approximately \$13 million, including \$3 million of transaction costs, during the year ended December 31, 2023, in connection with the closing of the sale of Energy Systems Group. Additionally, CenterPoint Energy recognized a current tax expense of \$32 million during the year ended December 31, 2023, as a result of the cash taxes payable upon the closing of the sale.

The pre-tax loss for Energy Systems Group, excluding interest and corporate allocations, included in CenterPoint Energy's Condensed Statements of Consolidated Income is as follows:

	Three Months Ended June 30, 2023	Six Months Ended June 30, 2023
	(in millions)	
Income (Loss) Before Income Taxes	\$ 2	\$ (4)

(4) Revenue Recognition and Allowance for Credit Losses

In accordance with ASC 606, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Registrants expect to be entitled to receive in exchange for these goods or services.

ARPs are contracts between the utility and its regulators, not between the utility and a customer. The Registrants recognize ARP revenue as other revenues when the regulator-specified conditions for recognition have been met. Upon recovery of ARP revenue through incorporation in rates charged for utility service to customers, ARP revenue is reversed and recorded as revenue from contracts with customers. The recognition of ARP revenues and the reversal of ARP revenues upon recovery through rates charged for utility service may not occur in the same period.

The following tables disaggregate revenues by reportable segment and major source:

CenterPoint Energy

	Three Months Ended June 30, 2024			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts with customers	\$ 1,207	\$ 698	\$ 1	\$ 1,906
Other (1)	—	(3)	2	(1)
Total revenues	<u>\$ 1,207</u>	<u>\$ 695</u>	<u>\$ 3</u>	<u>\$ 1,905</u>

	Six Months Ended June 30, 2024			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts with customers	\$ 2,259	\$ 2,239	\$ 2	\$ 4,500
Other (1)	(3)	26	2	25
Total revenues	<u>\$ 2,256</u>	<u>\$ 2,265</u>	<u>\$ 4</u>	<u>\$ 4,525</u>

	Three Months Ended June 30, 2023			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts with customers	\$ 1,040	\$ 759	\$ 73	\$ 1,872
Other (1)	(3)	5	1	3
Total revenues	<u>\$ 1,037</u>	<u>\$ 764</u>	<u>\$ 74</u>	<u>\$ 1,875</u>

	Six Months Ended June 30, 2023			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts with customers	\$ 1,998	\$ 2,511	\$ 124	\$ 4,633
Other (1)	(9)	28	2	21
Total revenues	\$ 1,989	\$ 2,539	\$ 126	\$ 4,654

(1) Primarily consists of income from ARPs and leases. Total lease income was \$2 million and \$2 million for the three months ended June 30, 2024 and 2023, respectively, and \$4 million and \$4 million for the six months ended June 30, 2024 and 2023, respectively.

Houston Electric

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
Revenue from contracts with customers	\$ 1,049	\$ 918	\$ 1,959	\$ 1,721
Other (1)	(5)	(9)	(14)	(20)
Total revenues	\$ 1,044	\$ 909	\$ 1,945	\$ 1,701

(1) Primarily consists of income from ARPs and leases. Lease income was not significant for the three and six months ended June 30, 2024 and 2023.

CERC

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
Revenue from contracts with customers	\$ 682	\$ 737	\$ 2,167	\$ 2,437
Other (1)	(3)	8	24	25
Total revenues	\$ 679	\$ 745	\$ 2,191	\$ 2,462

(1) Primarily consists of income from ARPs and leases. Lease income was not significant for the three and six months ended June 30, 2024 and 2023.

Revenues from Contracts with Customers

Electric (CenterPoint Energy and Houston Electric). Houston Electric distributes electricity to customers over time and customers consume the electricity when delivered. Indiana Electric generates, transmits and distributes electricity to customers over time and customers consume the electricity when delivered. Revenue, consisting of both volumetric and fixed tariff rates set by state regulators, such as the PUCT and the IURC, is recognized as electricity is delivered and represents amounts both billed and unbilled. Discretionary services requested by customers are provided at a point in time with control transferring upon the completion of the service. Revenue for discretionary services provided by Houston Electric is recognized upon completion of service based on the tariff rates set by the PUCT. Payments for electricity distribution and discretionary services are aggregated and received on a monthly basis. Houston Electric performs transmission services over time as a stand-ready obligation to provide a reliable network of transmission systems. Revenue is recognized upon time elapsed, and the monthly tariff rate set by the regulator. Payments are received on a monthly basis. Indiana Electric customers are billed monthly and payment terms, set by the regulator, require payment within a month of billing.

Natural Gas (CenterPoint Energy and CERC). CenterPoint Energy and CERC distribute and transport natural gas to customers over time and customers consume the natural gas when delivered. Revenue, consisting of both volumetric and fixed tariff rates set by the state governing agency for that service area, is recognized as natural gas is delivered and represents amounts both billed and unbilled. Discretionary services requested by the customer are provided at a point in time with control transferring upon completion of the service. Revenue for discretionary services is recognized upon completion of service based on the tariff rates set by the applicable state regulator. Payments of natural gas distribution, transportation and discretionary services are aggregated and received on a monthly basis.

Contract Balances. When the timing of delivery of service is different from the timing of the payments made by customers and when the right to consideration is conditioned on something other than the passage of time, the Registrants recognize a contract liability when customer payment precedes performance. Those customers that prepay are represented by contract liabilities until the performance obligations are satisfied. The Registrants' contract liabilities are included in Accounts payable and Other current liabilities in their Condensed Consolidated Balance Sheets.

The opening and closing balances of accounts receivable, accrued unbilled revenues and contract liabilities from contracts with customers are as follows:

CenterPoint Energy

	Accounts Receivable	Accrued Unbilled Revenues	Contract Liabilities
	(in millions)		
Opening balance as of December 31, 2023	\$ 652	\$ 516	\$ 2
Closing balance as of June 30, 2024	598	346	6
Increase (decrease)	\$ (54)	\$ (170)	\$ 4

The amount of revenue recognized during the six months ended June 30, 2024 that was included in the opening contract liability was \$2 million. The difference between the opening and closing balances of the contract liabilities primarily results from the timing difference between CenterPoint Energy's performance and the customer's payment.

Houston Electric

	Accounts Receivable	Accrued Unbilled Revenues	Contract Liabilities
	(in millions)		
Opening balance as of December 31, 2023	\$ 275	\$ 142	\$ 2
Closing balance as of June 30, 2024	351	172	6
Increase	\$ 76	\$ 30	\$ 4

The amount of revenue recognized during the six months ended June 30, 2024 that was included in the opening contract liability was \$2 million. The difference between the opening and closing balances of the contract liabilities primarily results from the timing difference between Houston Electric's performance and the customer's payment.

CERC

	Accounts Receivable	Accrued Unbilled Revenues
	(in millions)	
Opening balance as of December 31, 2023	\$ 330	\$ 329
Closing balance as of June 30, 2024	209	128
Decrease	\$ (121)	\$ (201)

CERC does not have any opening or closing contract asset or contract liability balances.

Remaining Performance Obligations (CenterPoint Energy). Following the completed sale of Energy Systems Group on June 30, 2023, CenterPoint Energy had no remaining performance obligations.

Practical Expedients and Exemption. Sales taxes and other similar taxes collected from customers are excluded from the transaction price. For contracts for which revenue from the satisfaction of the performance obligations is recognized in the amount invoiced, the practical expedient was elected and revenue expected to be recognized on these contracts has not been disclosed.

Allowance for Credit Losses

CenterPoint Energy and CERC segregate financial assets that fall under the scope of Topic 326, primarily trade receivables due in one year or less, into portfolio segments based on shared risk characteristics, such as geographical location and regulatory environment, for evaluation of expected credit losses. Historical and current information, such as average write-offs,

are applied to each portfolio segment to estimate the allowance for losses on uncollectible receivables. Additionally, the allowance for losses on uncollectible receivables is adjusted for reasonable and supportable forecasts of future economic conditions, which can include changing weather, commodity prices, regulations, and macroeconomic factors, among others. Houston Electric had no material changes in its methodology to recognize losses on financial assets that fall under the scope of Topic 326, primarily due to the nature of its customers and regulatory environment. For a discussion of regulatory deferrals, see Note 6.

(5) Employee Benefit Plans

The Registrants' net periodic cost, before considering amounts subject to overhead allocations for capital expenditure projects or for amounts subject to deferral for regulatory purposes, includes the following components relating to pension and postretirement benefits:

Pension Benefits (CenterPoint Energy)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
Service cost (1)	\$ 6	\$ 6	\$ 12	\$ 13
Interest cost (2)	18	19	37	38
Expected return on plan assets (2)	(18)	(19)	(37)	(38)
Amortization of net loss (2)	7	7	14	14
Net periodic cost	\$ 13	\$ 13	\$ 26	\$ 27

(1) Amounts presented in the table above are included in Operation and maintenance expense in CenterPoint Energy's Condensed Statements of Consolidated Income, net of amounts capitalized and regulatory deferrals.

(2) Amounts presented in the table above are included in Other income, net in CenterPoint Energy's Condensed Statements of Consolidated Income, net of regulatory deferrals.

Postretirement Benefits

	Three Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Service cost (1)	\$ 1	\$ —	\$ —	\$ 1	\$ —	\$ —
Interest cost (2)	3	2	1	3	2	1
Expected return on plan assets (2)	(2)	(1)	—	(2)	(1)	—
Amortization of prior service credit (2)	—	(2)	—	(1)	(2)	—
Amortization of net loss (2)	(2)	(1)	—	(2)	(1)	—
Net periodic cost (benefit)	\$ —	\$ (2)	\$ 1	\$ (1)	\$ (2)	\$ 1

	Six Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Service cost (1)	\$ 1	\$ —	\$ —	\$ 1	\$ —	\$ —
Interest cost (2)	6	3	2	6	3	2
Expected return on plan assets (2)	(3)	(2)	—	(3)	(2)	—
Amortization of prior service cost (credit) (2)	(1)	(3)	1	(1)	(3)	1
Amortization of net loss (2)	(4)	(2)	(1)	(4)	(2)	(1)
Net periodic cost (benefit)	\$ (1)	\$ (4)	\$ 2	\$ (1)	\$ (4)	\$ 2

(1) Amounts presented in the tables above are included in Operation and maintenance expense in each of the Registrants' respective Condensed Statements of Consolidated Income, net of amounts capitalized and regulatory deferrals.

(2) Amounts presented in the tables above are included in Other income, net in each of the Registrants' respective Condensed Statements of Consolidated Income, net of regulatory deferrals.

The table below reflects the expected contributions to be made to the pension and postretirement benefit plans during 2024:

	<u>CenterPoint Energy</u>	<u>Houston Electric</u>	<u>CERC</u>
	(in millions)		
Expected contribution to pension plans	\$ 9	\$ —	\$ —
Expected contribution to postretirement benefit plans	8	1	4

The table below reflects the contributions made to the pension and postretirement benefit plans during the periods presented:

	<u>Three Months Ended June 30, 2024</u>			<u>Six Months Ended June 30, 2024</u>		
	<u>CenterPoint Energy</u>	<u>Houston Electric</u>	<u>CERC</u>	<u>CenterPoint Energy</u>	<u>Houston Electric</u>	<u>CERC</u>
	(in millions)					
Pension plans	\$ 1	\$ —	\$ —	\$ 3	\$ —	\$ —
Postretirement benefit plans	2	—	2	4	—	3

(6) Regulatory Matters

Equity Return

The Registrants are at times allowed by a regulator to defer an equity return as part of the recoverable carrying costs of a regulatory asset. A deferred equity return is capitalized for rate-making purposes, but it is not included in the Registrant's regulatory assets on its Condensed Consolidated Balance Sheets. The allowed equity return is recognized in the Condensed Statements of Consolidated Income as it is recovered in rates. The recoverable allowed equity return not yet recognized by the Registrants is as follows:

	<u>June 30, 2024</u>			<u>December 31, 2023</u>		
	<u>CenterPoint Energy (1)</u>	<u>Houston Electric (2)</u>	<u>CERC (3)</u>	<u>CenterPoint Energy (1)</u>	<u>Houston Electric (2)</u>	<u>CERC (3)</u>
	(in millions)					
Unrecognized equity return	\$ 204	\$ 61	\$ 79	\$ 204	\$ 75	\$ 69

- (1) In addition to the amounts described in (2) and (3) below, represents CenterPoint Energy's allowed equity return on post in-service carrying cost generally associated with investments in Indiana.
- (2) Represents Houston Electric's allowed equity return on its true-up balance of stranded costs, other changes and related interest resulting from the formerly integrated electric utilities prior to Texas deregulation to be recovered in rates through 2024 and certain TEEEF costs and storm restoration costs.
- (3) Represents CERC's allowed equity return on post in-service carrying cost associated with certain distribution facilities replacement expenditures in Texas and costs associated with investments in Indiana.

The table below reflects the amount of allowed equity return recognized by each Registrant in its Condensed Statements of Consolidated Income:

	Three Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Allowed equity return recognized	\$ 12	\$ 11	\$ —	\$ 10	\$ 9	\$ —

	Six Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Allowed equity return recognized	\$ 21	\$ 19	\$ 1	\$ 18	\$ 16	\$ 1

February 2021 Winter Storm Event

In February 2021, certain of the Registrants’ jurisdictions experienced an extreme and unprecedented winter weather event that resulted in prolonged freezing temperatures, which impacted their businesses. The February 2021 Winter Storm Event impacted wholesale prices of CenterPoint Energy’s and CERC’s natural gas purchases and their ability to serve customers in their Natural Gas service territories, including due to the reduction in available natural gas capacity and impacts to CenterPoint Energy’s and CERC’s natural gas supply portfolio activities, and the effects of weather on their systems and their ability to transport natural gas, among other things. The overall natural gas market, including the markets from which CenterPoint Energy and CERC sourced a significant portion of their natural gas for their operations, experienced significant impacts caused by the February 2021 Winter Storm Event, resulting in extraordinary increases in the cost of natural gas purchased by CenterPoint Energy and CERC of approximately \$2 billion. CenterPoint Energy and CERC have completed recovery of natural gas costs in Mississippi, Indiana, Louisiana and Texas, and continue to recover the natural gas cost in Minnesota. As of June 30, 2024, CenterPoint Energy and CERC have each recorded current regulatory assets of \$66 million and non-current regulatory assets of \$92 million associated with the February 2021 Winter Storm Event. As of December 31, 2023, CenterPoint Energy and CERC had each recorded current regulatory assets of \$86 million and non-current regulatory assets of \$130 million associated with the February 2021 Winter Storm Event.

On August 24, 2023, the LPSC staff issued an audit report which recommends some prospective process changes to the gas supply bid process and did not recommend any disallowance of February 2021 Winter Storm Event gas costs incurred in Louisiana. Recovery of such costs remains subject to LPSC approval. On December 19, 2023, the LPSC issued an order which accepted and approved the audit report.

As of both June 30, 2024 and December 31, 2023, as authorized by the PUCT, both CenterPoint Energy and Houston Electric recorded a regulatory asset of \$8 million for bad debt expenses resulting from REPs’ default on their obligation to pay delivery charges to Houston Electric net of collateral. Additionally, both CenterPoint Energy and Houston Electric recorded a regulatory asset of \$18 million and \$17 million as of June 30, 2024 and December 31, 2023, respectively, and have requested reimbursement of costs associated with the February 2021 Winter Storm Event in Houston Electric’s rate case.

See Note 13(c) for further information regarding litigation related to the February 2021 Winter Storm Event.

Texas Public Securitization

The Texas Natural Gas Securitization Finance Corporation issued customer rate relief bonds in March 2023, and on March 23, 2023, CenterPoint Energy and CERC, collectively, received approximately \$1.1 billion in cash proceeds from the issuance and sale of the state’s customer rate relief bonds. The proceeds from the state’s customer rate relief bonds included carrying costs incurred through August 2022. Incremental carrying costs incurred after August 2022 until the date the proceeds were received are recorded in a separate regulatory asset; the current CERC rate proceeding in Texas includes a request for recovery of this regulatory asset. As CenterPoint Energy and CERC have no future financial obligations for the repayment of the state’s customer rate relief bonds, the customer rate relief bonds are not recorded on CenterPoint Energy’s or CERC’s balance sheets. The \$1.1 billion in cash proceeds from the state’s customer rate relief bonds is considered to be a government grant. The state’s customer rate relief bonds are backed in part by customer rate relief property, including customer rate relief charges, which are non-bypassable uniform monthly volumetric charges to be paid by all existing and future sales customers as a component of

each regulated utility's gas cost, separate from their base rate. CERC only acts as a collection agent, whose duties include management, servicing and administration of a portion of the customer rate relief property which is associated with the customer rate relief charge imposed on customers of CERC under the guidance and direction from the Railroad Commission. The Texas Natural Gas Securitization Finance Corporation, and not CenterPoint Energy or CERC, is the owner of the customer rate relief property. The assets of the Texas Natural Gas Securitization Finance Corporation are not available to pay creditors of CenterPoint Energy, CERC, or their affiliates. While the customer rate relief charges will be included by CERC in their monthly billings, the billing amount is established by the Railroad Commission. CERC will remit all customer rate relief charges collected to the financing entity set up by the Railroad Commission. Therefore, the collection and servicing of customer rate relief charges have no impact on the respective Condensed Statements of Consolidated Income of CenterPoint Energy or CERC.

As U.S. generally accepted accounting principles have no specific accounting guidance for government grants or assistance, the cash proceeds from the state's customer rate relief bonds were accounted for as a government grant by analogy to the grant model under IAS 20—Accounting for Government Grants and Disclosures of Government Assistance. CenterPoint Energy and CERC reflect the proceeds from the grant as a deduction to natural gas costs and recognized the \$1.1 billion of cash proceeds from the state's customer rate relief bonds within Utility natural gas expense on their respective Condensed Statements of Consolidated Income in the three months ended March 31, 2023, net of the recognition of natural gas cost related to relieving CenterPoint Energy and CERC's regulatory assets related to the February 2021 Winter Storm Event in the same period.

May 2024 Storm Events

Houston Electric's service territory experienced sudden and destructive severe weather events in May 2024 that included Hurricane-like winds and tornadoes. The May 2024 Storm Events caused significant damage to Houston Electric's electric delivery system. Houston Electric currently estimates that total costs to restore the electric delivery facilities damaged as a result of the May 2024 Storm Events will be in the range of \$425 million to \$475 million based on currently available information. These preliminary estimates are subject to revision as certain restoration costs may continue through the end of 2024.

As is common with electric utilities serving coastal regions, the poles, towers, wires, street lights and pole-mounted equipment that comprise Houston Electric's transmission and distribution system are not covered by property insurance. Houston Electric is deferring certain storm restoration costs as management believes it is probable that such costs will be recovered through the regulatory process. However, neither the amount nor timing of the recovery is certain. As of June 30, 2024, Houston Electric recorded increases of \$308 million in Property, plant and equipment and \$70 million in Regulatory assets, for restoration costs incurred through June 30, 2024. Approximately \$291 million of these costs are based on estimates and are included in Accounts payable as of June 30, 2024.

The ultimate recovery of costs is expected to be sought through the issuance and sale of non-recourse securitization bonds for distribution-related costs and the TCOS capital mechanism for transmission-related costs.

See Note 11 for further information regarding a term loan facility to fund certain costs related to the May 2024 Storm Events.

Indiana Electric Securitization of Generation Retirements (CenterPoint Energy)

On January 4, 2023, the IURC issued an order in accordance with Indiana Senate Enrolled Act 386 authorizing the issuance of up to \$350 million in securitization bonds to securitize qualified costs associated with the retirements of Indiana Electric's A.B. Brown coal-fired generation facilities. Accordingly, CenterPoint Energy determined that the retirement of property, plant and equipment became probable upon the issuance of the order. No loss on abandonment was recognized in connection with issuance of the order as there was no disallowance of all or part of the cost of the abandoned property, plant and equipment. In the first quarter of 2023, upon receipt of the order, CenterPoint Energy reclassified property, plant and equipment to be recovered through securitization to a regulatory asset and such amounts continued to earn a full return until recovered through securitization.

The SIGECO Securitization Subsidiary issued \$341 million aggregate principal amount of the SIGECO Securitization Bonds on June 29, 2023. The SIGECO Securitization Subsidiary used a portion of the net proceeds from the issuance of the SIGECO Securitization Bonds to purchase the securitization property from SIGECO. No gain or loss was recognized.

The SIGECO Securitization Bonds are secured by the securitization property, which includes the right to recover, through non-bypassable securitization charges payable by SIGECO's retail electric customers, the qualified costs of SIGECO authorized

by the IURC order. SIGECO has no payment obligations with respect to the SIGECO Securitization Bonds except to remit collections of securitization charges as set forth in a servicing agreement between SIGECO and the SIGECO Securitization Subsidiary. The non-bypassable securitization charges are subject to a true-up mechanism.

Houston Electric TEEEF

Pursuant to legislation passed in 2021, Houston Electric entered into two leases for TEEEF (mobile generation) which are detailed in Note 19. Houston Electric initially sought recovery of the lease costs and the applicable return as of December 31, 2021 under these lease agreements of approximately \$200 million in its DCRF application filed with the PUCT on April 5, 2022, and subsequently amended on July 1, 2022, to show mobile generation in a separate Rider TEEEF. A final order was issued on April 5, 2023 approving a revenue requirement of \$39 million that results in full recovery of costs requested but lengthens the amortization period for the short-term lease to be collected over 82.5 months. On May 25, 2023, the PUCT issued its order on rehearing which clarified some of the findings, but did not change the approval of TEEEF cost recovery. The PUCT's decision on the first TEEEF filing is now final and non-appealable.

On April 5, 2023, Houston Electric made its second TEEEF filing requesting recovery of TEEEF related costs incurred through December 31, 2022. Houston Electric requested a new annual revenue requirement of approximately \$188 million using 78 months to amortize the related deferred costs for proposed rates beginning September 2023, a net increase in TEEEF revenues of approximately \$149 million. On August 28, 2023, the State Office of Administrative Hearings issued an Order setting interim rates to collect an annual revenue requirement at the filed amount. Interim rates became effective on September 1, 2023, subject to surcharge or refund if they differ from the final rates approved by the PUCT. An agreement in principle was reached which reduced the annual revenue requirement by approximately \$35 million based on recovering the balance as of December 31, 2022 over a 102 month amortization period (instead of the 78 month period in the initial filing) and also allows for revised interim rates (to incorporate the agreement in principle and the initial interim rates that have been in place since September 1, 2023). The updated interim rates were implemented on December 15, 2023 and approved by the PUCT pursuant to its order issued on February 1, 2024 when the PUCT approved the agreement in principle.

Houston Electric defers costs associated with the short-term and long-term leases that are probable of recovery and would otherwise be charged to expense in a regulatory asset, including allowed debt returns, and determined that such regulatory assets remain probable of recovery as of June 30, 2024. Right of use finance lease assets, such as assets acquired under the long-term leases, are evaluated for impairment under the long-lived asset impairment model by assessing if a capital disallowance from a regulator is probable through monitoring the outcome of rate cases and other proceedings. Houston Electric continues to monitor the on-going proceedings and has not recorded any impairments on its right of use assets in the year ended December 31, 2023 or the three and six months ended June 30, 2024. See Note 19 for further information.

(7) Derivative Instruments

The Registrants are exposed to various market risks. These risks arise from transactions entered into in the normal course of business. The Registrants, from time to time, utilize derivative instruments such as swaps and options to mitigate the impact of changes in commodity prices, weather and interest rates on operating results and cash flows.

(a) Non-Trading Activities

Commodity Derivative Instruments (CenterPoint Energy and CERC). CenterPoint Energy and CERC, through the Indiana Utilities they respectively own, enter into certain derivative instruments to mitigate the effects of commodity price movements. Outstanding derivative instruments designated as economic hedges at the Indiana Utilities hedge long-term variable rate natural gas purchases. The Indiana Utilities have authority to refund and recover mark-to-market gains and losses associated with hedging natural gas purchases, and thus the gains and losses on derivatives are deferred in a regulatory liability or asset. All other financial instruments do not qualify or are not designated as cash flow or fair value hedges.

Interest Rate Risk Derivative Instruments (CenterPoint Energy and Houston Electric). From time to time, the Registrants may enter into interest rate derivatives that are designated as economic or cash flow hedges. The objective of these hedges is to offset risk associated with interest rates borne by the Registrants in connection with an anticipated future fixed rate debt offering or other exposure to variable rate debt. Houston Electric and the Indiana Utilities have authority to refund and recover mark-to-market gains and losses associated with hedging financing activity, and thus the gains and losses on derivatives are deferred in a regulatory liability or asset.

The table below summarizes CenterPoint Energy's and Houston Electric's outstanding interest rate hedging activity:

Hedging Classification	June 30, 2024		December 31, 2023	
	Notional Principal			
(in millions)				
CenterPoint Energy:				
Cash flow hedge (1) (2)	\$	—	\$	200
Houston Electric:				
Cash flow hedge (2)	\$	—	\$	100

- (1) Relates to interest rate derivative instruments at CenterPoint Energy with a termination date of December 31, 2029. The interest rate swap agreements were designated as cash flow hedges of forecasted transactions. CenterPoint Energy records all changes in the fair value of cash flow hedges in accumulated other comprehensive income (loss) until the underlying hedged transaction occurs, when it reclassifies that amount into earnings.
- (2) Relates to interest rate derivative instruments at Houston Electric with a termination date of June 28, 2024. The interest rate treasury lock agreements were designated as cash flow hedges of forecasted transactions. Houston Electric records all changes in the fair value of cash flow hedges to a regulatory asset or liability, which is amortized over the life of the associated debt being hedged.

(b) Derivative Fair Values and Financial Statement Presentation

CenterPoint Energy and Houston Electric had no outstanding interest rate derivatives designated as cash flow hedges as of June 30, 2024. CenterPoint Energy's interest rate derivatives designated as cash flow hedges were not material as of December 31, 2023 and were included in current Non-trading derivative liabilities on CenterPoint Energy's Condensed Consolidated Balance Sheets. Houston Electric's interest rate derivatives designated as cash flow hedges were not material as of December 31, 2023 and were included in Prepaid expenses and other current assets on Houston Electric's Condensed Consolidated Balance Sheets.

The following tables provide a balance sheet overview of CenterPoint Energy's derivative assets and liabilities as well as its offsetting of natural gas derivative activity in the periods presented:

Balance Sheet Location	June 30, 2024		December 31, 2023		
	Derivative Assets Fair Value	Derivative Liabilities Fair Value	Derivative Assets Fair Value	Derivative Liabilities Fair Value	
(in millions)					
CenterPoint Energy:					
Derivatives not designated as hedging instruments:					
Natural gas derivatives (1)	Current Liabilities: Non-trading derivative liabilities	\$ —	\$ 4	\$ —	\$ 9
Natural gas derivatives (1)	Other Liabilities: Non-trading derivative liabilities	—	1	—	3
Indexed debt securities derivative (2)	Current Liabilities	—	538	—	605
Total		\$ —	\$ 543	\$ —	\$ 617

- (1) As of June 30, 2024 and December 31, 2023, the notional volume of natural gas derivatives were 32,251 MMBtu per day and 27,421 MMBtu per day, respectively.
- (2) Derivative component of the ZENS obligation that represents the ZENS holder's option to receive the appreciated value of the reference shares at maturity and other payments to which they may be entitled. See Note 10 for further information.

	June 30, 2024			December 31, 2023		
	Gross Amounts Recognized	Gross Amount Offset	Net Amount	Gross Amounts Recognized	Gross Amount Offset	Net Amount
CenterPoint Energy: (in millions)						
Assets						
Current Assets: Non-trading derivative assets	\$ 2	\$ (2)	\$ —	\$ —	\$ —	\$ —
Total Assets	\$ 2	\$ (2)	\$ —	\$ —	\$ —	\$ —
Liabilities						
Current Liabilities: Non-trading derivative liabilities	\$ 6	\$ (2)	\$ 4	\$ 9	\$ —	\$ 9
Other Liabilities: Non-trading derivative liabilities	1	—	1	3	—	3
Total Liabilities	\$ 7	\$ (2)	\$ 5	\$ 12	\$ —	\$ 12

The following tables provide a balance sheet overview of CERC's derivative assets and liabilities as well as its offsetting of natural gas derivative activity in the periods presented:

Balance Sheet Location	June 30, 2024		December 31, 2023	
	Derivative Assets Fair Value	Derivative Liabilities Fair Value	Derivative Assets Fair Value	Derivative Liabilities Fair Value
CERC: (in millions)				
Derivatives not designated as hedging instruments:				
Natural gas derivatives (1) Current Liabilities: Non-trading derivative liabilities	\$ —	\$ 3	\$ —	\$ 8
Natural gas derivatives (1) Other Liabilities: Non-trading derivative liabilities	—	1	—	3
Total	\$ —	\$ 4	\$ —	\$ 11

(1) As of June 30, 2024 and December 31, 2023, the notional volume of natural gas derivatives were 27,644 MMBtu per day and 23,504 MMBtu per day, respectively.

	June 30, 2024			December 31, 2023		
	Gross Amounts Recognized	Gross Amount Offset	Net Amount	Gross Amounts Recognized	Gross Amount Offset	Net Amount
CERC: (in millions)						
Assets						
Current Assets: Non-trading derivative assets	\$ 2	\$ (2)	\$ —	\$ —	\$ —	\$ —
Total Assets	\$ 2	\$ (2)	\$ —	\$ —	\$ —	\$ —
Liabilities						
Current Liabilities: Non-trading derivative liabilities	\$ 5	\$ (2)	\$ 3	\$ 8	\$ —	\$ 8
Other Liabilities: Non-trading derivative liabilities	1	—	1	3	—	3
Total Liabilities	\$ 6	\$ (2)	\$ 4	\$ 11	\$ —	\$ 11

The table below provides the related income statement impacts of derivative activity for the periods presented:

Income Statement Location	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
CenterPoint Energy: (in millions)				
Derivatives not designated as hedging instruments:				
Indexed debt securities derivative (1) Gain (loss) on indexed debt securities	\$ (18)	\$ 34	\$ 67	\$ (5)

(1) The indexed debt securities derivative is recorded at fair value and changes in the fair value are recorded in CenterPoint Energy's Condensed Statements of Consolidated Income.

Cash inflows and outflows associated with derivatives are included in operating activities on the statement of cash flows.

(c) Credit Risk Contingent Features (CenterPoint Energy and CERC)

Certain of CenterPoint Energy’s and CERC’s derivative instruments contain provisions that require CenterPoint Energy and CERC to maintain an investment grade credit rating on their respective long-term unsecured unsubordinated debt from S&P and Moody’s. If CenterPoint Energy’s or CERC’s debt were to fall below investment grade, it would be in violation of these provisions, and the counterparties to the derivative instruments could request immediate payment or additional collateral. The table below sets forth additional detail for the periods presented:

	June 30, 2024		December 31, 2023	
	CenterPoint Energy	CERC	CenterPoint Energy	CERC
	(in millions)			
Aggregate fair value of derivatives containing material adverse change provisions in a net liability position	\$ 6	\$ 5	\$ 9	\$ 8
Fair value of collateral already posted	—	—	—	—
Additional collateral required to be posted if credit risk contingent features triggered	6	5	9	8

(8) Fair Value Measurements

Assets and liabilities that are recorded at fair value in the Registrants’ Condensed Consolidated Balance Sheets are categorized based upon the level of judgment associated with the inputs used to measure their value. Hierarchical levels, as defined below and directly related to the amount of subjectivity associated with the inputs to fair valuations of these assets and liabilities, are as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at Level 1 fair value generally are exchange-traded derivatives and equity securities.

Level 2: Inputs, other than quoted prices included in Level 1, are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets and inputs other than quoted prices that are observable for the asset or liability. Fair value assets and liabilities that are generally included in this category are derivatives with fair values based on inputs from actively quoted markets. A market approach is utilized to value the Registrants’ Level 2 natural gas derivative assets or liabilities. CenterPoint Energy’s Level 2 indexed debt securities derivative is valued using an option model and a discounted cash flow model, which uses projected dividends on the ZENS-Related Securities and a discount rate as observable inputs.

Level 3: Inputs are unobservable for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. Unobservable inputs reflect the Registrants’ judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Registrants develop these inputs based on the best information available, including the Registrants’ own data.

The Registrants determine the appropriate level for each financial asset and liability on a quarterly basis.

The following tables present information about the Registrants' assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and December 31, 2023 and indicate the fair value hierarchy of the valuation techniques utilized by the Registrants to determine such fair value.

CenterPoint Energy

	June 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets	(in millions)							
Equity securities	\$ 477	\$ —	\$ —	\$ 477	\$ 541	\$ —	\$ —	\$ 541
Investments, including money market funds (1)	35	—	—	35	31	—	—	31
Total assets	\$ 512	\$ —	\$ —	\$ 512	\$ 572	\$ —	\$ —	\$ 572
Liabilities								
Indexed debt securities derivative	\$ —	\$ 538	\$ —	\$ 538	\$ —	\$ 605	\$ —	\$ 605
Natural gas derivatives	—	5	—	5	—	12	—	12
Total liabilities	\$ —	\$ 543	\$ —	\$ 543	\$ —	\$ 617	\$ —	\$ 617

Houston Electric

	June 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets	(in millions)							
Investments, including money market funds (1)	\$ 20	\$ —	\$ —	\$ 20	\$ 14	\$ —	\$ —	\$ 14
Total assets	\$ 20	\$ —	\$ —	\$ 20	\$ 14	\$ —	\$ —	\$ 14

CERC

	June 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets	(in millions)							
Investments, including money market funds (1)	\$ 15	\$ —	\$ —	\$ 15	\$ 15	\$ —	\$ —	\$ 15
Total assets	\$ 15	\$ —	\$ —	\$ 15	\$ 15	\$ —	\$ —	\$ 15
Liabilities								
Natural gas derivatives	\$ —	\$ 4	\$ —	\$ 4	\$ —	\$ 11	\$ —	\$ 11
Total liabilities	\$ —	\$ 4	\$ —	\$ 4	\$ —	\$ 11	\$ —	\$ 11

(1) Amounts are included in Prepaid expenses and other current assets in the Condensed Consolidated Balance Sheets.

Items Measured at Fair Value on a Nonrecurring Basis

As a result of classifying the Louisiana and Mississippi natural gas LDC businesses as held for sale, CenterPoint Energy and CERC used a market approach consisting of contractual sales price adjusted for estimated working capital and other contractual purchase price adjustments to determine the fair value of the businesses classified as held for sale, which are Level 2 inputs. Neither CenterPoint Energy nor CERC recognized any gains or losses upon classification as held for sale during the three and six months ended June 30, 2024. See Note 3 for further information.

Estimated Fair Value of Financial Instruments

The fair values of cash and cash equivalents, investments in debt and equity securities measured at fair value and short-term borrowings are estimated to be approximately equivalent to carrying amounts and have been excluded from the table below. The carrying amounts of non-trading derivative assets and liabilities and CenterPoint Energy's ZENS indexed debt securities derivative are stated at fair value and are excluded from the table below. The fair value of each debt instrument is determined by multiplying the principal amount of each debt instrument by a combination of historical trading prices and comparable issue data. These liabilities, which are not measured at fair value in the Registrants' Condensed Consolidated Balance Sheets, but for which the fair value is disclosed, would be classified as Level 2 in the fair value hierarchy.

	June 30, 2024			December 31, 2023		
	CenterPoint Energy (1)	Houston Electric (1)	CERC	CenterPoint Energy (1)	Houston Electric (1)	CERC
Long-term debt, including current maturities	(in millions)					
Carrying amount	\$ 19,118	\$ 8,005	\$ 4,584	\$ 18,609	\$ 7,587	\$ 4,670
Fair value	17,750	6,961	4,413	17,804	6,917	4,627

(1) Includes Securitization Bonds, as applicable.

(9) Goodwill (CenterPoint Energy and CERC)

CenterPoint Energy's goodwill by reportable segment as of both June 30, 2024 and December 31, 2023 is as follows:

	December 31, 2023		Held For Sale	June 30, 2024	
	(in millions)				
Electric (1)	\$ 936	\$ —	\$ —	\$ 936	
Natural gas (2)	2,920	217		2,703	
Corporate and other	304	—		304	
Total	\$ 4,160	\$ 217	\$ —	\$ 3,943	

(1) Amount presented is net of the accumulated goodwill impairment charge of \$185 million recorded in 2020.

(2) If a disposal group reflects a component of a reporting unit and meets the definition of a business, the goodwill within that reporting unit is allocated to the disposal group based on the relative fair value of the components representing a business that will be retained and disposed. As a result, goodwill attributable to the Louisiana and Mississippi natural gas LDC businesses to be disposed of is classified as held for sale as of June 30, 2024. CenterPoint Energy has not recognized any goodwill impairments within the Natural Gas reportable segment during the six months ended June 30, 2024. For further information, see Note 3.

CERC's goodwill as of both June 30, 2024 and December 31, 2023 is as follows:

	December 31, 2023		Held For Sale	June 30, 2024	
	(in millions)				
Goodwill (1)	\$ 1,583	\$ 122	\$ —	\$ 1,461	

(1) In connection with the classification of the Louisiana and Mississippi natural gas LDC businesses as held for sale as of June 30, 2024 described above, goodwill attributable to CERC to be disposed of as part of the transaction is classified as held for sale as of June 30, 2024. CERC has not recognized any goodwill impairments during the six months ended June 30, 2024. For further information, see Note 3.

CenterPoint Energy and CERC perform goodwill impairment tests at least annually and evaluate goodwill when events or changes in circumstances indicate that its carrying value may not be recoverable. The impairment evaluation for goodwill is performed by comparing the fair value of each reporting unit with the carrying amount of the reporting unit, including goodwill. The estimated fair value of the reporting unit is primarily determined based on an income approach or a weighted combination of income and market approaches. If the carrying amount is in excess of the estimated fair value of the reporting unit, then the excess amount is recorded as an impairment charge, not to exceed the carrying amount of goodwill.

(10) Equity Securities and Indexed Debt Securities (ZENS) (CenterPoint Energy)
(a) Equity Securities

Gains and losses on equity securities, net of transaction costs, are recorded in Gain (loss) on equity securities in CenterPoint Energy's Condensed Statements of Consolidated Income. The following table presents unrealized gains (losses), net on equity securities owned by CenterPoint Energy for each period presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
AT&T Common	\$ 15	\$ (34)	\$ 24	\$ (25)
Charter Common	7	9	(78)	25
WBD Common	(3)	(6)	(10)	8
Other	—	—	—	(1)
Total gains (losses) on equity securities, net	\$ 19	\$ (31)	\$ (64)	\$ 7

CenterPoint Energy and its subsidiaries hold shares of certain securities detailed in the table below, which are classified as trading securities. Shares of AT&T Common, Charter Common and WBD Common are expected to be held to facilitate CenterPoint Energy's ability to meet its obligation under the ZENS. The following table presents information on CenterPoint Energy's equity securities for each period presented:

	Shares Held		Carrying Value	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	(in millions)			
AT&T Common	10,212,945	10,212,945	\$ 195	\$ 171
Charter Common	872,503	872,503	261	339
WBD Common	2,470,685	2,470,685	18	28
Other			3	3
Total			\$ 477	\$ 541

(b) ZENS

In September 1999, CenterPoint Energy issued ZENS having an original principal amount of \$1.0 billion of which \$828 million remained outstanding as of June 30, 2024. Each ZENS is exchangeable at the holder's option at any time for an amount of cash equal to 95% of the market value of the reference shares attributable to such note. The number and identity of the reference shares attributable to each ZENS are adjusted for certain corporate events.

CenterPoint Energy's reference shares for each ZENS consisted of the following:

	June 30, 2024	December 31, 2023
	(in shares)	
AT&T Common	0.7185	0.7185
Charter Common	0.061382	0.061382
WBD Common	0.173817	0.173817

CenterPoint Energy pays interest on the ZENS at an annual rate of 2% plus the amount of any quarterly cash dividends paid in respect of the reference shares attributable to the ZENS. The principal amount of the ZENS is subject to increases or decreases to the extent that the annual yield from interest and cash dividends on the reference shares attributable to the ZENS is less than or more than 2.309%. The adjusted principal amount is defined in the ZENS instrument as "contingent principal." As of June 30, 2024, the ZENS, having an original principal amount of \$828 million and a contingent principal amount of \$13 million, were outstanding and were exchangeable, at the option of the holders, for cash equal to 95% of the market value of the reference shares attributable to the ZENS.

(11) Short-term Borrowings and Long-term Debt

Inventory Financing. CenterPoint Energy's and CERC's Natural Gas businesses utilize third-party AMAs associated with their utility distribution service in Indiana, Louisiana, Minnesota, Mississippi and Texas. The AMAs have varying terms, the

longest of which expires in 2029. Pursuant to the provisions of the agreements, CenterPoint Energy's and CERC's Natural Gas either sells natural gas to the asset manager and agrees to repurchase an equivalent amount of natural gas throughout the year at the same cost, or simply purchases its full natural gas requirements at each delivery point from the asset manager. Certain of these transactions are accounted for as an inventory financing. CenterPoint Energy and CERC had \$2 million outstanding obligations related to the AMAs as of June 30, 2024 and \$4 million as of December 31, 2023, recorded in Short-term borrowings on CenterPoint Energy's and CERC's Condensed Consolidated Balance Sheets.

Debt Issuance. In February 2024, Houston Electric issued \$400 million aggregate principal amount of 5.15% general mortgage bonds due 2034. Total proceeds, net of discount, transaction expenses and fees, were approximately \$395 million, which were used for general limited liability company purposes, including capital expenditures and working capital purposes.

In May 2024, CenterPoint Energy issued \$700 million aggregate principal amount of 5.40% senior notes due 2029. Total proceeds, net of discount, transaction expenses and fees, were approximately \$693 million, which were used for general corporate purposes, including the redemption of \$350 million aggregate principal amount of CenterPoint's outstanding floating rate senior notes due 2024, as further described below.

In June 2024, CERC issued \$400 million aggregate principal amount of 5.40% senior notes due 2034. Total proceeds, net of discount, transaction expenses and fees, were approximately \$396 million, which were used for general corporate purposes, including working capital purposes.

In June 2024, Houston Electric entered into a delayed draw term loan agreement pursuant to which the banks party thereto have committed to provide term loans in an aggregate principal amount of up to \$300 million. The term loan agreement also permits Houston Electric to request additional commitments and/or additional loans, such additional commitments and/or loans not to exceed \$200 million and subject to the satisfaction of certain customary conditions precedent. The borrowings under the term loan agreement bear interest at Houston Electric's option, at a rate equal to either (i) Term SOFR (as defined in the term loan agreement), which includes an adjustment of 0.10% per annum plus a margin of 1.0%, or (ii) the Alternate Base Rate (as defined in the term loan agreement). On June 28, 2024, Houston Electric borrowed \$100 million and intends to use the proceeds thereof for working capital to support liquidity needs from the May 2024 Storm Events and for general limited liability company purposes.

Convertible Senior Notes. Interest on the Convertible Notes is payable semiannually in arrears on February 15 and August 15 of each year, beginning on February 15, 2024. The Convertible Notes will mature on August 15, 2026, unless earlier converted or repurchased by CenterPoint Energy in accordance with their terms.

Prior to the close of business on the business day immediately preceding May 15, 2026, the Convertible Notes are convertible only under certain conditions. On or after May 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders of the Convertible Notes may convert all or any portion of their Convertible Notes at any time at the conversion rate then in effect, irrespective of the conditions. CenterPoint Energy may not redeem the Convertible Notes prior to the maturity date and no sinking fund is provided for the Convertible Notes.

Upon conversion of the Convertible Notes, CenterPoint Energy will pay cash up to the aggregate principal amount of the Convertible Notes to be converted and pay or deliver, as the case may be, cash, shares of Common Stock, or a combination of cash and shares of Common Stock, at CenterPoint Energy's election, in respect of the remainder, if any, of CenterPoint Energy's conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted. The conversion rate for the Convertible Notes is initially 27.1278 shares of Common Stock per \$1,000 principal amount of Convertible Notes (equivalent to an initial conversion price of approximately \$36.86 per share of Common Stock). The initial conversion price of the Convertible Notes represents a premium of approximately 25.0% over the last reported sale price of the Common Stock on the NYSE on August 1, 2023. Initially, a maximum of 33,909,700 shares of Common Stock may be issued upon conversion of the Convertible Notes based on the initial maximum conversion rate of 33.9097 shares of Common Stock per \$1,000 principal amount of Convertible Notes. The conversion rate will be subject to adjustment in some events (as described in the Convertible Notes Indenture) but will not be adjusted for any accrued and unpaid interest.

In addition, following certain corporate events that occur prior to the maturity date of the Convertible Notes, CenterPoint Energy will, in certain circumstances, increase the conversion rate for a holder of Convertible Notes who elects to convert its Convertible Notes in connection with such a corporate event. If CenterPoint Energy undergoes a fundamental change (as described in the Convertible Notes Indenture), holders of the Convertible Notes may require CenterPoint Energy to repurchase for cash all or any portion of their Convertible Notes at a fundamental change repurchase price equal to 100% of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The Convertible Notes are senior unsecured obligations of CenterPoint Energy and rank senior in right of payment to any of CenterPoint Energy's indebtedness that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to any of CenterPoint Energy's unsecured indebtedness that is not so subordinated; effectively junior in right of

payment to any of CenterPoint Energy’s secured indebtedness it may incur in the future to the extent of the value of the assets securing such future secured indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables but excluding intercompany obligations and liabilities of a type not required to be reflected on a balance sheet of such subsidiaries in accordance with generally accepted accounting principles) of CenterPoint Energy’s subsidiaries.

Debt Redemption. In March 2024, CenterPoint Energy, through its wholly-owned subsidiary SIGECO, redeemed \$22 million aggregate principal amount of SIGECO’s outstanding 3.50% first mortgage bonds due 2024 at a redemption price equal to 100% of the principal amount of the first mortgage bonds to be redeemed plus accrued and unpaid interest thereon.

In May 2024, CenterPoint Energy redeemed \$350 million aggregate principal amount of its outstanding floating rate senior notes due 2024 at a redemption price equal to 100% of the principal amount to be redeemed plus accrued and unpaid interest thereon.

Credit Facilities. The Registrants had the following revolving credit facilities as of June 30, 2024:

Execution Date	Registrant	Size of Facility (in millions)	Draw Rate of SOFR plus (1)	Financial Covenant Limit on Debt for Borrowed Money to Capital Ratio	Debt for Borrowed Money to Capital Ratio as of June 30, 2024 (2)	Termination Date
December 6, 2022	CenterPoint Energy	\$ 2,400	1.500%	65.0% (3)	59.1%	December 6, 2027
December 6, 2022	CenterPoint Energy (4)	250	1.125%	65.0%	47.6%	December 6, 2027
December 6, 2022	Houston Electric	300	1.250%	67.5% (3)	53.0%	December 6, 2027
December 6, 2022	CERC	1,050	1.125%	65.0%	38.5%	December 6, 2027
	Total	\$ 4,000				

(1) Based on credit ratings as of June 30, 2024.

(2) As defined in the revolving credit facility agreements, excluding Securitization Bonds.

(3) For CenterPoint Energy and Houston Electric, the financial covenant limit will temporarily increase to 70% if Houston Electric experiences damage from a natural disaster in its service territory and CenterPoint Energy certifies to the administrative agent that Houston Electric has incurred system restoration costs reasonably likely to exceed \$100 million in a consecutive 12-month period, all or part of which Houston Electric intends to seek to recover through securitization financing. Such temporary increase in the financial covenant would be in effect from the date CenterPoint Energy delivers its certification until the earliest to occur of (i) the completion of the securitization financing, (ii) the first anniversary of CenterPoint Energy’s certification or (iii) the revocation of such certification.

(4) This credit facility was issued by SIGECO.

The Registrants, as well as the subsidiaries of CenterPoint Energy discussed above, were in compliance with all financial debt covenants as of June 30, 2024.

The table below reflects the utilization of the Registrants’ respective revolving credit facilities:

Registrant	June 30, 2024				December 31, 2023			
	Loans	Letters of Credit	Commercial Paper (2)	Weighted Average Interest Rate	Loans	Letters of Credit	Commercial Paper (2)	Weighted Average Interest Rate
	(in millions, except weighted average interest rate)							
CenterPoint Energy	\$ —	\$ —	\$ 897	5.47 %	\$ —	\$ —	\$ 1,036	5.54 %
CenterPoint Energy (1)	—	—	—	— %	—	—	—	— %
Houston Electric	—	—	—	— %	—	—	—	— %
CERC	—	1	—	— %	—	1	484	5.53 %
Total	\$ —	\$ 1	\$ 897		\$ —	\$ 1	\$ 1,520	

(1) This credit facility was issued by SIGECO.

(2) CenterPoint Energy’s and CERC’s outstanding commercial paper generally have maturities of up to 60 days and 30 days, respectively, and are backstopped by the respective issuer’s long-term revolving credit facility. Neither Houston Electric nor SIGECO has a commercial paper program.

Liens. As of June 30, 2024, Houston Electric’s assets were subject to liens securing approximately \$8 billion of general mortgage bonds outstanding under the General Mortgage, including approximately \$68 million held in trust to secure pollution control bonds that mature in 2028 for which CenterPoint Energy is obligated. The general mortgage bonds that are held in trust to secure pollution control bonds are not reflected in Houston Electric’s consolidated financial statements because of the contingent nature of the obligations. Houston Electric may issue additional general mortgage bonds on the basis of retired bonds, 70% of property additions or cash deposited with the trustee. Houston Electric could issue approximately \$4.9 billion of additional general mortgage bonds on the basis of retired bonds and 70% of property additions as of June 30, 2024. No first mortgage bonds are outstanding under the M&DOT, and Houston Electric is contractually obligated to not issue any additional first mortgage bonds under the M&DOT and is undertaking actions to release the lien of the M&DOT and terminate the M&DOT.

As of June 30, 2024, SIGECO had approximately \$825 million aggregate principal amount of first mortgage bonds outstanding. Generally, all of SIGECO’s real and tangible property is subject to the lien of SIGECO’s mortgage indenture which was amended and restated effective as of January 1, 2023. As of June 30, 2024, SIGECO was permitted to issue additional bonds under its mortgage indenture up to 70% of then currently unfunded property additions and approximately \$926 million of additional first mortgage bonds could be issued on this basis.

(12) Income Taxes

The Registrants reported the following effective tax rates:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
CenterPoint Energy (1)	13 %	46 %	16 %	29 %
Houston Electric (2)	20 %	21 %	20 %	22 %
CERC (3)	24 %	20 %	19 %	22 %

(1) CenterPoint Energy’s lower effective tax rate for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was primarily due to the absence of impacts associated with the sale of Energy Systems Group recorded in 2023 and a decrease in state income taxes. CenterPoint Energy’s lower effective tax rate for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily due to the absence of impacts associated with the sale of Energy Systems Group recorded in 2023, a decrease in state income taxes, and the tax impacts of the state deferred remeasurement benefit of \$25 million related to the Louisiana and Mississippi natural gas LDC businesses sale, which met the held for sale criteria in the first quarter of 2024 and is described further below, partially offset by the tax impacts of the valuation allowance of \$21 million established against Louisiana and Mississippi NOLs, since those NOLs will not be utilized due to the Louisiana and Mississippi natural gas LDC businesses sale. See Note 3 for further details.

(2) Houston Electric’s lower effective tax rate for the three and six months ended June 30, 2024 compared to the same period ended June 30, 2023 was primarily driven by a decrease in state income taxes.

(3) CERC’s higher effective tax rate for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was primarily driven by an increase in state income taxes. CERC’s lower effective tax rate for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was primarily driven by the tax impacts of the state deferred remeasurement benefit of \$24 million associated with the Louisiana and Mississippi natural gas LDC businesses sale meeting the held for sale criteria in the first quarter of 2024. For tax purposes, when the held for sale criteria is met, the CERC and unitary state apportionment rates must be updated to account for the sale and applied to the estimated post-sale net deferred tax liability. This impact was partially offset by the tax impacts of a valuation allowance of \$21 million against Louisiana and Mississippi NOLs, since those NOLs will not be utilized due to the Louisiana and Mississippi natural gas LDC businesses sale.

CenterPoint Energy reported a net uncertain tax liability, inclusive of interest and penalties, of \$30 million as of June 30, 2024. The Registrants believe that it is reasonably possible that the Registrants will recognize a \$3 million tax benefit, including penalties and interest, in the next 12 months as a result of a lapse of statutes on the 2020 Indiana state return.

Tax Audits and Settlements. Tax years through 2022 have been audited and settled with the IRS for CenterPoint Energy. For tax years 2023-2024, the Registrants are participants in the IRS’s Compliance Assurance Process. Vectren’s pre-Merger 2014-2019 tax years have been audited and settled with the IRS.

(13) Commitments and Contingencies

(a) Purchase Obligations (CenterPoint Energy and CERC)

Commitments include minimum purchase obligations related to CenterPoint Energy’s and CERC’s Natural Gas reportable segment and CenterPoint Energy’s Electric reportable segment. A purchase obligation is defined as an agreement to purchase goods or services that is enforceable and legally binding on the registrant and that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Contracts with minimum payment provisions have various quantity requirements and durations and are not classified as non-trading derivative assets and liabilities in CenterPoint Energy’s and CERC’s Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023. These contracts meet an exception as “normal purchases contracts” or do not meet the definition of a derivative. Natural gas and coal supply commitments also include transportation contracts that do not meet the definition of a derivative.

On February 1, 2023, Indiana Electric entered into an amended and restated BTA to purchase the 191 MW Posey Solar project for a fixed purchase price over the anticipated 35-year life. On February 7, 2023, Indiana Electric filed a CPCN with the IURC to approve the amended BTA. With the passage of the IRA, Indiana Electric can now pursue PTCs for solar projects. Indiana Electric filed the updated CPCN with a request that project costs, net of PTCs, be recovered in rate base, through base rates or the CECA mechanism, depending on which provides more timely recovery. On September 6, 2023, the IURC issued an order approving the CPCN. The Posey Solar project is expected to be placed in service in 2025.

On January 11, 2023, the IURC issued an order approving the settlement agreement granting Indiana Electric a CPCN to purchase and acquire the 130 MW Pike County solar project through a BTA and approved the estimated cost. The IURC also designated the project as a clean energy project as well as approved the proposed levelized rate and associated ratemaking and accounting treatment. Due to inflationary pressures, the developer disclosed that costs exceeded the agreed upon levels in the BTA. After negotiations, Indiana Electric and the developer were not able to agree upon updated pricing. As a result, on February 27, 2024, Indiana Electric provided notice that it was exercising its right to terminate the BTA, which terminated all further obligations of Indiana Electric with respect to the project.

As of June 30, 2024, other than discussed below, minimum purchase obligations were approximately:

	CenterPoint Energy			CERC
	Natural Gas Supply	Electric Supply (1)	Other (2)	Natural Gas Supply
	(in millions)			
Remaining six months of 2024	\$ 314	\$ 84	\$ 60	\$ 311
2025	613	459	53	609
2026	551	111	55	547
2027	474	105	10	471
2028	431	68	7	427
2029	417	66	1	414
2030 and beyond	1,446	701	242	1,424

- (1) CenterPoint Energy’s undiscounted minimum payment obligations related to PPAs with commitments ranging from 15 years to 25 years and its purchase commitments under its BTA in Posey County, Indiana at the original contracted amount.
- (2) The undiscounted payment obligations relate primarily to technology hardware and software agreements.

Excluded from the table above are estimates for cash outlays from other PPAs through Indiana Electric that do not have minimum thresholds but do require payment when energy is generated by the provider. Costs arising from certain of these commitments are pass-through costs, generally collected dollar-for-dollar from retail customers through regulator-approved cost recovery mechanisms.

(b) Guarantees and Product Warranties (CenterPoint Energy)

On May 21, 2023, CenterPoint Energy, through Vectren Energy Services, entered into the Equity Purchase Agreement to sell Energy Systems Group. The sale closed on June 30, 2023. See Note 3 for further information.

In the normal course of business prior to the consummation of the transaction on June 30, 2023, CenterPoint Energy, primarily through Vectren, issued parent company level guarantees supporting Energy Systems Group's obligations. When Energy Systems Group was wholly owned by CenterPoint Energy, these guarantees did not represent incremental consolidated obligations, but rather, these guarantees represented guarantees of Energy Systems Group's obligations to allow it to conduct business without posting other forms of assurance. For those obligations where potential exposure can be estimated, management estimates the maximum exposure under these guarantees to be approximately \$484 million as of June 30, 2024 and expects the exposure to decrease pro rata. This exposure primarily relates to energy savings guarantees on federal energy savings performance contracts. Other parent company level guarantees, certain of which do not contain a cap on potential liability, were issued prior to the sale of Energy Systems Group in support of federal operations and maintenance projects for which a maximum exposure cannot be estimated based on the nature of the projects.

Under the terms of the Equity Purchase Agreement, ESG Holdings Group must generally use reasonable best efforts to replace existing CenterPoint Energy guarantees with credit support provided by a party other than CenterPoint Energy as of and after the closing of the transaction. The Equity Purchase Agreement also requires certain protections to be provided for any damages incurred by CenterPoint Energy in relation to these guarantees not released by closing. No additional guarantees were provided by CenterPoint Energy in favor of Energy Systems Group subsequent to the closing of the sale on June 30, 2023.

While there can be no assurance that performance under any of these parent company guarantees will not be required in the future, CenterPoint Energy considers the likelihood of a material amount being incurred as remote. CenterPoint Energy believes that, from Energy Systems Group's inception in 1994 to the closing of the sale of Energy Systems Group on June 30, 2023, Energy Systems Group had a history of generally meeting its performance obligations and energy savings guarantees and its installed products operated effectively. CenterPoint Energy recorded no amounts on its Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023 related to its obligation under the outstanding guarantees.

(c) Legal, Environmental and Other Matters

Legal Matters

Litigation Related to Hurricane Beryl. Various federal, state and local governmental and regulatory agencies and other entities, such as the Texas Governor's office, the Texas Legislature and the PUCT, have called for or are conducting inquiries and investigations into Hurricane Beryl and the efforts made by Houston Electric to prepare for, and respond to, this event, including the electric service outage issues. Moreover, additional governmental and regulatory agencies and other entities may conduct such inquiries and investigations, as well. There are significant uncertainties around these inquiries and investigations and potential results and consequences, including whether any financial penalties will be assessed or changes to Houston Electric's system, service territories, operations and/or regulatory treatment will result therefrom.

CenterPoint Energy and Houston Electric are subject to current and potential future litigation and claims arising out of Hurricane Beryl, which litigation and claims could include allegations of, among other things, personal injury, property damage, various economic losses in connection with loss of power, unlawful business practices, and others. Three putative class actions have been filed against CenterPoint Energy in the District Courts of Harris County, Texas, on behalf of individuals or entities who claim losses due to power outages following Hurricane Beryl: (1) all restaurants in Harris County, Galveston County, and Montgomery County; (2) all residential customers; and (3) all health, wellness, medical and beauty facilities in Harris County. These putative classes assert claims and theories of negligence, gross negligence, nuisance, fraud, and/or violation of the Texas Deceptive Trade Practices Act, and each seeks damages in excess of \$100 million for, among other things, business interruption, property damage and loss, cost of repair, loss of use and market value, lost income, nuisance, extreme mental anguish and/or punitive damages. In addition, an individual action has been filed in Harris County District Court asserting claims of negligence, negligence per se and gross negligence against CenterPoint Energy and Houston Electric. The plaintiff in this action alleges personal injury from a power line and seeks damages in excess of \$1 million. CenterPoint Energy and Houston Electric intend to vigorously defend themselves against the lawsuits. CenterPoint Energy and its subsidiaries have general and excess liability insurance policies that provide coverage for third party bodily injury and property damage claims. Given the nature of some allegations, however, it is possible that the insurers could dispute coverage for some types of claims or damages that may be alleged by plaintiffs. CenterPoint Energy and Houston Electric intend to continue to pursue all available insurance coverage for all of these matters. For more information regarding Hurricane Beryl, see Note 20.

Litigation Related to the February 2021 Winter Storm Event. Various legal proceedings are still pending against numerous entities with respect to the February 2021 Winter Storm Event, including against CenterPoint Energy, Utility Holding, Houston Electric, and CERC. Like other Texas energy companies and TDUs, CenterPoint Energy and Houston Electric have become involved in certain investigations, litigation and other regulatory and legal proceedings regarding their efforts to restore power during the storm and their compliance with NERC, ERCOT and PUCT rules and directives. Additionally, like other natural gas market participants, CERC has been named in litigation alleging gas market manipulation.

CenterPoint Energy, Utility Holding, and Houston Electric, along with hundreds of other defendants (including ERCOT, power generation companies, other TDUs, natural gas producers, REPs, and other entities) have received claims and lawsuits filed by plaintiffs alleging wrongful death, personal injury, property damage and other injuries and damages. As of June 30, 2024, there are approximately 220 pending lawsuits that are consolidated in Texas state court in Harris County, Texas, as part of the MDL proceeding related to the February 2021 Winter Storm Event, and CenterPoint Energy and Houston Electric, along with numerous other entities, have been named as defendants in approximately 155 of those lawsuits. One of the lawsuits in the MDL is a putative class action on behalf of everyone who received electric power via the ERCOT grid and sustained a power outage between February 10, 2021 and February 28, 2021. Additionally, Utility Holding is currently named as a defendant in one lawsuit in which CenterPoint Energy and Houston Electric are also named as defendants.

The judge overseeing the MDL issued an initial case management order and stayed all proceedings and discovery. Per the case management order, the judge entertained dispositive motions in five representative or “bellwether” cases and, in late January 2023, issued rulings on them. The judge ruled that ERCOT has sovereign immunity as a governmental entity and dismissed the suits against it. In a subsequent opinion in an unrelated matter, the Texas Supreme Court held that ERCOT is entitled to sovereign immunity. This ruling will apply to claims against ERCOT in the MDL. The MDL judge also dismissed all claims against the natural gas defendants (which list of natural gas defendants incorrectly included Utility Holding) and the REP defendants and some causes of action against the other defendants. CenterPoint Energy expects that the claims against Utility Holding will ultimately be dismissed in light of the judge’s initial rulings. As to the TDU and generator defendants, the judge dismissed some causes of action but denied the motions to dismiss claims for negligence, gross negligence, and nuisance, which denial the TDU defendants and generator defendants asked the courts of appeals to overturn. On April 2, 2024, a three-judge panel of the Court of Appeals for the Fourteenth District of Texas issued an opinion in the TDU mandamus proceeding, granting in part and denying in part the TDUs’ mandamus request. In its opinion, the panel granted the TDUs’ mandamus request relating to the TDUs’ motion to dismiss the plaintiffs’ claims for negligence and negligent and strict liability nuisance and ordered those claims be dismissed. The panel denied the TDUs’ mandamus request relating to the TDUs’ motion to dismiss the plaintiffs’ gross negligence and intentional nuisance claims. On May 22, 2024, the TDUs filed a mandamus petition with the Supreme Court of Texas, seeking dismissal of the remaining claims. On June 28, 2024, the Supreme Court of Texas requested a response from the plaintiffs to the mandamus petition, and the plaintiffs filed their response on July 26, 2024. In the generator mandamus proceeding pending in the Court of Appeals for the First District of Texas, the plaintiffs have asked the entire First Court of Appeals to rehear the panel’s decision granting the generators’ mandamus request. The MDL judge is allowing defendants (including Houston Electric) to file several additional motions on preliminary legal issues, and otherwise the cases remain stayed. CenterPoint Energy, Utility Holding, and Houston Electric intend to vigorously defend themselves against the claims raised.

CenterPoint Energy and Houston Electric have also responded to inquiries from the Texas Attorney General and the Galveston County District Attorney’s Office, and various other regulatory and governmental entities also conducted inquiries, investigations and other reviews of the February 2021 Winter Storm Event and the efforts made by various entities to prepare for, and respond to, the event, including the electric generation shortfall issues.

In February 2023, twelve lawsuits were filed in state district court in Harris County and Tom Green County, Texas, against dozens of gas market participants in Texas, including natural gas producers, processors, pipelines, marketers, sellers, traders, gas utilities, and financial institutions. Plaintiffs named CERC as a defendant, along with “CenterPoint Energy Services, Inc.,” incorrectly identifying it as CERC’s parent company (CenterPoint Energy previously divested CES). One lawsuit filed in Harris County is a putative class action on behalf of two classes of electric and natural gas customers (those who experienced a loss of electricity and/or natural gas, and those who were charged securitization-related surcharges on a utility bill or were otherwise charged higher rates for electricity and/or gas during the February 2021 Winter Storm Event), potentially including millions of class members. Two other lawsuits (one filed in Harris County and one in Tom Green County) are brought by an entity that purports to be an assignee of claims by tens of thousands of persons and entities that have assigned claims to the plaintiff. These, and nine other similar lawsuits filed in Harris County, generally allege that the defendants engaged in gas market manipulation and price gouging, including by intentionally withholding, suppressing, or diverting supplies of natural gas in connection with the February 2021 Winter Storm Event, Winter Storm Elliott, and other severe weather conditions, and through financial market manipulation. Plaintiffs allege that this manipulation impacted gas supply and prices as well as the market, supply, and price of electricity in Texas and caused blackouts and other damage. Plaintiffs assert claims for tortious interference with existing contract, private nuisance, and unjust enrichment, and allege a broad array of injuries and damages, including personal injury, property damage, and harm from certain costs being securitized and passed on to ratepayers. The lawsuits do not specify the amount of damages sought, but seek broad categories of actual, compensatory, statutory, consequential, economic, and punitive damages; restitution and disgorgement; pre- and post-judgment interest; costs and attorneys’ fees; and other relief. As of June 30, 2024, most of the lawsuits have not been served, but the three cases in which defendants were served were tagged for transfer to the existing MDL proceeding referenced above. On February 2, 2024, CERC filed pleas to the jurisdiction in the three cases in which it was served; CERC also partially joined the other defendants’ motions to dismiss and additional pleas to the jurisdiction. On April 2, 2024, plaintiffs in the three served cases filed amended petitions rather than

responding to pleas to the jurisdiction and motions to dismiss. Among other changes, plaintiffs in these three cases dismissed CES, but maintained the same three causes of action as to the remaining defendants. CERC has vigorously defended itself against the claims raised, including filing updated pleas to the jurisdiction on May 17, 2024 in response to plaintiffs' amended petitions – and will continue to do so. The nine other similar lawsuits filed in Harris County have also been tagged for transfer to the MDL proceeding, but the defendants, including CERC, have not been served. These gas market cases are in addition to the 220 cases noted above regarding electric market issues.

To date, there have not been demands, quantification, disclosure or discovery of damages by any party to any of the above legal matters that are sufficient to enable CenterPoint Energy and its subsidiaries to estimate exposure. Given that, as well as the preliminary nature of the proceedings, the numerosity of parties and complexity of issues involved, and the uncertainties of litigation, CenterPoint Energy and its subsidiaries are unable to predict the outcome or consequences of any of the foregoing matters or to estimate a range of potential losses. CenterPoint Energy and its subsidiaries have general and excess liability insurance policies that provide coverage for third party bodily injury and property damage claims. As CenterPoint Energy previously noted, given the nature of certain of the plaintiffs' allegations, insurance coverage may not be available other than for third party bodily injury and property damage claims caused by an accident, and one of CenterPoint Energy's insurers has reserved its rights with respect to coverage for plaintiffs' intentional nuisance claims as well as plaintiffs' claims in the gas market cases. CenterPoint Energy and its subsidiaries intend to continue to pursue all available insurance coverage for all of these matters.

Jefferson Parish. Several parishes and the State of Louisiana filed 42 suits under Louisiana's State and Local Coastal Resources Management Act (SLCRMA) against hundreds of oil and gas companies seeking compensatory damages for contamination and erosion of the Louisiana coastline allegedly caused by historical oil and gas operations. One of the defendants in one of the lawsuits (filed in 2013 only by the Parish of Jefferson) is Primary Fuels, Inc., a predecessor company of CenterPoint Energy, which operated in Louisiana from 1983-1989. All 42 suits were removed to Louisiana federal courts twice and were stayed for several years pending the district courts' consideration of various motions to remand and multiple appeals of remand orders. Recently, several cases involving other parishes that had been remanded to Louisiana state court have begun to resume proceedings in state court. However, as of June 30, 2024, the federal district court had not ruled on Jefferson Parish's motion to remand to state court the lawsuit which includes Primary Fuels, Inc. among the defendants.

Because of the procedurally preliminary nature of the proceedings, lack of information about both the scope of and damages for Jefferson Parish's claim against Primary Fuels, Inc., the numerosity of parties and complexity of issues involved, and the uncertainties of litigation, CenterPoint Energy and its subsidiaries are unable to predict the outcome or consequences of this matter or to estimate a range of potential losses. CenterPoint Energy will continue to vigorously defend itself against the claims raised and pursue any and all available insurance coverage.

Environmental Matters

MGP Sites. CenterPoint Energy, CERC and their predecessors, including predecessors of Vectren, operated MGPs in the past. The costs CenterPoint Energy or CERC, as applicable, expect to incur to fulfill their respective obligations are estimated by management using assumptions based on actual costs incurred, the timing of expected future payments and inflation factors, among others. While CenterPoint Energy and CERC have recorded obligations for all costs which are probable and estimable, including amounts they are presently obligated to incur in connection with activities at these sites, it is possible that future events may require remedial activities which are not presently foreseen, and those costs may not be subject to PRP or insurance recovery.

- (i) *Minnesota MGPs (CenterPoint Energy and CERC).* With respect to certain Minnesota MGP sites, CenterPoint Energy and CERC have completed state-ordered remediation and continue state-ordered monitoring and water treatment. CenterPoint Energy and CERC recorded a liability as reflected in the table below for continued monitoring and any future remediation required by regulators in Minnesota.
- (ii) *Indiana MGPs (CenterPoint Energy and CERC).* In the Indiana Gas service territory, the existence, location and certain general characteristics of 26 gas manufacturing and storage sites have been identified for which CenterPoint Energy and CERC may have some remedial responsibility. A remedial investigation/feasibility study was completed at one of the sites under an agreed upon order between Indiana Gas and the IDEM, and a Record of Decision was issued by the IDEM in January 2000. The remaining sites have been submitted to the IDEM's VRP. CenterPoint Energy has also identified its involvement in five manufactured gas plant sites in SIGECO's service territory, all of which are currently enrolled in the IDEM's VRP. CenterPoint Energy is currently conducting some level of remedial activities, including groundwater monitoring at certain sites.

(iii) *Other MGPs (CenterPoint Energy and CERC)*. In addition to the Minnesota and Indiana sites, the EPA and other regulators have investigated MGP sites that were owned or operated by CenterPoint Energy or CERC or may have been owned by one of their former affiliates.

Total costs that may be incurred in connection with addressing these sites cannot be determined at this time. The estimated accrued costs are limited to CenterPoint Energy’s and CERC’s share of the remediation efforts and are therefore net of exposures of other PRPs. The estimated range of possible remediation costs for the sites for which CenterPoint Energy and CERC believe they may have responsibility was based on remediation continuing for the minimum time frame given in the table below:

	June 30, 2024	
	CenterPoint Energy	CERC
	(in millions, except years)	
Amount accrued for remediation	\$ 13	\$ 11
Minimum estimated remediation costs	8	7
Maximum estimated remediation costs	47	40
Minimum years of remediation	5	5
Maximum years of remediation	50	50

The cost estimates are based on studies of a site or industry average costs for remediation of sites of similar size. The actual remediation costs will depend on the number of sites to be remediated, the participation of other PRPs, if any, and the remediation methods used.

CenterPoint Energy and CERC do not expect the ultimate outcome of these matters to have a material adverse effect on the financial condition, results of operations or cash flows of either CenterPoint Energy or CERC.

Asbestos. Some facilities owned by the Registrants or their predecessors contain or have contained asbestos insulation and other asbestos-containing materials. The Registrants are from time to time named, along with numerous others, as defendants in lawsuits filed by a number of individuals who claim injury due to exposure to asbestos, and the Registrants anticipate that additional claims may be asserted in the future. Although their ultimate outcome cannot be predicted at this time, the Registrants do not expect these matters, either individually or in the aggregate, to have a material adverse effect on their financial condition, results of operations or cash flows.

CCR Rule (CenterPoint Energy). In April 2015, the EPA finalized its CCR Rule, which regulates ash as non-hazardous material under the RCRA. The final rule allows beneficial reuse of ash, and a portion of the ash generated by Indiana Electric’s generating plants will continue to be reused. In July 2018, the EPA released its final CCR Rule Phase I Reconsideration which extended the deadline to October 31, 2020 for ceasing placement of ash in ponds that exceed groundwater protections standards or that fail to meet location restrictions. In August 2019, the EPA proposed additional “Part A” amendments to its CCR Rule with respect to beneficial reuse of ash and other materials. The Part A amendments were finalized in August 2020 and extended the deadline to cease placement of ash in ponds to April 11, 2021, discussed further below. The Part A amendments do not restrict Indiana Electric’s current beneficial reuse of its fly ash.

Indiana Electric has three ash ponds, two at the F.B. Culley facility (Culley East and Culley West) and one at the A.B. Brown facility. Under the CCR Rule, Indiana Electric is required to perform integrity assessments, including ground water monitoring, at its F.B. Culley and A.B. Brown generating stations. The ground water studies were necessary to determine the remaining service life of the ponds and whether a pond must be retrofitted with liners or closed in place. Groundwater monitoring indicates potential groundwater impacts very close to Indiana Electric’s ash impoundments, and further analysis is ongoing. The CCR Rule required companies to complete location restriction determinations by October 18, 2018. Indiana Electric completed its evaluation and determined that one F.B. Culley pond (Culley East) and the A.B. Brown pond fail the aquifer placement location restriction. As a result of this failure, Indiana Electric was required to cease disposal of new ash in the ponds and commence closure of the ponds by April 11, 2021, unless approved for an extension. CenterPoint Energy filed timely extension requests available under the CCR Rule that would allow Indiana Electric to continue to use the ponds through October 15, 2023. On October 5, 2022, the EPA issued a proposed conditional approval of the Part A extension request for the A.B. Brown pond. Both the Culley East and A.B. Brown facilities have been taken out of service in a timely manner per the commitments made to the EPA in the extension requests filed for both ponds. On April 24, 2019, Indiana Electric received an order from the IURC approving recovery in rates of costs associated with the closure of the Culley West pond, which has already completed closure activities. On August 14, 2019, Indiana Electric filed its petition with the IURC for recovery of costs associated with the closure of the A.B. Brown ash pond, which would include costs associated with the excavation and

recycling of ponded ash. This petition was subsequently approved by the IURC on May 13, 2020. On October 28, 2020, the IURC approved Indiana Electric's ECA proceeding, which included the initiation of recovery of the federally mandated project costs.

In July 2018, Indiana Electric filed a Complaint for Damages and Declaratory Relief against its insurers seeking reimbursement of defense, investigation and pond closure costs incurred to comply with the CCR Rule, and has since reached confidential settlement agreements with its insurers. The proceeds of these settlements will offset costs that have been and will be incurred to close the ponds.

On November 1, 2022, Indiana Electric filed for a CPCN to recover federally mandated costs associated with closure of the Culley East Pond, its third and final ash pond. Indiana Electric sought accounting and ratemaking relief for the project, and on June 8, 2023, Indiana Electric filed a revised CPCN for recovery of the federally mandated ash pond costs. On February 7, 2024 the IURC approved the federally mandated costs, both incurred and projected, of \$52 million in capital costs, plus an estimated \$133 thousand in annual operation and maintenance expenses, for recovery through the ECA.

As of June 30, 2024, CenterPoint Energy has recorded an approximate \$118 million ARO, which represents the discounted value of future cash flow estimates to close the ponds at A.B. Brown and F.B. Culley. This estimate is subject to change due to the contractual arrangements; continued assessments of the ash, closure methods, and the timing of closure; implications of Indiana Electric's generation transition plan; changing environmental regulations; and proceeds received from the settlements in the aforementioned insurance proceeding. In addition to these AROs, Indiana Electric also anticipates equipment purchases of between \$60 million and \$80 million to complete the A.B. Brown closure project.

On May 18, 2023, the EPA issued a proposed revision to the CCR Rule that could potentially expand the scope of units regulated under the federal CCR Rule (CCR Legacy Rule). The CCR Legacy Rule seeks to include legacy CCR surface impoundments (inactive surface impoundments at inactive generating facilities) as well as new "CCR management units" at active or inactive facilities otherwise subject to federal CCR regulations. On April 25, 2024, the EPA released its final Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals from Electric Utilities; Legacy CCR Surface Impoundments rule, which was published in the federal register in May 2024. The CCR Legacy Rule requires companies to investigate previously closed impoundments that were used historically for ash disposal or locations which have had ash placed on them in amounts set forth in the CCR Legacy Rule. The Registrants have completed their preliminary review of potential sites that will require further investigation under the CCR Legacy Rule and identified three sites in Indiana for further evaluation. These site investigations are necessary to confirm whether ash is still present, and in what quantity, in order to assess whether Indiana Electric has potential liability for closure and remediation of the sites under the CCR Legacy Rule. If a site or sites are determined to require remediation under the CCR Legacy Rule, Indiana Electric may be required to remove and dispose of ash and, if necessary, undertake groundwater corrective action. As of June 30, 2024, based on the investigations performed to date, no liability was recorded at Indiana Electric.

Clean Water Act Permitting of Groundwater and Power Plant Discharges. In April 2020, the U.S. Supreme Court issued an opinion providing that indirect discharges via groundwater or other non-point sources are subject to permitting and liability under the Clean Water Act when they are the functional equivalent of a direct discharge. On November 27, 2023, the EPA published draft guidance regarding the application of the "functional equivalent" analysis as related to permitting of certain discharges through groundwater to surface waters. The Registrants do not currently anticipate impacts from this guidance, but groundwater monitoring continues under the CCR Rule.

In 2015, the EPA finalized revisions to the existing steam electric wastewater discharge standards which set more stringent wastewater discharge limits and effectively prohibited further wet disposal of coal ash in ash ponds. In February 2019, the IURC approved Indiana Electric's Effluent Limitation Guidelines Compliance Plan for its F.B. Culley Generating Station, which was completed in compliance with the requirements of the Effluent Limitation Guidelines. On April 25, 2024, the EPA released its final Supplemental Effluent Limitation Guidelines and Standards for the Steam Electric Generating Point Source Category. The Registrants currently anticipate that they will be in compliance with the Supplemental ELG Guidelines at the Culley facility due to previous wastewater treatment upgrades.

Other Environmental. From time to time, the Registrants identify the presence of environmental contaminants during operations or on property where their predecessors have conducted operations. Other such sites involving contaminants may be identified in the future. The Registrants have and expect to continue to remediate any identified sites consistent with state and federal legal obligations. From time to time, the Registrants have received notices, and may receive notices in the future, from regulatory authorities or others regarding status as a PRP in connection with sites found to require remediation due to the presence of environmental contaminants. In addition, the Registrants have been, or may be, named from time to time as defendants in litigation related to such sites. Although the ultimate outcome of such matters cannot be predicted at this time, the

Registrants do not expect these matters, either individually or in the aggregate, to have a material adverse effect on their financial condition, results of operations or cash flows.

Other Proceedings

The Registrants are involved in other legal, environmental, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies regarding matters arising in the ordinary course of business. From time to time, the Registrants are also defendants in legal proceedings with respect to claims brought by various plaintiffs against broad groups of participants in the energy industry. Some of these proceedings involve substantial amounts. The Registrants regularly analyze current information and, as necessary, provide accruals for probable and reasonably estimable liabilities on the eventual disposition of these matters. The Registrants do not expect the disposition of these matters to have a material adverse effect on the Registrants' financial condition, results of operations or cash flows.

(14) Earnings Per Share (CenterPoint Energy)

Basic earnings per common share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. Participating securities are excluded from weighted average number of common shares outstanding in the computation of basic earnings per common share. Diluted earnings per common share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding, including all potentially dilutive common shares, if the effect of such common shares is dilutive.

Diluted earnings per common share reflects the dilutive effect of potential common shares from share-based awards. The dilutive effect of restricted stock is computed using the if-converted method, which assumes conversion of the restricted stock at the beginning of the period. The dilutive effect of restricted stock is computed using the treasury stock method, as applicable, which includes the incremental shares that would be hypothetically vested in excess of the number of shares assumed to be hypothetically repurchased with the assumed proceeds.

Diluted earnings per common share will also reflect the dilutive effect of potential common shares from the conversion of the Convertible Notes. Convertible debt in which the principal amount must be settled in cash is excluded from the calculation of diluted earnings per common share. There would be no interest expense adjustment to the numerator for the cash-settled portion of the Convertible Notes because that portion will always be settled in cash. The conversion spread value in shares will be included in diluted earnings per common share using the if-converted method if the convertible debt is in the money. The denominator of diluted earnings per common share is determined by dividing the conversion spread value of the share-settled portion of the Convertible Notes as of the reporting date by the average share price over the reporting period. For the three and six months ended June 30, 2024, the convertible debt was not in the money; therefore, no incremental shares were assumed converted or included in the diluted earnings per share calculation below. For further details about the Convertible Notes, see Note 11.

The following table reconciles numerators and denominators of CenterPoint Energy's basic and diluted earnings per common share.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(in millions, except per share and share amounts)				
Numerator:				
Net income	\$ 228	\$ 118	\$ 578	\$ 443
Less: Preferred stock dividend requirement (Note 18)	—	12	—	24
Income available to common shareholders – basic and diluted	<u>\$ 228</u>	<u>\$ 106</u>	<u>\$ 578</u>	<u>\$ 419</u>
Denominator:				
Weighted average common shares outstanding – basic	640,754,000	631,057,000	636,491,000	630,685,000
Plus: Incremental shares from assumed conversions:				
Restricted stock	1,062,000	1,948,000	1,402,000	2,345,000
Weighted average common shares outstanding – diluted	<u>641,816,000</u>	<u>633,005,000</u>	<u>637,893,000</u>	<u>633,030,000</u>
Earnings Per Common Share:				
Basic Earnings Per Common Share	<u>\$ 0.36</u>	<u>\$ 0.17</u>	<u>\$ 0.91</u>	<u>\$ 0.66</u>
Diluted Earnings Per Common Share	<u>\$ 0.36</u>	<u>\$ 0.17</u>	<u>\$ 0.91</u>	<u>\$ 0.66</u>

(15) Reportable Segments

The Registrants’ determination of reportable segments considers the strategic operating units under which its CODM manages sales, allocates resources and assesses performance of various products and services to wholesale or retail customers in differing regulatory environments. Each Registrant’s CODM views net income as the measure of profit or loss for the reportable segments.

As of June 30, 2024, reportable segments by Registrant were as follows:

CenterPoint Energy

- CenterPoint Energy’s Electric reportable segment consists of electric transmission and distribution services in the Texas gulf coast area in the ERCOT region and electric transmission and distribution services primarily to southwestern Indiana and includes power generation and wholesale power operations in the MISO region.
- CenterPoint Energy’s Natural Gas reportable segment consists of (i) intrastate natural gas sales to, and natural gas transportation and distribution for residential, commercial, industrial and institutional customers in Indiana, Louisiana, Minnesota, Mississippi, Ohio and Texas; and (ii) permanent pipeline connections through interconnects with various interstate and intrastate pipeline companies through CEIP.
- CenterPoint Energy’s Corporate and Other category consists of energy performance contracting and sustainable infrastructure services through Energy Systems Group through June 30, 2023, the date of the sale of Energy Systems Group, and corporate operations which support all of the business operations of CenterPoint Energy. CenterPoint Energy’s Corporate and Other also includes office buildings and other real estate used for business operations.

Houston Electric

- Houston Electric’s single reportable segment consists of electric transmission services to transmission service customers in the ERCOT region and distribution services to REPs serving the Texas gulf coast area that includes the city of Houston.

CERC

- CERC’s single reportable segment following the Restructuring consisted of (i) intrastate natural gas sales to, and natural gas transportation and distribution for, residential, commercial, industrial and institutional customers in Indiana, Louisiana, Minnesota, Mississippi, Ohio and Texas; and (ii) permanent pipeline connections through interconnects with various interstate and intrastate pipeline companies through CEIP.

Financial data for reportable segments is as follows:

CenterPoint Energy

	Three Months Ended June 30,			
	2024		2023	
	Revenues from External Customers	Net Income (Loss)	Revenues from External Customers	Net Income (Loss)
	(in millions)			
Electric	\$ 1,207	\$ 215	\$ 1,037	\$ 180
Natural Gas	695	47	764	35
Corporate and Other	3	(34)	74	(97)
Consolidated	<u>\$ 1,905</u>	<u>\$ 228</u>	<u>\$ 1,875</u>	<u>\$ 118</u>

	Six Months Ended June 30,					
	2024			2023		
	Revenues from External Customers	Net Income (Loss)		Revenues from External Customers	Net Income (Loss)	
	(in millions)					
Electric	\$ 2,256	\$	336	\$ 1,989	\$	303
Natural Gas	2,265		330	2,539		269
Corporate and Other	4		(88)	126		(129)
Consolidated	\$ 4,525	\$	578	\$ 4,654	\$	443

	Total Assets			
	June 30, 2024		December 31, 2023	
	(in millions)			
Electric	\$ 22,176	\$	21,089	
Natural Gas	17,669		17,429	
Corporate and Other, net of eliminations (1)	1,131		1,197	
Consolidated	\$ 40,976	\$	39,715	

(1) Total assets included pension and other postemployment-related regulatory assets of \$374 million and \$385 million as of June 30, 2024 and December 31, 2023, respectively.

Houston Electric

Houston Electric consists of a single reportable segment; therefore, a tabular reportable segment presentation has not been included.

CERC

CERC consists of a single reportable segment; therefore, a tabular reportable segment presentation has not been included.

(16) Supplemental Disclosure of Cash Flow and Balance Sheet Information

Supplemental Disclosure of Cash Flow Information

The table below provides supplemental disclosure of cash flow information:

	Six Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Cash Payments/Receipts:						
Interest, net of capitalized interest	\$ 404	\$ 142	\$ 111	\$ 317	\$ 128	\$ 82
Income tax payments (refunds), net	(4)	25	6	154	1	34
Non-cash transactions:						
Accounts payable related to capital expenditures	517	432	89	297	164	133
ROU assets obtained in exchange for lease liabilities (1)	5	—	—	3	1	—

(1) Excludes ROU assets obtained through prepayment of the lease liabilities. See Note 19.

The table below provides a reconciliation of cash, cash equivalents and restricted cash reported in the Condensed Consolidated Balance Sheets to the amount reported in the Condensed Statements of Consolidated Cash Flows:

	June 30, 2024			December 31, 2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Cash and cash equivalents (1)	\$ 66	\$ 61	\$ 1	\$ 90	\$ 76	\$ 1
Restricted cash included in Prepaid expenses and other current assets (2)	16	13	—	19	13	—
Total cash, cash equivalents and restricted cash shown in Condensed Statements of Consolidated Cash Flows	<u>\$ 82</u>	<u>\$ 74</u>	<u>\$ 1</u>	<u>\$ 109</u>	<u>\$ 89</u>	<u>\$ 1</u>

- (1) Cash and cash equivalents related to VIEs as of June 30, 2024 and December 31, 2023 included \$66 million and \$90 million, respectively, at CenterPoint Energy and \$61 million and \$76 million, respectively, at Houston Electric.
- (2) Restricted cash primarily related to accounts established by CenterPoint Energy and Houston Electric in connection with the issuance of the Securitization Bonds to collateralize the Securitization Bonds that were issued in these financing transactions. These restricted cash accounts are not available for withdrawal until the maturity of the Securitization Bonds.

Supplemental Disclosure of Balance Sheet Information

Included in other current liabilities on CERC’s Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023 was \$76 million and \$118 million, respectively, of credits related to customers on budget billing programs. Included in other current liabilities on Houston Electric’s Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023 was \$68 million and \$47 million, respectively, of accrued contributions in aid of construction.

(17) Related Party Transactions (Houston Electric and CERC)

Houston Electric and CERC participate in CenterPoint Energy’s money pool through which they can borrow or invest on a short-term basis. Funding needs are aggregated and external borrowing or investing is based on the net cash position. The net funding requirements of the CenterPoint Energy money pool are expected to be met with borrowings under CenterPoint Energy’s revolving credit facility or the sale of CenterPoint Energy’s commercial paper.

The table below summarizes CenterPoint Energy money pool activity:

	June 30, 2024		December 31, 2023	
	Houston Electric	CERC	Houston Electric	CERC
	(in millions, except interest rates)			
Money pool investments, net (1)	\$ 287	\$ 72	\$ 238	\$ 1
Weighted average interest rate	5.54 %	5.54 %	5.59 %	5.59 %

- (1) Included in Accounts and notes receivable—affiliated companies on Houston Electric’s and CERC’s respective Condensed Consolidated Balance Sheets, as applicable.

CenterPoint Energy provides some corporate services to Houston Electric and CERC. The costs of services have been charged directly to Houston Electric and CERC using methods that management believes are reasonable. These methods include usage rates, dedicated asset assignment and proportionate corporate formulas based on operating expenses, assets, gross margin, employees and a composite of assets, gross margin and employees. Houston Electric provides certain services to CERC. These services are billed at actual cost, either directly or as an allocation and include fleet services, shop services, geographic services, surveying and right-of-way services, radio communications, data circuit management and field operations. Additionally, CERC provides certain services to Houston Electric. These services are billed at actual cost, either directly or as an allocation and include line locating and other miscellaneous services. These charges are not necessarily indicative of what would have been incurred had Houston Electric and CERC not been affiliates.

Amounts charged for these services were as follows and are included primarily in Operation and maintenance expenses on the Condensed Statements of Consolidated Income:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Houston Electric	CERC	Houston Electric	CERC	Houston Electric	CERC	Houston Electric	CERC
	(in millions)							
Corporate service charges	\$ 44	\$ 55	\$ 40	\$ 56	\$ 79	\$ 106	\$ 75	\$ 106
Net affiliate service charges (billings)	(2)	2	(3)	3	(3)	3	(6)	6

The table below presents transactions among Houston Electric, CERC and their parent, Utility Holding:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
	Houston Electric	CERC	Houston Electric	CERC	Houston Electric	CERC	Houston Electric	CERC
	(in millions)							
Cash dividends paid to parent	\$ 119	\$ 131	\$ 109	\$ 107	\$ 155	\$ 246	\$ 160	\$ 311
Cash contribution from parent	—	290	—	500	230	290	650	500

(18) Equity

Dividends Declared and Paid (CenterPoint Energy)

CenterPoint Energy declared and paid dividends on its Common Stock as follows during the periods indicated below:

	Dividends Declared Per Share				Dividends Paid Per Share			
	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Common Stock	\$ 0.200	\$ 0.190	\$ 0.200	\$ 0.190	\$ 0.200	\$ 0.190	\$ 0.400	\$ 0.380
Series A Preferred Stock (1)	—	—	—	—	—	—	—	30.625

(1) All of the outstanding shares of Series A Preferred Stock were redeemed during September 2023 as further described below.

Equity Distribution Agreement (CenterPoint Energy)

On January 10, 2024, CenterPoint Energy entered into an Equity Distribution Agreement with certain financial institutions with respect to the offering and sale from time to time of shares of Common Stock, having an aggregate gross sales price of up to \$500 million. Sales of Common Stock may be made by any method permitted by applicable law and deemed to be an “at the market offering” as defined in Rule 415 of the Securities Act of 1933, as amended. CenterPoint Energy may also enter into one or more forward sales agreements pursuant to master forward confirmations. The offer and sale of Common Stock under the Equity Distribution Agreement will terminate upon the earliest of (1) the sale of all Common Stock subject to the Equity Distribution Agreement, (2) termination of the Equity Distribution Agreement, or (3) May 17, 2026. During the three months ended June 30, 2024, CenterPoint Energy issued 8,657,443 shares of Common Stock through the ATM Managers under the Equity Distribution Agreement, representing aggregate cash proceeds of \$244 million, which is net of compensation paid by CenterPoint Energy to the ATM Managers of \$2 million. During the six months ended June 30, 2024, CenterPoint Energy issued 8,790,848 shares of Common Stock through the ATM Managers under the Equity Distribution Agreement, representing aggregate cash proceeds of \$247 million, which is net of compensation paid by CenterPoint Energy to the ATM Managers of \$2 million. As of June 30, 2024, CenterPoint Energy had not entered into any forward sale agreements under the at-the-market program. Additionally, as of June 30, 2024, CenterPoint Energy had \$250 million of remaining capacity available under the program.

Income Allocated to Series A Preferred Shareholders (CenterPoint Energy)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in millions)			
Series A Preferred Stock (1)	\$ —	\$ 12	\$ —	\$ 24
Total income allocated to preferred shareholders	\$ —	\$ 12	\$ —	\$ 24

(1) All of the outstanding shares of Series A Preferred Stock were redeemed during September 2023 as further described below.

Series A Preferred Stock Redemption (CenterPoint Energy)

On September 1, 2023, CenterPoint Energy redeemed 800,000 shares of CenterPoint Energy's Series A Preferred Stock, in whole for cash at a redemption price of \$1,000 per share, plus any accumulated and unpaid dividends thereon to, but excluding, the redemption date.

Accumulated Other Comprehensive Income (Loss)

Changes in accumulated comprehensive income (loss) are as follows:

	Three Months Ended June 30,			
	2024		2023	
	CenterPoint Energy	CERC	CenterPoint Energy	CERC
	(in millions)			
Beginning Balance	\$ (33)	\$ 15	\$ (32)	\$ 15
Other comprehensive income before reclassifications:				
Net deferred gain from cash flow hedges	1	—	—	—
Prior service cost (1)	2	—	—	—
Other comprehensive income	3	—	—	—
Ending Balance	\$ (30)	\$ 15	\$ (32)	\$ 15

	Six Months Ended June 30,			
	2024		2023	
	CenterPoint Energy	CERC	CenterPoint Energy	CERC
	(in millions)			
Beginning Balance	\$ (35)	\$ 16	\$ (31)	\$ 16
Other comprehensive income (loss) before reclassifications:				
Remeasurement of pension and other postretirement plans	(2)	—	—	—
Net deferred gain from cash flow hedges	4	—	—	—
Prior service cost (1)	2	—	(1)	(1)
Actuarial losses (1)	1	(1)	—	—
Other comprehensive income (loss)	5	(1)	(1)	(1)
Ending Balance	\$ (30)	\$ 15	\$ (32)	\$ 15

(1) Amounts are included in the computation of net periodic cost and are reflected in Other income, net in each of the Registrants' respective Condensed Statements of Consolidated Income.

(19) Leases

In 2021, Houston Electric entered into a temporary short-term lease and long-term leases for mobile generation. The short-term lease agreement allowed Houston Electric to take delivery of TEEEF assets on a short-term basis with an initial term ending on September 30, 2022 and extended until December 31, 2022. At such time, the short-term lease agreement expired and all mobile generation assets were leased under the long-term lease agreement. Per Houston Electric's short-term lease accounting policy election, a ROU asset and lease liability are not reflected on Houston Electric's Condensed Consolidated

Balance Sheets. Expenses associated with the short-term lease, including carrying costs, are deferred to a regulatory asset and totaled, net of amounts recovered in rates, \$95 million and \$100 million as of June 30, 2024 and December 31, 2023, respectively.

The long-term lease agreement includes up to 505 MW of TEEEF, all of which was delivered as of December 31, 2022, triggering lease commencement at delivery, with an initial term ending in 2029 for all TEEEF leases. These assets were previously available under the short-term lease agreement. Houston Electric derecognized the finance lease liability when the extinguishment criteria in Topic 405 - *Liabilities* was achieved. Per the terms of the agreement, lease payments are due and made in full by Houston Electric upon taking possession of the asset, relieving substantially all of the associated finance lease liability at that time. The remaining finance lease liability associated with the commenced long-term TEEEF agreement was not significant as of June 30, 2024 and December 31, 2023 and relates to removal costs that will be incurred at the end of the lease term. As of June 30, 2024, Houston Electric has secured a first lien on the assets leased under the prepayment agreement, except for assets with lease payments totaling \$88 million. The \$88 million prepayment is being held in an escrow account, not controlled by Houston Electric, and the funds will be released when a first lien can be secured for Houston Electric. Expenses associated with the long-term lease, including depreciation expense on the right of use asset and carrying costs, are deferred to a regulatory asset and totaled, net of amounts recovered in rates, \$139 million and \$124 million as of June 30, 2024 and December 31, 2023, respectively. The long-term lease agreement contains a termination clause that can be exercised in the event of material adverse regulatory actions. If the right to terminate is elected, subject to the satisfaction of certain conditions, 75% of Houston Electric's prepaid lease costs that are attributable to the period from the effective date of termination to the end of the lease term would be refunded. In December 2022, the long-term lease agreement was amended to include a disallowance reimbursement clause that can be exercised in the event that any regulatory proceeding or settlement agreement results in a disallowance of Houston Electric's recovery of deferred costs under either the long-term lease agreement, short-term lease agreement or any other quantifiable adverse financial impact to Houston Electric. The disallowance reimbursement clause expired on December 31, 2023 and Houston Electric can no longer seek relief in the event of an unfavorable regulatory ruling. For further discussion of the regulatory impacts, see Note 6.

Houston Electric will also incur variable costs throughout the lease term for the operation and maintenance of the generators. Lease costs, including variable and ROU asset amortization costs, are deferred to Regulatory assets as incurred as a recoverable cost under the 2021 Texas legislation. See Note 6 for further information regarding recovery of these deferred costs.

The components of lease cost, included in Operation and maintenance expense on the Registrants' respective Condensed Statements of Consolidated Income, are as follows:

	Three Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease cost	\$ 1	\$ 1	\$ 1	\$ 1	\$ —	\$ 1
Short-term lease cost	6	5	—	13	14	—
Total lease cost ⁽¹⁾	<u>\$ 7</u>	<u>\$ 6</u>	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 1</u>

	Six Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease cost	\$ 2	\$ 2	\$ 1	\$ 3	\$ 1	\$ 1
Short-term lease cost	8	7	—	13	13	—
Total lease cost ⁽¹⁾	<u>\$ 10</u>	<u>\$ 9</u>	<u>\$ 1</u>	<u>\$ 16</u>	<u>\$ 14</u>	<u>\$ 1</u>

(1) CenterPoint Energy and Houston Electric defer finance lease costs for TEEEF to Regulatory assets for recovery rather than to Depreciation and Amortization in the Condensed Statements of Consolidated Income.

The components of lease income were as follows:

	Three Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease income	\$ 1	\$ —	\$ 1	\$ 1	\$ —	\$ 1
Variable lease income	1	—	—	—	—	—
Total lease income	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 1</u>

	Six Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease income	\$ 3	\$ —	\$ 2	\$ 3	\$ —	\$ 2
Variable lease income	1	—	—	1	—	—
Total lease income	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 2</u>

Supplemental balance sheet information related to leases was as follows:

	June 30, 2024			December 31, 2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions, except lease term and discount rate)					
Assets:						
Operating ROU assets (1)	\$ 17	\$ 6	\$ 4	\$ 13	\$ 6	\$ 4
Finance ROU assets (2)	478	478	—	526	526	—
Total leased assets	<u>\$ 495</u>	<u>\$ 484</u>	<u>\$ 4</u>	<u>\$ 539</u>	<u>\$ 532</u>	<u>\$ 4</u>
Liabilities:						
Current operating lease liability (3)	\$ 3	\$ 1	\$ 1	\$ 3	\$ 1	\$ 1
Non-current operating lease liability (4)	14	4	3	10	5	3
Total leased liabilities (5)	<u>\$ 17</u>	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 13</u>	<u>\$ 6</u>	<u>\$ 4</u>
Weighted-average remaining lease term (in years) - operating leases	11.6	3.4	3.4	4.7	3.9	3.1
Weighted-average discount rate - operating leases	4.49 %	4.11 %	3.95 %	4.13 %	4.09 %	3.60 %
Weighted-average remaining lease term (in years) - finance leases	5	5	—	5.5	5.5	—
Weighted-average discount rate - finance leases	3.60 %	3.60 %	—	3.60 %	3.60 %	—

(1) Reported within Other assets in the Registrants' respective Condensed Consolidated Balance Sheets, net of accumulated amortization.

(2) Reported within Property, Plant and Equipment in the Registrants' respective Condensed Consolidated Balance Sheets, net of accumulated amortization.

(3) Reported within Current other liabilities in the Registrants' respective Condensed Consolidated Balance Sheets.

(4) Reported within Other liabilities in the Registrants' respective Condensed Consolidated Balance Sheets.

(5) Finance lease liabilities were not significant as of June 30, 2024 or December 31, 2023 and are reported within Other long-term debt in the Registrants' respective Condensed Consolidated Balance Sheets when applicable.

As of June 30, 2024, finance lease liabilities were not significant to the Registrants. As of June 30, 2024, maturities of operating lease liabilities were as follows:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Remainder of 2024	\$ 2	\$ 1	\$ 1
2025	4	2	2
2026	4	1	1
2027	2	1	—
2028	1	—	—
2029	10	—	—
2030 and beyond	1	—	—
Total lease payments	24	5	4
Less: Interest	7	—	—
Present value of lease liabilities	\$ 17	\$ 5	\$ 4

As of June 30, 2024, future minimum finance lease payments to be received were not significant to the Registrants. As of June 30, 2024, maturities of undiscounted operating lease payments to be received are as follows:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Remainder of 2024	\$ 3	\$ —	\$ 2
2025	6	1	4
2026	7	—	5
2027	7	—	5
2028	7	—	5
2029	7	—	6
2030 and beyond	158	—	156
Total lease payments to be received	\$ 195	\$ 1	\$ 183

Other information related to leases is as follows:

	Six Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating cash flows from operating leases included in the measurement of lease liabilities	\$ 2	\$ 1	\$ 1	\$ 3	\$ 1	\$ 1

See Note 16 for information on ROU assets obtained in exchange for operating lease liabilities.

(20) Subsequent Events (CenterPoint Energy and Houston Electric)

Hurricane Beryl

On July 8, 2024, Hurricane Beryl made landfall in Texas, bringing sustained winds, storm surges and torrential rain into Houston Electric's service territory. Hurricane Beryl caused significant damage to Houston Electric's electric delivery system. Houston Electric currently estimates that total costs to restore the electric delivery facilities damaged as a result of Hurricane Beryl will be in the range of \$1.2 billion to \$1.3 billion based on currently available information. These preliminary estimates are subject to revision as certain restoration costs may continue through the end of 2024.

The ultimate recovery of costs relating to Hurricane Beryl is expected to be sought through the issuance and sale of non-recourse securitization bonds for distribution-related costs. However, neither the amount nor timing of the recovery is certain.

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF CENTERPOINT ENERGY, INC. AND SUBSIDIARIES

The following combined discussion and analysis should be read in combination with the Interim Condensed Financial Statements contained in this combined Form 10-Q and the Registrants’ combined 2023 Form 10-K. When discussing CenterPoint Energy’s consolidated financial information, it includes the results of Houston Electric and CERC, which, along with CenterPoint Energy, are collectively referred to as the Registrants. Unless the context indicates otherwise, specific references to Houston Electric and CERC also pertain to CenterPoint Energy. In this combined Form 10-Q, the terms “our,” “we” and “us” are used as abbreviated references to CenterPoint Energy, Inc. together with its consolidated subsidiaries, including Houston Electric and CERC, unless otherwise stated. No Registrant makes any representations as to the information related solely to CenterPoint Energy or the subsidiaries of CenterPoint Energy other than itself.

RECENT EVENTS

May 2024 Storm Events and Hurricane Beryl. Houston Electric’s service territory experienced sudden and destructive severe weather events in May 2024 that included hurricane-like winds and tornadoes. Subsequently, on July 8, 2024, Hurricane Beryl made landfall in Texas, bringing sustained winds, storm surges and torrential rain into Houston Electric’s service territory. The May 2024 Storm Events and Hurricane Beryl caused significant damage to Houston Electric’s electric delivery system and resulted in electric service interruptions peaking at an estimated 922,000 customers and an estimated 2.26 million customers, respectively.

Houston Electric implemented its emergency operations plan’s processes and procedures to respond to these events, including establishing an incident command center and calling for mutual assistance from other utilities, among other measures. Throughout these weather events, Houston Electric remained in contact with its regulators and stakeholders, including federal, state and local officials, as well as the PUCT and ERCOT.

The Governor of Texas issued a disaster declaration on April 30, 2024 to address severe storms and flooding and subsequently amended it to include the May 2024 Storm Events. President Biden also approved major disaster declarations for Texas counties impacted by severe weather and flooding events that began April 26, 2024, including the May 2024 Storm Events. On July 5, 2024, a state disaster declaration was issued based on the threat posed by Hurricane Beryl, and on July 6, 2024 was amended to add additional counties to the disaster area. Subsequently, a federal emergency disaster declaration through the Federal Emergency Management Agency to cover certain costs associated with Hurricane Beryl was also issued.

Houston Electric currently estimates that total costs to restore the electric delivery facilities damaged as a result of the May 2024 Storm Events and Hurricane Beryl will be in the range of \$425 million to \$475 million and \$1.2 billion to \$1.3 billion, respectively, based on currently available information. These preliminary estimates are subject to revision as certain restoration costs may continue through the end of 2024. As is common with electric utilities serving coastal regions, the poles, towers, wires, street lights and pole-mounted equipment that comprise Houston Electric’s transmission and distribution system are not covered by property insurance.

The ultimate recovery of costs relating to the May 2024 Storm Events and Hurricane Beryl is expected to be sought through the issuance and sale of non-recourse securitization bonds for distribution-related costs and the TCOS capital mechanism for transmission-related costs, as applicable. However, neither the amount nor timing of the recovery is certain. Assuming such securitization bonds are issued, Houston Electric would seek to recover the amount of the May 2024 Storm Events and Hurricane Beryl storm restoration costs approved by the PUCT out of the net proceeds from the securitization bond offering, with the debt service and other financing costs of the securitization bonds being paid over the term of the securitization bonds through a storm restoration charge imposed on Houston Electric’s customers.

Various governmental and regulatory agencies and other entities have called for or are conducting inquiries and investigations into Hurricane Beryl and the efforts made by Houston Electric to prepare for, and respond to, this event, including the electric service outage issues. Agencies and entities that may conduct or are conducting such inquiries, investigations and other reviews include the Texas Governor’s office, the Texas Legislature and the PUCT. There are significant uncertainties around these inquiries and investigations and potential results and consequences, including whether any financial penalties will be assessed or changes to Houston Electric’s system, service territories, operations and/or regulatory treatment will result therefrom.

Houston Electric announced an initial hurricane preparedness and response action plan to the PUCT on July 25, 2024 to enhance the resiliency of the electric system through various investments. Through this plan, Houston Electric additionally plans to work to improve customer communications, as well as strengthen the effectiveness of its emergency response, among other things.

For more information regarding regulatory impacts and the term loan facility to fund certain costs related to the May 2024 Storm Events and litigation related to Hurricane Beryl, see Notes 6, 11 and 13 to the Interim Condensed Financial Statements and “—Liquidity and Capital Resources” below.

Regulatory Proceedings. For further information, see Note 6 to the Interim Condensed Financial Statements. For information related to our pending and completed regulatory proceedings to date in 2024, see “—Liquidity and Capital Resources —Regulatory Matters” below.

Debt Transactions. For information about debt transactions to date in 2024, see Note 11 to the Interim Condensed Financial Statements.

CENTERPOINT ENERGY CONSOLIDATED RESULTS OF OPERATIONS

For information regarding factors that may affect the future results of our consolidated operations, please read “Risk Factors” in Item 1A of Part I of the Registrants’ combined 2023 Form 10-K.

Income available to common shareholders for the three and six months ended June 30, 2024 and 2023 was as follows:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
	(in millions)					
Electric	\$ 215	\$ 180	\$ 35	\$ 336	\$ 303	\$ 33
Natural Gas	47	35	12	330	269	61
Total Utility Operations	262	215	47	666	572	94
Corporate & Other (1)	(34)	(109)	75	(88)	(153)	65
Total CenterPoint Energy	\$ 228	\$ 106	\$ 122	\$ 578	\$ 419	\$ 159

(1) Includes energy performance contracting and sustainable infrastructure services through Energy Systems Group before June 30, 2023, the date of the sale of Energy Systems Group, unallocated corporate costs, interest income and interest expense, intercompany eliminations and the reduction of income allocated to preferred shareholders before September 1, 2023, the date of the redemption of all of the outstanding shares of the Series A Preferred Stock.

Three months ended June 30, 2024 compared to three months ended June 30, 2023

Income available to common shareholders increased \$122 million primarily due to the following items:

- an increase in income available to common shareholders of \$35 million for the Electric reportable segment, as further discussed below;
- an increase in income available to common shareholders of \$12 million for the Natural Gas reportable segment, as further discussed below; and
- an increase in income available to common shareholders of \$75 million for Corporate and Other, primarily due to \$12 million of income allocated to holders of Series A Preferred Stock in the second quarter of 2023 prior to the redemption of all outstanding shares of Series A Preferred Stock in September 2023 as discussed in Note 18 to the Interim Condensed Financial statements, a loss on sale of \$12 million and current tax expense of \$33 million related to divestiture of Energy Systems Group recorded during the three months ended June 30, 2023 further discussed in Note 3 to the Interim Condensed Financial Statements, as well as \$19 million due to remeasurement of deferred income tax balances recorded during the three months ended June 30, 2023. The increase is partially offset by \$12 million increase in borrowing costs.

Six months ended June 30, 2024 compared to three months ended June 30, 2023

Income available to common shareholders increased \$159 million primarily due to the following items:

- an increase in income available to common shareholders of \$33 million for the Electric reportable segment, as further discussed below;
- an increase in income available to common shareholders of \$61 million for the Natural Gas reportable segment, as further discussed below; and
- an increase in income available to common shareholders of \$65 million for Corporate and Other, primarily due to \$24 million of income allocated to holders of Series A Preferred Stock in the six months ended June 30, 2023 prior to the redemption of all outstanding shares of Series A Preferred Stock in September 2023 as discussed in Note 18 to the Interim Condensed Financial statements, a loss on sale of \$12 million and current tax expense of \$33 million related to divestiture of Energy Systems Group recorded in the six months ended June 30, 2023 further discussed in Note 3 to the Interim Condensed Financial Statements, as well as \$19 million due to remeasurement of deferred income tax balances recorded during the six months ended June 30, 2023. The increase is partially offset by \$30 million increase in borrowing costs.

Income Tax Expense. For a discussion of effective tax rate per period, see Note 12 to the Interim Condensed Financial Statements.

CENTERPOINT ENERGY'S RESULTS OF OPERATIONS BY REPORTABLE SEGMENT

CenterPoint Energy's CODM views net income as the measure of profit or loss for the reportable segments. Segment results include inter-segment interest income and expense, which may result in inter-segment profit and loss.

The following discussion of CenterPoint Energy's results of operations is separated into two reportable segments, Electric and Natural Gas.

Electric (CenterPoint Energy)

For information regarding factors that may affect the future results of operations of CenterPoint Energy's Electric reportable segment, please read "Risk Factors — Risk Factors Affecting Operations — Electric Generation, Transmission and Distribution," "— Risk Factors Affecting Regulatory, Environmental and Legal Risks," "— Risk Factors Affecting Financial, Economic and Market Risks," "— Risk Factors Affecting Safety and Security Risks" and "— General and Other Risks" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K.

The following table provides summary data of CenterPoint Energy's Electric reportable segment:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues	\$ 1,207	\$ 1,037	\$ 170	\$ 2,256	\$ 1,989	\$ 267
Expenses:						
Utility natural gas, fuel and purchased power	50	19	(31)	93	79	(14)
Operation and maintenance	497	450	(47)	972	876	(96)
Depreciation and amortization	237	218	(19)	463	409	(54)
Taxes other than income taxes	77	68	(9)	155	135	(20)
Total expenses	861	755	(106)	1,683	1,499	(184)
Operating Income	346	282	64	573	490	83
Other Income (Expense):						
Interest expense and other finance charges	(97)	(71)	(26)	(188)	(132)	(56)
Other income, net	13	14	(1)	29	26	3
Income Before Income Taxes	262	225	37	414	384	30
Income tax expense	47	45	(2)	78	81	3
Net Income	\$ 215	\$ 180	\$ 35	\$ 336	\$ 303	\$ 33
Throughput (in GWh):						
Residential	9,450	9,036	5 %	15,412	15,004	3 %
Total	29,034	28,009	4 %	52,097	49,765	5 %
Weather (percentage of normal weather for service area):						
Cooling degree days	118 %	105 %	13 %	116 %	109 %	7 %
Heating degree days	15 %	78 %	(63)%	89 %	86 %	3 %
Number of metered customers at end of period:						
Residential	2,620,284	2,561,331	2 %	2,620,284	2,561,331	2 %
Total	2,950,593	2,887,492	2 %	2,950,593	2,887,492	2 %

The following table provides variance explanations for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 as well as for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 by major income statement caption for CenterPoint Energy's Electric reportable segment:

	Favorable (Unfavorable)	
	Three Months Ended June 30, 2024 vs. 2023	Six Months Ended June 30, 2024 vs. 2023
	(in millions)	
Revenues		
Transmission Revenues, including TCOS and TCRF, inclusive of costs billed by transmission providers, partially offset in operation and maintenance below	\$ 60	\$ 115
Customer rates and the impact of the change in rate design	47	89
Cost of fuel and purchased power, offset in utility natural gas, fuel and purchased power below	31	14
Weather, efficiency improvements and other usage impacts	14	12
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items below	10	18
Customer growth	7	13
Miscellaneous revenues, including service connections and off-system sales	4	6
Equity return, related to the annual true-up of transition charges for amounts over or under collected in prior periods	1	2
Energy efficiency, and other pass-through, offset in operation and maintenance below	(4)	(2)
Total	\$ 170	\$ 267
Utility natural gas, fuel and purchased power		
Cost of purchased power, offset in revenues above	\$ (48)	\$ (46)
Cost of fuel, including coal, natural gas, and fuel oil, offset in revenues above	17	32
Total	\$ (31)	\$ (14)
Operation and maintenance		
Transmission costs billed by transmission providers, offset in revenues above	\$ (34)	\$ (62)
All other operation and maintenance expense, including materials and supplies and insurance	(9)	(18)
Labor and benefits	(7)	(16)
Corporate support services	(5)	(5)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items	(1)	(1)
Energy efficiency, and other pass-through, offset in revenues above	4	2
Contract services	5	4
Total	\$ (47)	\$ (96)
Depreciation and amortization		
Ongoing additions to plant-in-service	\$ (12)	\$ (42)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items	(7)	(12)
Total	\$ (19)	\$ (54)
Taxes other than income taxes		
Incremental capital projects placed in service, and the impact of updated property tax rates	\$ (6)	\$ (14)
Franchise fees and other taxes	(3)	(6)
Total	\$ (9)	\$ (20)
Interest expense and other finance charges		
Changes in outstanding debt	\$ (14)	\$ (32)
Other, primarily AFUDC and impacts of regulatory deferrals	(9)	(18)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items	(3)	(6)
Total	\$ (26)	\$ (56)
Other income, net		
Other income, including AFUDC - Equity	\$ (2)	\$ 2
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items	1	1
Total	\$ (1)	\$ 3

Income Tax Expense. For a discussion of effective tax rate per period by Registrant, see Note 12 to the Interim Condensed Financial Statements.

Natural Gas (CenterPoint Energy)

For information regarding factors that may affect the future results of operations of CenterPoint Energy's Natural Gas reportable segment, please read "Risk Factors — Risk Factors Affecting Operations — Natural Gas," "— Risk Factors Affecting Regulatory, Environmental and Legal Risks," "— Risk Factors Affecting Financial, Economic and Market Risks," "— Risk Factors Affecting Safety and Security Risks" and "— General and Other Risks" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K.

The following table provides summary data of CenterPoint Energy's Natural Gas reportable segment:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues	\$ 695	\$ 764	\$ (69)	\$ 2,265	\$ 2,539	\$ (274)
Expenses:						
Utility natural gas and fuel	183	261	78	927	1,279	352
Non-utility cost of revenues, including natural gas	—	—	—	1	1	—
Operation and maintenance	189	222	33	423	450	27
Depreciation and amortization	142	128	(14)	274	250	(24)
Taxes other than income taxes	61	59	(2)	126	129	3
Total expenses	575	670	95	1,751	2,109	358
Operating Income	120	94	26	514	430	84
Other Income (Expense):						
Interest expense and other finance charges	(61)	(48)	(13)	(112)	(92)	(20)
Other income, net	4	4	—	7	6	1
Income Before Income Taxes	63	50	13	409	344	65
Income tax expense	16	15	(1)	79	75	(4)
Net Income	\$ 47	\$ 35	\$ 12	\$ 330	\$ 269	\$ 61
Throughput (in Bcf):						
Residential	18	28	(36)%	92	124	(26)%
Commercial and Industrial	72	91	(21)%	173	224	(23)%
Total	90	119	(24)%	265	348	(24)%
Weather (percentage of 10-year average for service area):						
Heating degree days	64 %	88 %	(24)%	80 %	88 %	(8)%
Number of metered customers at end of period:						
Residential	4,022,435	3,965,118	1 %	4,022,435	3,965,118	1 %
Commercial and Industrial	301,318	299,213	1 %	301,318	299,213	1 %
Total	4,323,753	4,264,331	1 %	4,323,753	4,264,331	1 %

The following table provides variance explanations for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 as well as for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 by major income statement caption for CenterPoint Energy's Natural Gas reportable segment:

	Favorable (Unfavorable)	
	Three Months Ended June 30, 2024 vs. 2023	Six Months Ended June 30, 2024 vs. 2023
	(in millions)	
Revenues		
Cost of natural gas, offset in utility natural gas, fuel and purchased power below	\$ (78)	\$ (352)
Energy efficiency and other pass-through, offset in operation and maintenance below	(10)	(20)
Gross receipts tax, offset in taxes other than income taxes below	(1)	(4)
Non-volumetric and miscellaneous revenue	(5)	—
Weather and usage	(16)	2
Customer growth	4	8
Non-utility revenues	3	9
Customer rates	34	83
Total	\$ (69)	\$ (274)
Utility natural gas and fuel		
Cost of natural gas, offset in revenues above	\$ 78	\$ 352
Total	\$ 78	\$ 352
Operation and maintenance		
Energy efficiency and other pass-through, offset in revenues above	\$ 10	\$ 20
All other operations and maintenance expense, including bad debt expense	14	8
Corporate support services	2	1
Labor and benefits	4	(1)
Contract services	3	(1)
Total	\$ 33	\$ 27
Depreciation and amortization		
Ongoing additions to plant-in-service	\$ (14)	\$ (24)
Total	\$ (14)	\$ (24)
Taxes other than income taxes		
Gross receipts tax, offset in revenues above	\$ 1	\$ 4
Incremental capital projects placed in service, and the impact of updated property tax rates	(3)	(1)
Total	\$ (2)	\$ 3
Interest expense and other finance charges		
Other, primarily AFUDC and impacts of regulatory deferrals	\$ (9)	\$ (21)
Changes in outstanding debt	(4)	1
Total	\$ (13)	\$ (20)
Other income, net		
AFUDC - Equity, primarily from increased capital spend	\$ —	\$ 2
Other	—	(1)
Total	\$ —	\$ 1

Income Tax Expense. For a discussion of effective tax rate per period by Registrant, see Note 12 to the Interim Condensed Financial Statements.

HOUSTON ELECTRIC CONSOLIDATED RESULTS OF OPERATIONS

Houston Electric's CODM views net income as the measure of profit or loss for its single reportable segment. Houston Electric's results of operations are affected by seasonal fluctuations in the demand for electricity. Houston Electric's results of operations are also affected by, among other things, the actions of various governmental authorities having jurisdiction over rates Houston Electric charges, debt service costs, income tax expense, Houston Electric's ability to collect receivables from REPs and Houston Electric's ability to recover its regulatory assets. For more information regarding factors that may affect the future results of operations of Houston Electric's business, please read "Risk Factors — Risk Factors Affecting Operations — Electric Generation, Transmission and Distribution," "— Risk Factors Affecting Regulatory, Environmental and Legal Risks," "— Risk Factors Affecting Financial, Economic and Market Risks," "— Risk Factors Affecting Safety and Security Risks" and "— General and Other Risks" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K.

The following table provides summary data of Houston Electric's single reportable segment:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues:						
TDU	\$ 1,001	\$ 868	\$ 133	\$ 1,869	\$ 1,628	\$ 241
Bond Companies	43	41	2	76	73	3
Total revenues	<u>1,044</u>	<u>909</u>	<u>135</u>	<u>1,945</u>	<u>1,701</u>	<u>244</u>
Expenses:						
Operation and maintenance, excluding Bond Companies	453	399	(54)	890	779	(111)
Depreciation and amortization, excluding Bond Companies	169	147	(22)	336	276	(60)
Taxes other than income taxes	75	67	(8)	150	131	(19)
Bond Companies	44	41	(3)	76	71	(5)
Total expenses	<u>741</u>	<u>654</u>	<u>(87)</u>	<u>1,452</u>	<u>1,257</u>	<u>(195)</u>
Operating Income	<u>303</u>	<u>255</u>	<u>48</u>	<u>493</u>	<u>444</u>	<u>49</u>
Other Income (Expense):						
Interest expense and other finance charges	(79)	(63)	(16)	(155)	(116)	(39)
Interest expense on Securitization Bonds	(1)	(2)	1	(2)	(4)	2
Other income, net	10	10	—	21	17	4
Income Before Income Taxes	<u>233</u>	<u>200</u>	<u>33</u>	<u>357</u>	<u>341</u>	<u>16</u>
Income tax expense	46	42	(4)	71	75	4
Net Income	<u>\$ 187</u>	<u>\$ 158</u>	<u>\$ 29</u>	<u>\$ 286</u>	<u>\$ 266</u>	<u>\$ 20</u>
Throughput (in GWh):						
Residential	9,120	8,741	4 %	14,744	14,393	2 %
Total	27,826	26,788	4 %	49,831	47,438	5 %
Weather (percentage of 10-year average for service area):						
Cooling degree days	118 %	105 %	13 %	116 %	109 %	7 %
Heating degree days	15 %	69 %	(54)%	92 %	87 %	5 %
Number of metered customers at end of period:						
Residential	2,486,881	2,428,904	2 %	2,486,881	2,428,904	2 %
Total	2,797,899	2,735,799	2 %	2,797,899	2,735,799	2 %

The following table provides variance explanations for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 as well as for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 by major income statement caption for Houston Electric:

	Favorable (Unfavorable)	
	Three Months Ended June 30, 2024 vs. 2023	Six Months Ended June 30, 2024 vs. 2023
	(in millions)	
Revenues		
Transmission Revenues, including TCOS and TCRF, inclusive of costs billed by transmission providers, partially offset in operation and maintenance below	\$ 60	\$ 115
Customer rates and the impact of the change in rate design	55	104
Customer growth	7	12
Weather, efficiency improvements and other usage impacts	9	6
Bond Companies, offset in other line items below	2	3
Energy efficiency, partially offset in operations and maintenance below	1	2
Equity return, related to the annual true-up of transition charges for amounts over or under collected in prior periods	—	1
Miscellaneous revenues	1	1
Total	\$ 135	\$ 244
Operation and maintenance, excluding Bond Companies		
Transmission costs billed by transmission providers, offset in revenues above	\$ (34)	\$ (62)
All other operation and maintenance expense, including materials and supplies and insurance	(5)	(22)
Labor and benefits	(9)	(18)
Corporate support services	(7)	(6)
Energy efficiency, offset in revenues above	(1)	(2)
Contract services	2	(1)
Total	\$ (54)	\$ (111)
Depreciation and amortization, excluding Bond Companies		
Ongoing additions to plant-in-service	\$ (22)	\$ (60)
Total	\$ (22)	\$ (60)
Taxes other than income taxes		
Incremental capital projects placed in service, and the impact of changes to tax rates	\$ (8)	\$ (19)
Total	\$ (8)	\$ (19)
Bond Companies expense		
Operations and maintenance and depreciation expense, offset in revenues above	\$ (3)	\$ (5)
Total	\$ (3)	\$ (5)
Interest expense and other finance charges		
Changes in outstanding debt	\$ (12)	\$ (28)
Other, primarily AFUDC and impacts of regulatory deferrals	(4)	(11)
Total	\$ (16)	\$ (39)
Interest expense on Securitization Bonds		
Lower outstanding principal balance, offset in revenues above	\$ 1	\$ 2
Total	\$ 1	\$ 2
Other income, net		
Other income, including AFUDC - Equity	\$ —	\$ 4
Total	\$ —	\$ 4

Income Tax Expense. For a discussion of effective tax rate per period, see Note 12 to the Interim Condensed Financial Statements.

CERC CONSOLIDATED RESULTS OF OPERATIONS

CERC's CODM views net income as the measure of profit or loss for its single reportable segment. CERC's results of operations are affected by seasonal fluctuations in the demand for natural gas. CERC's results of operations are also affected by, among other things, the actions of various federal, state and local governmental authorities having jurisdiction over rates CERC charges, debt service costs and income tax expense, CERC's ability to collect receivables from customers and CERC's ability to recover its regulatory assets. For more information regarding factors that may affect the future results of operations for CERC's business, please read "Risk Factors — Risk Factors Affecting Operations — Natural Gas," "— Risk Factors Affecting Regulatory, Environmental and Legal Risks," "— Risk Factors Affecting Financial, Economic and Market Risks," "— Risk Factors Affecting Safety and Security Risks" and "— General and Other Risks" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues	\$ 679	\$ 745	\$ (66)	\$ 2,191	\$ 2,462	\$ (271)
Expenses:						
Utility natural gas	182	260	78	906	1,258	352
Non-utility cost of revenues, including natural gas	—	—	—	1	1	—
Operation and maintenance	181	211	30	407	429	22
Depreciation and amortization	138	122	(16)	265	240	(25)
Taxes other than income taxes	61	59	(2)	125	128	3
Total expenses	562	652	90	1,704	2,056	352
Operating Income	117	93	24	487	406	81
Other Income (Expense):						
Interest expense and other finance charges	(58)	(45)	(13)	(107)	(87)	(20)
Other income, net	3	5	(2)	6	6	—
Income Before Income Taxes	62	53	9	386	325	61
Income tax expense	15	10	(5)	75	70	(5)
Net Income	\$ 47	\$ 43	\$ 4	\$ 311	\$ 255	\$ 56
Throughput (in Bcf):						
Residential	18	27	(33)%	89	121	(26)%
Commercial and Industrial	63	81	(22)%	156	206	(24)%
Total	81	108	(25)%	245	327	(25)%
Weather (percentage of 10-year average for service area):						
Heating degree days	64 %	88 %	(24)%	80 %	89 %	(9)%
Number of metered customers at end of period:						
Residential	3,918,039	3,861,596	1 %	3,918,039	3,861,596	1 %
Commercial and Industrial	290,758	288,662	1 %	290,758	288,662	1 %
Total	4,208,797	4,150,258	1 %	4,208,797	4,150,258	1 %

The following table provides variance explanations for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 as well as for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 by major income statement caption for CERC:

	Favorable (Unfavorable)	
	Three Months Ended June 30, 2024 vs. 2023	Six Months Ended June 30, 2024 vs. 2023
(in millions)		
Revenues		
Cost of natural gas, offset in utility natural gas below	\$ (78)	\$ (352)
Energy efficiency and other pass-through, offset in operation and maintenance below	(8)	(15)
Gross receipts tax, offset in taxes other than income taxes below	(1)	(4)
Non-volumetric and miscellaneous revenue	(3)	1
Weather and usage	(15)	3
Customer growth	3	7
Non-utility revenues	3	9
Customer rates	33	80
Total	\$ (66)	\$ (271)
Utility natural gas		
Cost of natural gas, offset in revenues above	\$ 78	\$ 352
Total	\$ 78	\$ 352
Operation and maintenance		
Energy efficiency and other pass-through, offset in revenues above	\$ 8	\$ 15
All other operations and maintenance expense, including bad debt expense	15	9
Corporate support services	2	1
Labor and benefits	3	(1)
Contract services	2	(2)
Total	\$ 30	\$ 22
Depreciation and amortization		
Ongoing additions to plant-in-service	\$ (16)	\$ (25)
Total	\$ (16)	\$ (25)
Taxes other than income taxes		
Gross receipts tax, offset in revenues above	\$ 1	\$ 4
Incremental capital projects placed in service, and the impact of updated property tax rates	(3)	(1)
Total	\$ (2)	\$ 3
Interest expense and other finance charges		
Other, primarily AFUDC and impacts of regulatory deferrals	\$ (9)	\$ (21)
Changes in outstanding debt	(4)	1
Total	\$ (13)	\$ (20)
Other income, net		
AFUDC - Equity, primarily from increased capital spend	\$ —	\$ 2
Other	(2)	(2)
Total	\$ (2)	\$ —

Income Tax Expense. For a discussion of effective tax rate per period, see Note 12 to the Interim Condensed Financial Statements.

CERTAIN FACTORS AFFECTING FUTURE EARNINGS

For information on other developments, factors and trends that may have an impact on the Registrants' future earnings, please read "Management's Discussion and Analysis of Financial Condition and Results of Operations — Certain Factors Affecting Future Earnings" in Item 7 of Part II and "Risk Factors" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K, and "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors" in this combined Form 10-Q.

LIQUIDITY AND CAPITAL RESOURCES

Historical Cash Flows

The following table summarizes the net cash provided by (used in) operating, investing and financing activities during the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Cash provided by (used in):						
Operating activities	\$ 1,114	\$ 350	\$ 755	\$ 2,482	\$ 415	\$ 2,147
Investing activities	(1,600)	(852)	(705)	(2,154)	(1,198)	(1,233)
Financing activities	459	487	(50)	(187)	769	(913)

Operating Activities. The following items contributed to increased (decreased) net cash provided by operating activities for the six months ended June 30, 2024 compared to the six months ended June 30, 2023:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Changes in net income after adjusting for non-cash items	\$ 381	\$ 49	\$ 151
Changes in working capital	(296)	41	(267)
Change in net regulatory assets and liabilities (1)	(1,388)	(110)	(1,251)
Higher pension contribution	1	—	—
Other	(66)	(45)	(25)
	<u>\$ (1,368)</u>	<u>\$ (65)</u>	<u>\$ (1,392)</u>

(1) This change is primarily related to the receipt of proceeds at CenterPoint Energy and CERC from the Texas securitization program in 2023. For further details, see Note 6 to the Interim Condensed Financial Statements.

Investing Activities. The following items contributed to (increased) decreased net cash used in investing activities for the six months ended June 30, 2024 compared to the six months ended June 30, 2023:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Net change in capital expenditures	\$ 602	\$ 331	\$ 148
Net change in notes receivable from affiliated companies	—	(49)	346
Proceeds from divestitures	(145)	—	—
Other	97	64	34
	<u>\$ 554</u>	<u>\$ 346</u>	<u>\$ 528</u>

Financing Activities. The following items contributed to (increased) decreased net cash used in financing activities for the six months ended June 30, 2024 compared to the six months ended June 30, 2023:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Net changes in commercial paper outstanding	\$ 297	\$ —	\$ 321
Net changes in proceeds from issuances of Common Stock	247	—	—
Net changes in long-term debt and term loans outstanding, excluding commercial paper	71	(403)	668
Net changes in debt issuance costs	16	5	10
Net changes in short-term borrowings	10	—	10
Increased payment of Common Stock dividends	(14)	—	—
Decreased payment of preferred stock dividends	24	—	—
Net change in notes payable from affiliated companies	—	532	—
Change in contribution from parent	—	(420)	(210)
Change in dividend to parent	—	5	65
Other	(5)	(1)	(1)
	<u>\$ 646</u>	<u>\$ (282)</u>	<u>\$ 863</u>

Future Sources and Uses of Cash

The liquidity and capital requirements of the Registrants are affected primarily by results of operations, capital expenditures, storm restoration costs, debt service requirements, tax payments, working capital needs and various regulatory actions. Capital expenditures (other than expenditures associated with the May 2024 Storm Events and Hurricane Beryl) are expected to be used for investment in infrastructure. These capital expenditures are anticipated to enhance reliability and safety, increase resiliency and expand our systems through value-added projects. Substantial capital expenditures are also expected for restoration costs associated with the May 2024 Storm Events and Hurricane Beryl, as further described below. In addition to dividend payments on CenterPoint Energy's Common Stock and interest payments on debt, the Registrants' principal anticipated cash requirements for the remaining six months of 2024 include the following:

	CenterPoint Energy	Houston Electric	CERC
Estimated capital expenditures (1)	\$ 2,016	\$ 1,066	\$ 702
Estimated restoration costs associated with May 2024 Storm Events (2)	364	364	—
Estimated restoration costs associated with Hurricane Beryl (2)	1,250	1,250	—
Maturing CenterPoint Energy senior notes	500	—	—
Scheduled principal payments on Securitization Bonds	88	81	—
Expected contributions to pension plans and other post-retirement plans	10	1	1

(1) Excludes expenditures for the restoration costs associated with the May 2024 Storm Events and Hurricane Beryl.

(2) Represents the portion of total estimated storm restoration costs expected to be incurred for the remaining six months of 2024.

The Registrants expect that anticipated cash needs for the remaining six months of 2024 will be met with borrowings under their credit facilities, proceeds from the issuance of long-term debt, proceeds from equity issuances, anticipated cash flows from operations, and, with respect to CenterPoint Energy and CERC, proceeds from commercial paper. Proceeds from equity issuances may include the issuance of shares of Common Stock under the Equity Distribution Agreement entered into on January 10, 2024. Issuances of debt securities in the capital markets, funds raised in the commercial paper markets, term loans and additional credit facilities may not, however, be available on acceptable terms.

For more information regarding the May 2024 Storm Events and Hurricane Beryl, see Notes 6, 11, 13 and 20 to the Interim Condensed Financial Statements as well as "Recent Events" in Part I. Item 2 and "Risk Factors" in this combined Form 10-Q.

Off-Balance Sheet Arrangements

Other than Houston Electric's general mortgage bonds issued as collateral for tax-exempt long-term debt of CenterPoint Energy as discussed in Note 11 and guarantees as discussed in Note 13(b) to the Interim Condensed Financial Statements, we have no off-balance sheet arrangements.

Regulatory Matters

Hurricane Beryl

For additional information about Hurricane Beryl, see "Recent Events" in Part I. Item 2 in this combined Form 10-Q.

May 2024 Storm Events

For additional information about the May 2024 Storm Events, see Note 6 to the Interim Condensed Financial Statements.

February 2021 Winter Storm Event

For further information about the February 2021 Winter Storm Event, see Note 6 to the Interim Condensed Financial Statements.

Indiana Electric Securitization of Generation Retirements (CenterPoint Energy)

For further information about the issuance of SIGECO Securitization Bonds, see Note 6 to the Interim Condensed Financial Statements.

Indiana Electric CPCN (CenterPoint Energy)

BTAs

On February 23, 2021, Indiana Electric filed a CPCN with the IURC seeking approval to purchase the Posey Solar project. On October 27, 2021, the IURC issued an order approving the CPCN, authorizing Indiana Electric to purchase the Posey Solar project through a BTA to acquire its solar array assets for a fixed purchase price and approved recovery of costs via a levelized rate over the anticipated 35-year life. Due to community feedback and rising project costs caused by inflation and supply chain issues affecting the energy industry, Indiana Electric, along with Arevon, the developer, announced plans in January 2022 to downsize the Posey Solar project to 191 MW. Indiana Electric collaboratively agreed to the scope change, and on February 1, 2023, Indiana Electric entered into an amended and restated BTA that is contingent on further IURC review and approval. On February 7, 2023, Indiana Electric filed a CPCN with the IURC to approve the amended BTA. With the passage of the IRA, Indiana Electric can now pursue PTCs for solar projects. Indiana Electric requested that project costs, net of PTCs, be recovered in rate base rather than a levelized rate, through base rates or the CECA mechanism, depending on which provides more timely recovery. On September 6, 2023 the IURC issued an order approving the CPCN. The Posey Solar project is expected to be placed in service in 2025 and recovered through base rates.

On July 5, 2022, Indiana Electric entered into a BTA to acquire a 130 MW solar array in Pike County, Indiana through a special purpose entity for a capped purchase price. A CPCN for the project was filed with the IURC on July 29, 2022. On September 21, 2022, an agreement in principle was reached resolving all the issues between Indiana Electric and OUCC. The Stipulation and Settlement agreement was filed on October 6, 2022 and a settlement hearing was held on November 1, 2022. On January 11, 2023, the IURC issued an order approving the settlement agreement authorizing Indiana Electric to purchase and acquire the Pike County solar project through a BTA and approved the estimated cost. The IURC also designated the project as a clean energy project under applicable Indiana regulations, approved the proposed levelized rate and associated ratemaking and accounting treatment. Due to inflationary pressures, the developer disclosed that costs exceeded the agreed upon levels in the BTA. After negotiations, Indiana Electric and the developer were not able to agree upon updated pricing. As a result, on February 27, 2024, Indiana Electric provided notice that it was exercising its right to terminate the BTA, which terminated all further obligations of Indiana Electric with respect to the project.

On January 10, 2023, Indiana Electric filed a CPCN with the IURC to acquire a wind energy generating facility with installed capacity of 200 MWs through a BTA, consistent with its 2019/2020 IRP that calls for up to 300 MWs of wind generation. The wind project is located in MISO's Central Region. Indiana Electric received approval from the IURC to recover the costs of the wind facility via the CECA mechanism, which is expected to be placed in service by the end of 2026. On June 6, 2023 the IURC issued an order approving the CPCN, thereby authorizing Indiana Electric to purchase the wind generating

facility. However, as of the date of the filing of this Form 10-Q, Indiana Electric has not entered into any definitive agreement relating to this wind energy generating facility, and it is not certain that a definitive agreement will be entered into at all.

PPAs

Indiana Electric also sought approval in February 2021 for a 100 MW solar PPA with Clenera LLC in Warrick County, Indiana. The request accounted for increased cost of debt related to this PPA, which provides equivalent equity return to offset imputed debt during the 25 year life of the PPA. In October 2021, the IURC approved the Warrick County solar PPA but denied the request to preemptively offset imputed debt in the PPA cost. Due to rising project costs caused by inflation and supply chain issues affecting the energy industry, Clenera LLC and Indiana Electric were compelled to renegotiate terms of the agreement to increase the PPA price. On January 17, 2023, Indiana Electric filed a request with the IURC to amend the previously approved PPA with certain modifications. Revised purchase power costs are requested to be recovered through the fuel adjustment clause proceedings over the term of the amended PPA. On May 30, 2023, the IURC approved the Warrick County solar amended PPA; however, due to MISO interconnection study delays, the developer disclosed the project in-service date would be delayed to 2026.

On August 25, 2021, Indiana Electric filed with the IURC seeking approval to purchase 185 MW of solar power, under a 15-year PPA, from Oriden, which is developing a solar project in Vermillion County, Indiana, and 150 MW of solar power, under a 20-year PPA, from Origis, which is developing a solar project in Knox County, Indiana. On May 4, 2022, the IURC issued an order approving Indiana Electric to enter into both PPAs. In March 2022, when the results of the MISO interconnection study were completed, Origis advised Indiana Electric that the costs to construct the solar project in Knox County, Indiana had increased. The increase was largely driven by escalating commodity and supply chain costs impacting manufacturers worldwide. In August 2022, Indiana Electric and Origis entered into an amended PPA, which reiterated the terms contained in the 2021 PPA with certain modifications. On February 22, 2023, the IURC approved the Knox County solar amended PPA; however, due to MISO interconnection delays, the project in-service date will be delayed from 2024 to 2026. On January 17, 2023, Indiana Electric filed a request with the IURC to amend the previously approved PPA with Oriden with certain modifications. Revised purchase power costs were approved to be recovered through the fuel adjustment clause proceedings over the term of the amended PPA with Oriden. On May 30, 2023, the IURC approved the Vermillion County solar amended PPA; however, due to MISO interconnection study delays, the developer disclosed the project in-service date would be delayed to 2026.

On May 1, 2024, Indiana Electric filed with the IURC seeking approval to purchase 147 MW of wind power under a 25-year PPA with an affiliate of NextEra Energy, Inc., which is developing a wind project in Knox County, IL. The facility is targeted to be in operation at the end of 2025 or early 2026. Indiana Electric expects a decision from the IURC in the third or fourth quarter of 2024. If Indiana Electric's request is approved, the purchase power costs will be recovered through the fuel adjustment clause proceedings over the term of the amended PPA.

Natural Gas Combustion Turbines

On June 17, 2021, Indiana Electric filed a CPCN with the IURC seeking approval to construct two natural gas combustion turbines to replace portions of its existing coal-fired generation fleet. On June 28, 2022, the IURC approved the CPCN. The estimated \$334 million turbine facility is being constructed at the previous site of the A.B. Brown power plant in Posey County, Indiana and is expected to provide a combined output of 460 MW. Indiana Electric received approval for depreciation expense and post in-service carrying costs to be deferred in a regulatory asset until the date Indiana Electric's base rates include a return on and recovery of depreciation expense on the facility. A new approximately 23.5 mile pipeline will be constructed and operated by Texas Gas Transmission, LLC to supply natural gas to the turbine facility. FERC granted a certificate to construct the pipeline on October 20, 2022. The period to challenge FERC's certificate in a federal district court expired on February 20, 2023. Indiana Electric granted its contractor a full notice to proceed to construct the turbines on December 9, 2022. The facility is targeted to be operational by mid-year 2025. Recovery of the proposed natural gas combustion turbines and regulatory asset is included in the forecasted test year in the Indiana Electric rate case, which was filed with the IURC on December 5, 2023.

Culley Unit 3 Operations

In June 2022, F.B. Culley Unit 3, an Indiana Electric coal-fired electric generation unit with an installed generating capacity of 270 MW, experienced an operating issue relating to its boiler feed pump turbine. The unit returned to service in March 2023. In testimony filed September 13, 2023, the OUCC and an intervenor that represents industrial customers filed testimony with the IURC alleging that Indiana Electric did not act prudently which led to the unplanned outage and recommended disallowances between \$21 million to \$27 million. On July 3, 2024, the IURC issued an order finding Indiana Electric acted reasonably and prudently with respect to the events that gave rise to the Culley Unit 3 outage and, in addition, did not approve the intervenors proposed disallowance. The order is subject to appeal for a 30-day period.

Space City Solar Transmission Interconnection Project (CenterPoint Energy and Houston Electric)

On December 17, 2020, Houston Electric filed a CCN with the PUCT for approval to build a 345 kV transmission line in Wharton County, Texas connecting the Hillje substation on Houston Electric's transmission system to the planned 610 MW Space City Solar Generation facility being developed by third-party developer EDF Renewables. In November 2021, the PUCT approved a route that was estimated to cost \$25 million and issued a final order on January 12, 2022. There have been project delays due to supply chain constraints in the developer acquiring solar panels. Houston Electric substantially completed construction in the fall of 2023, and the transmission line is expected to be energized shortly after the generation facility is complete, which is anticipated to occur in the first half of 2025.

Kilgore Transmission Project (CenterPoint Energy and Houston Electric)

On August 30, 2023, Houston Electric filed a CCN application with the PUCT for approval to build a 138 kV double circuit transmission line in Chambers County, Texas that will loop the existing 138 kV Chevron to Langston circuit number 86 on Houston Electric's transmission system to Houston Electric's planned Kilgore substation. On March 7, the PUCT issued a final order approving a route that was estimated to cost \$60 million, including substation costs. The actual capital costs of the project, including the transmission line and the planned Kilgore substation, will depend on actual land acquisition costs, construction costs, and other factors. Completion of construction and energization of the line and substation is anticipated to occur in the second quarter of 2026.

Mill Creek Transmission Project (CenterPoint Energy and Houston Electric)

On November 17, 2023, Houston Electric filed a CCN application with the PUCT for approval to build a 138 kV double circuit transmission line in Harris and Montgomery counties, Texas that will connect Houston Electric's transmission system to Houston Electric's planned Mill Creek substation. The actual capital costs of the project, including the transmission line and the planned Mill Creek substation, will depend on actual land acquisition costs, construction costs, and other factors and have been estimated to be \$62 million to \$98 million, based on an amended CCN application filed by Houston Electric on February 26, 2024 and subsequent errata filed on May 9, 2024. A decision by the PUCT on the approval of the project is expected in the second half of 2024.

Texas Legislation (CenterPoint Energy, Houston Electric and CERC)

Houston Electric and CERC are also reviewing legislation passed in 2023 and associated PUCT rulemaking projects, including the following pieces of legislation that became law during the 88th Texas Legislature, including:

- House Bill 1500 became effective on September 1, 2023 and continues the functions of the PUCT, the Office of Public Utility Counsel, and ERCOT through 2029. This bill also includes an amendment that clarifies the use cases under which TDUs may lease and operate temporary generation during "significant" power outages;
- House Bill 2263 became effective on June 12, 2023 and authorizes LDCs to offer programs to promote energy conservation and to recover costs prudently incurred to implement such programs under Railroad Commission authority;
- House Bill 2555 became effective on June 13, 2023 and allows an electric utility to file a transmission and distribution system resiliency plan with the PUCT and associated cost recovery to enhance its system through hardening, modernization, undergrounding certain lines, lightning mitigation measures, flood mitigation measures, information technology, cybersecurity, physical security, vegetation management and wildfire mitigation. On January 18, 2024, the PUCT issued an Order adopting its Resiliency Plan Rule (16 Texas Admin Code § 25.62);
- Senate Bill 947 became effective on September 1, 2023 and creates severe criminal offenses for intentional damage to critical infrastructure facilities that create extended power outages;
- Senate Bill 1015 became effective on June 18, 2023 and allows utilities to file the DCRF twice a year, on any day the PUCT is open (at least 185 days after filing a full base rate proceeding) and setting an administrative approval timeline of 60 days;
- Senate Bill 1016 became effective on May 5, 2023 and requires the PUCT to presume that all employee compensation and benefits are reasonable and necessary when establishing a utility's rates if based upon market compensation studies issued within the last three years; it includes exceptions for utility officer incentives that are based on financial metrics. Certain incentive compensation that is in-line with market studies will be presumed reasonable and recoverable; and
- Senate Bill 1076 became effective on June 2, 2023 and moves the timeline for the PUCT to approve CCN for transmission projects to 180 days after the date of filing, rather than the first anniversary of the day it was filed.

Minnesota Legislation (CenterPoint Energy and CERC)

The Natural Gas Innovation Act was passed by the Minnesota legislature in June 2021 with bipartisan support. This law establishes a regulatory framework to enable the state's investor-owned natural gas utilities to provide customers with access to renewable energy resources and innovative technologies, with the goal of reducing GHG emissions and advancing the state's clean energy future. The maximum allowable cost for an innovation plan will start at 1.75% of the utility's revenue in the state and could increase to 4% by 2033, subject to review and approval by the MPUC. Specifically, the Natural Gas Innovation Act allows a natural gas utility to submit an innovation plan for approval by the MPUC which could propose the use of renewable energy resources and innovative technologies such as:

- renewable natural gas (produces energy from organic materials such as wastewater, agricultural manure, food waste, agricultural or forest waste);
- renewable hydrogen gas (produces energy from water through electrolysis with renewable electricity such as solar);
- energy efficiency measures (avoids energy consumption in excess of the utility's existing conservation programs); and
- innovative technologies (reduces or avoids GHG emissions using technologies such as carbon capture).

On June 28, 2023, CERC submitted its first innovation plan to the MPUC; the five-year plan includes 18 pilot projects and seven smaller research-and-development projects. These projects will deploy and evaluate a broad array of innovative resources including made-in-Minnesota alternative gases such as renewable natural gas and green hydrogen as well as pioneering technologies such as a networked geothermal district energy system and end-use carbon capture. The proposed plan requires approval from the MPUC through a review process that is expected to take about one year. The MPUC requested comments by September 15, 2023 if parties believe that the filing is incomplete based on the reporting requirements or if parties do not believe that the MPUC's standard informal proceeding process is appropriate. No parties filed comments regarding completeness or raising concerns that the MPUC's standard informal procedural process is inappropriate. The initial comment period closed January 15, 2024, the reply comment period closed March 15, 2024 and the supplemental comments period closed May 15, 2024. On July 25, 2024, the MPUC voted to approve the plan with some minor modifications during its agenda meeting and a formal order is anticipated to be issued in the third quarter of 2024.

Solar Panel Issues (CenterPoint Energy)

CenterPoint Energy's current and future solar projects have been impacted by delays and/or increased costs. The potential delays and inflationary cost pressures communicated from the developers of our solar projects have been primarily due to (i) unavailability of solar panels and other uncertainties related to a DOC investigation on anti-dumping and countervailing duties petition filed by American Alliance of Solar Manufacturing Trade Committee, (ii) the December 2021 Uyghur Forced Labor Prevention Act on solar modules and other products manufactured in China's Xinjiang Uyghur Autonomous Region and (iii) persistent general global supply chain and labor availability issues. On May 15, 2024, the DOC announced the initiation of antidumping and countervailing duty investigations of silicon photovoltaic cells, from Cambodia, Malaysia, Thailand, and Vietnam. The DOC is expected to issue a preliminary countervailing duty ruling in September 2024 and a preliminary antidumping ruling in the fourth quarter of 2024. On June 7, 2024, the U.S. International Trade Commission preliminarily determined that U.S. solar manufactures are being harmed by unfair trade practices from competitors in Southeast Asia. These impacts could result in cost increases for certain projects, and such impacts may require that we seek additional regulatory review and approvals. Additionally, significant changes to project costs and schedules as a result of these factors could impact the viability of the projects. For more information regarding potential delays, cancellations and supply chain disruptions, see "Item 1A. Risk Factors" in the Registrants' combined 2023 Form 10-K.

TDSIC 2.0 (CenterPoint Energy)

On May 24, 2023, Indiana Electric filed its petition and case-in-chief with the IURC requesting, among other things, approval of its five-year plan for transmission, distribution, and storage improvements (TDSIC Plan). Intervenor filed their case-in-chief on August 16, 2023 and Indiana Electric filed rebuttal on August 29, 2023. A hearing was held on September 13, 2023 and an order approving the TDSIC Plan was issued on December 27, 2023. The approved five-year TDSIC Plan, covering the period January 1, 2024 through December 31, 2028, consists of approximately \$454 million in proposed investments across seven different programs: (1) Distribution 12kV Circuit Rebuild, (2) Distribution Underground Rebuild, (3) Distribution Automation, (4) Wood Pole Replacement, (5) Transmission Line Rebuild, (6) Substation Rebuild, and (7) Substation Physical Security.

Transmission and Distribution System Resiliency Plan (CenterPoint Energy and Houston Electric)

House Bill 2555, codified as Tex. Util. Code § 38.078, was passed by the 88th Texas Legislature in 2023 and allows an electric utility to file a transmission and distribution system resiliency plan with the PUCT to enhance the resiliency of the

utility's transmission system through at least one or more of the following measures: hardening, modernization, undergrounding certain lines, lightning mitigation measures, flood mitigation measures, information technology, cybersecurity measures, physical security measures, vegetation management, and wildfire mitigation and response. House Bill 2555 also allows an electric utility to establish a regulatory asset for distribution-related costs, including depreciation expense and carrying costs at the electric utility's weighted average cost of capital, relating to the implementation of a transmission and distribution system resiliency plan.

On April 29, 2024, Houston Electric filed its first transmission and distribution system resiliency plan with the PUCT for review and approval. Houston Electric's transmission and distribution system resiliency plan proposes to implement twenty-five (25) resiliency measures over a three-year period related to: system hardening, grid modernization, flood mitigation, information technology, physical security, and vegetation management. Houston Electric's transmission and distribution system resiliency plan proposes to further analyze and identify specific wildfire risk and implement additional measures to mitigate the identified wildfire risk. Additionally, Houston Electric is proposing two pilot programs and one activity: 1) a utility-scale microgrid pilot program, 2) a pilot program to fund a City of Houston department responsible for overseeing resiliency issues for the City of Houston, and 3) the transition and migration of Houston Electric's Systems, Applications & Products in Data Processing software to a cloud-based application. The estimated capital cost is approximately \$2.2 billion, and the estimated incremental operations and maintenance expense is approximately \$86 million over the three year period. Houston Electric has requested that the PUCT allow Houston Electric to establish a regulatory asset for distribution-related costs relating to the implementation of Houston Electric's transmission and distribution system resiliency plan. Intervenor and staff filed direct testimony on June 24, 2024 and July 2, 2024, respectively; Houston Electric filed rebuttal testimony on July 15, 2024. On July 19, 2024, parties filed a joint motion to abate the proceedings, which was amended on July 22, 2024. The State Office of Administrative Hearings ALJ approved the joint motion on July 22, 2024. The parties will provide an update on the status of settlement negotiations by October 22, 2024 and every month thereafter.

Rate Change Applications

The Registrants are routinely involved in rate change applications before state regulatory authorities. Those applications include general rate cases, where the entire cost of service of the utility is assessed and reset. In addition, Registrants are periodically involved in proceedings to adjust its capital tracking mechanisms (e.g., CSIA, DCRF, DRR, GRIP, TCOS, ECA, CECA and TDSIC), its cost of service adjustments (e.g., RSP and RRA), its decoupling mechanism (e.g., decoupling and SRC), and its energy efficiency cost trackers (e.g., CIP, DSMA, EECR, EECRF, EEFC and EEFR).

Texas Gas Rate Case. On October 30, 2023, CERC filed an application with the Railroad Commission and municipal regulatory authorities to set new natural gas base rates that would be applied consistently across the approximately 1.9 million customers. The need for a rate change was primarily driven by the continuing investment in the safety and reliability of the natural gas system, including new Intelis natural gas meters that feature an integrated safety shutoff valve, changes to depreciation rates that better reflect the actual life and salvage characteristics of assets, and changes in other costs to serve customers. A settlement agreement was filed on April 23, 2024. The settlement agreement was approved by the Railroad Commission on June 25, 2024 and provides for a \$5 million annual increase in current revenues, establishes a 9.80% ROE and a 60.61% equity ratio for future GRIP filings. New rates will be effective beginning the month of December 2024.

Minnesota Rate Case. On November 1, 2023, CERC filed an application with the MPUC requesting an adjustment to delivery charges in 2024 and 2025 for the natural gas business in Minnesota. The requested increase is approximately 6.5% or \$85 million for 2024 and an additional approximately 3.7% or \$52 million for 2025. The need for a rate change is primarily driven by the continuing investment in the safety and reliability of the natural gas system, including new Intelis natural gas meters that feature an integrated safety shutoff valve, changes to depreciation rates that better reflect the actual life and salvage characteristics of assets, and changes in other costs to serve customers. The request reflects a proposed 10.3% ROE on a 52.5% equity ratio. Interim rates of \$69 million, subject to refund, were implemented as of January 1, 2024. A decision on 2025 interim rates was delayed until the fourth quarter of 2024. The anticipated decision date of the rate case is July 1, 2025.

Indiana Electric Rate Case. On December 5, 2023, Indiana Electric filed a petition with the IURC for authority to modify its rates and charges for electric utility service through a phase-in of rates. The requested increase is approximately 16% or \$119 million based on a forward looking 2025 test year. The need for a rate increase is primarily driven by the continuing investment that is being made to bolster the safety and reliability of the system and normal increases in operating expenses. The initial filing of the rate case reflected a proposed 10.4% ROE on a 55% equity ratio. On April 9, 2024 Indiana Electric filed rebuttal in the rate case. Indiana Electric reached a settlement agreement with less than all parties and submitted the agreement to the IURC on May 20, 2024. The settlement reflects a proposed 9.8% ROE on a 55% equity ratio. The requested increase was lowered to 11% with an updated requested increase of \$80 million. A hearing is scheduled to begin September 3, 2024. A final order is expected in the first quarter of 2025.

Houston Electric Rate Case. On March 6, 2024, Houston Electric filed an application with the PUCT requesting authority to change rates and charges for electric transmission and distribution service. The requested increase is approximately \$17 million (1%) for retail customers and \$43 million (6.6%) for wholesale transmission service, excluding TCRF and rate case expenses. Texas law mandates that electric utilities file a base rate proceeding no later than every four years from the date of their last base rate proceeding final order. Houston Electric’s most recent base rate proceeding order was approved by the PUCT on March 9, 2020, in Docket No. 49421. Therefore, Houston Electric was required to file its next base rate proceeding no later than March 9, 2024. The need for a rate increase is primarily driven by the continuing investment that has been made to support customer growth and to bolster the safety and reliability of Houston Electric’s transmission and distribution system. The request reflects a proposed 10.4% ROE and a 45% equity ratio. Errata testimony was filed to correct minor errors included in the initial filing which reduced the requested increase to \$56 million compared to current rates. Intervenor and PUCT staff testimony was filed in June 2024. Rebuttal testimony was due on July 12, 2024 and Houston Electric filed rebuttal testimony from 13 witnesses that covered issues other than operations; however, due to their significant operational responsibilities associated with Houston Electric’s emergency operations plan and response to Hurricane Beryl, an extension was requested (and granted) for the operations witnesses. A hearing on the merits was scheduled to start in late July 2024. On July 17, 2024, Houston Electric filed an unopposed motion to abate the pending deadlines in order to provide additional time to facilitate the continued settlement discussions; the motion was granted on the same day. Houston Electric will provide the ALJs an update on the status of settlement negotiations by August 2, 2024 and every two weeks thereafter.

Ohio CEP. On March 1, 2024, CEOH filed an application with the PUCO for authority to modify its CEP rates and charges. The requested increase is approximately \$3 million resulting in a proposed CEP rate for residential customers of \$1.54 per month. Per the PUCO’s Opinion and Order in the 2018 general rate case, the CEP rate is capped at \$1.50 per month for residential customers. CEOH requested deferral of the 2023 CEP revenue requirement above the CEP rate cap of approximately \$155,000. On June 20, 2024, PUCO staff filed comments recommending that CEOH be permitted to collect \$1.50 in this annual rider. However, PUCO staff recommended that CEOH be denied the opportunity to collect deferrals that exceed \$1.50. PUCO staff also recommends that CEOH cease accruing deferrals until such time as a new CEP alternative regulation case has been approved and asserted the \$1.50 cap was reached at some point in 2023. CEOH filed comments on July 15, 2024, providing additional clarification on its interpretation of the 2018 rate case stipulation language. CEOH’s interpretation is that CEOH has complied with the PUCO’s Opinion and Order from the 2018 general rate case, and CEOH plans to file a Notice of Intent to file a rate case application prior to the \$1.50 cap being reached allowing for the deferral to be maintained. CEOH expects to get a decision regarding the CEP application and deferral continuance in the third quarter of 2024.

The table below reflects significant applications pending or completed since the Registrants’ combined 2023 Form 10-K was filed with the SEC through the date of the filing of this Form 10-Q:

Mechanism	Annual Increase (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
CenterPoint Energy and Houston Electric (PUCT)					
DCRF	73	December 2023	April 2024	March 2024	Based on the net change in distribution invested capital since its last base rate proceeding of approximately \$2.5 billion for the period January 1, 2019 through September 30, 2023 for an incremental revenue increase of \$86 million, adjusted for load growth. On February 5, 2024, Houston Electric notified the ALJ that the parties reached an agreement in principle on all issues in this proceeding, and filed an agreed expedited motion for interim rates. On February 13, 2024, interim rates designed to collect \$220 million (\$73 million incremental) were approved by the ALJ, to be effective April 2024. A final order was issued by the PUCT March 7, 2024.
EECRF	15	May 2024	TBD	TBD	The requested \$65 million is comprised primarily of the following: 2025 program costs of \$50 million; a credit of \$0.5 million related to the over-recovery of 2023 program costs; the 2023 earned bonus of \$15 million; and 2025 projected evaluation, measurement and verification costs of \$0.5 million. PUCT staff is scheduled to file testimony on or before August 23, 2024. Rebuttal testimony, if needed, is due on September 5, 2024. Hearing on the Merits is scheduled for October 22, 2024.
Rate Case	56	March 2024	TBD	TBD	See discussion above under <i>Houston Electric Rate Case</i> .

Mechanism	Annual Increase (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
CenterPoint Energy and CERC - Beaumont/East Texas, South Texas, Houston and Texas Coast (Railroad Commission)					
Rate Case	5	October 2023	December 2024	June 2024	See discussion above under <i>Texas Gas Rate Case</i> .
CenterPoint Energy and CERC - Minnesota (MPUC)					
CIP Financial Incentive	8	May 2024	TBD	TBD	CIP Financial Incentive based on 2023 CIP program activity.
Rate Case	136	November 2023	TBD	TBD	See discussion above under <i>Minnesota Rate Case</i> .
CenterPoint Energy and CERC - Louisiana (LPSC)					
RSP	12	September/October 2023	June 2024	April 2024	Based on ROE of 9.95% with 50 basis point (+/-) earnings band. The North Louisiana increase, net of TCJA effects considered outside of the earnings band and completion of COVID-19 asset recovery, is \$8 million based on a test year ended June 2023 and adjusted ROE of 3.67%. The South Louisiana increase, net of TCJA effects considered outside of the earnings band and completion of COVID-19 asset recovery, is \$5 million based on a test year ended June 2023 and adjusted ROE of 5.47%. The TCJA refund impact to North Louisiana and South Louisiana was \$0.6 million and \$0.4 million, respectively. South Louisiana interim rates were implemented on December 28, 2023, subject to refund. North Louisiana interim rates were implemented on January 29, 2024. Staff reports issued on January 31, 2024 recommended disallowances of \$0.3 million and \$0.2 million in North and South Louisiana, respectively. LPSC voted to approve the January 2024 staff reports on April 19, 2024. Implementation occurred June 2024.
CenterPoint Energy and CERC - Mississippi (MPSC)					
RRA	11	May 2024	TBD	TBD	Based on ROE of 10.263% with 100 basis points (+/-) earnings band. Revenue increase of approximately \$11 million based on 2023 test year adjusted earned ROE of 5.11%. Interim increase of approximately \$1.3 million implemented May 31, 2024.
CenterPoint Energy - Indiana South - Gas (IURC)					
CSIA	4	April 2024	July 2024	TBD	Requested an increase of \$35 million to rate base, which reflects approximately \$3.6 million annual increase in current revenues. 80% of revenue requirement is included in requested rate increase and 20% is deferred until the next rate case. The mechanism also includes a change in (over)/under-recovery variance of \$0.03 million annually. OUC filed testimony on May 31, 2024 recommending removal and/or disallowance of certain capital costs. Rebuttal testimony was filed on June 14, 2024. Indiana South responded to IURC Docket Entry questions on June 26, 2024, prior to the Evidentiary hearing on June 27, 2024. Indiana South's proposed order was filed June 28, 2024, with OUC's exceptions to the proposed order filed on July 10, 2024. Indiana South's reply to OUC's proposed order filed on July 19, 2024.
CenterPoint Energy and CERC - Indiana North - Gas (IURC)					
CSIA	9	April 2024	July 2024	TBD	Requested an increase of \$97 million to rate base, which reflects approximately \$9.4 million annual increase in current revenues. 80% of revenue requirement is included in requested rate increase and 20% is deferred until the next rate case. The mechanism also includes a change in (over)/under-recovery variance of \$1 million annually. OUC filed testimony on May 31, 2024. Rebuttal testimony was filed June 14, 2024. Indiana North responded to IURC Docket Entry questions on June 26, 2024, prior to Evidentiary hearing on June 27, 2024. Indiana North's proposed order was filed June 28, 2024, with OUC's exceptions to the proposed order filed on July 10, 2024. Indiana North's reply to OUC's proposed order filed on July 19, 2024.
CenterPoint Energy and CERC - Ohio - Gas (PUCO)					
DRR	12	May 2024	TBD	TBD	Requested an increase of \$77 million to rate base for investments made in 2023, which reflects a \$12 million annual increase in current revenues. A change in (over)/under-recovery variance of \$0.8 million annually is also included in rates. PUCO staff and intervenor (Ohio Consumers' Counsel) filed comments June 28, 2024. PUCO staff recommended approval. Ohio Consumers' Counsel commented on affordability and provided potential solutions including stretching out the replacement program over a longer period of time, phasing in the annual increase, shifting from fixed charges to volumetric charges, and increasing funding for its bill assistance programs. A statement informing PUCO whether the issues raised in comments have been resolved was filed July 12, 2024. Supplemental Testimony from CEOH and OCC was filed July 23, 2024. A hearing is expected to be held July 30, 2024, with witnesses excused.

Mechanism	Annual Increase (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
CEP	3	March 2024	TBD	TBD	See discussion above under <i>Ohio Capital Expenditure Program</i> .
CenterPoint Energy - Indiana Electric (IURC)					
Rate Case	80	December 2023	TBD	TBD	See discussion above under <i>Indiana Electric Rate Case</i> .
TDSIC	5	February 2024	May 2024	May 2024	Requested an increase of \$36 million to rate base, which reflects a \$5 million annual increase in current revenues. 80% of the revenue requirement is included in requested rate increase and 20% is deferred until next rate case. The mechanism also includes a change in (over)/under-recovery variance and a tax reform credit for a total of \$1 million. The OUCC filed testimony on April 2, 2024, Indiana Electric did not file rebuttal and the evidentiary hearing was held on April 30, 2024. An order approving the request was issued on May 17, 2024 and was effective May 16, 2024.
CECA	—	February 2024	May 2024	June 2024	Requested a decrease of \$1 million to rate base, which reflects no change in current revenues. The mechanism also includes a change in (over)/under-recovery variance of \$0.1 million. OUCC filed testimony on April 2, 2024, recommending a \$0.3 million reduction in the revenue requirement, comprised almost entirely of a reduction in estimated operation and maintenance expenses and a small offset to capital investment for grant funding. Indiana Electric filed rebuttal testimony on April 9, 2024, disagreeing with the OUCC's reasoning behind the recommended reductions, but in an effort to help address affordability concerns, agreed to make one-time adjustment in this proceeding. The evidentiary hearing was held on April 23, 2024. The final order was issued May 29, 2024, approving rates effective June 1, 2024.
ECA	6	May 2024	TBD	TBD	Requested an increase of \$48 million to rate base, which reflects a \$6 million annual increase in current revenues. Eighty percent of the revenue requirement is included in the requested rate increase and 20% is deferred until next rate case. The mechanism also includes a reduction in the under-recovery variance of \$1 million. The OUCC filed testimony on July 1, 2024 recommending approval. Indiana Electric did not file rebuttal. The evidentiary hearing is scheduled for July 31, 2024.

(1) Represents proposed increases (decreases) when effective date and/or approval date is not yet determined. Approved rates could differ materially from proposed rates.

Inflation Reduction Act (IRA)

On August 16, 2022, the IRA was signed into law. The new law extends or creates tax-related energy incentives for solar, wind and alternative clean energy sources, implements, subject to certain exceptions, a 1% tax on share repurchases after December 31, 2022, and implements a 15% CAMT based on the adjusted financial statement income of certain large corporations. Corporations are entitled to a CAMT credit to the extent CAMT liability exceeds regular tax liability, which can be carried forward indefinitely and used in future years when regular tax exceeds the CAMT. It is likely that the Registrants will owe CAMT in excess of their regular tax liability beginning in 2024. As a result, the Registrants may experience a temporary increase in federal cash tax liability due to this provision beginning in 2024.

Greenhouse Gas Regulation and Compliance (CenterPoint Energy)

On August 3, 2015, the EPA released its CPP rule, which required a 32% reduction in carbon emissions from 2005 levels. The final rule was published in the Federal Register on October 23, 2015, and that action was immediately followed by litigation ultimately resulting in the U.S. Supreme Court staying implementation of the rule. On July 8, 2019, the EPA published the ACE rule, which (i) repealed the CPP rule; (ii) replaced the CPP rule with a program that requires states to implement a program of energy efficiency improvement targets for individual coal-fired electric generating units; and (iii) amended the implementing regulations for Section 111(d) of the Clean Air Act. On January 19, 2021, the majority of the ACE rule — including the CPP repeal, CPP replacement, and the timing-related portions of the Section 111(d) implementing rule — was struck down by the U.S. Court of Appeals for the D.C. Circuit and on October 29, 2021, the U.S. Supreme Court agreed to consider four petitions filed by various coal interests and a coalition of 19 states. On June 30, 2022, the U.S. Supreme Court ruled that the EPA exceeded its authority in promulgating the CPP. On May 11, 2023, the EPA announced proposed emission limits and guidelines for carbon dioxide from fossil fuel-fired power plants under Section 111 of the Clean Air Act which, if finalized, apply new GHG performance standards for those existing coal-fired units expected to continue operation beyond December 31, 2029. On February 29, 2024, the EPA announced that it would be delaying the rulemaking as applied to existing natural gas-fired units. On April 25, 2024, the EPA released its New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, Reconstructed Fossil Fuel-Fired Units; Emission Guidelines for Greenhouse Gas Emissions

From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule. CenterPoint Energy is currently reviewing this rule, but would note that CenterPoint Energy does not currently have plans to operate any of its coal-fired units beyond December 2029.

The Biden administration recommitted the United States to the Paris Agreement, which has driven a renewed regulatory push to require further GHG emission reductions from the energy sector, and led negotiations at the global climate conference in Glasgow, Scotland. On April 22, 2021, President Biden announced new goals of 50% reduction of economy-wide GHG emissions, and 100% carbon-free electricity by 2035 from a 2021 baseline, which formed the basis of the U.S. commitments announced in Glasgow. In September 2021, CenterPoint Energy announced its net zero emissions goals for both Scope 1 emissions and certain Scope 2 emissions by 2035 as well as a goal to reduce certain Scope 3 emissions by 20% to 30% by 2035. Because Texas is an unregulated market, CenterPoint Energy's Scope 2 emissions estimates do not take into account Texas electric transmission and distribution assets in the line loss calculation and, in addition, exclude emissions related to purchased power in Indiana between 2024 and 2026 as estimated. CenterPoint Energy's Scope 3 emissions estimates are based on the total natural gas supply delivered to residential and commercial customers as reported in the U.S. Energy Information Administration (EIA) Form EIA-176 reports and do not take into account the emissions of transport customers and emissions related to upstream extraction. These emission goals are expected to be used to position CenterPoint Energy to comply with anticipated future regulatory requirements from the current and future administrations to further reduce GHG emissions. CenterPoint Energy's and CERC's revenues, operating costs and capital requirements could be adversely affected as a result of any regulatory action that would require installation of new control technologies or a modification of their operations or would have the effect of reducing the consumption of natural gas. The IRA established the Methane Emissions Reduction Program, which imposes a charge on methane emissions from certain natural gas transmission facilities, and the EPA has proposed new regulations targeting reductions in methane emissions, which if implemented will increase costs related to production, transmission and storage of natural gas.

CenterPoint Energy's net zero emissions goals are aligned with Indiana Electric's generation transition plan and are expected to position Indiana Electric to comply with anticipated future regulatory requirements related to GHG emissions reductions. Houston Electric, in contrast to some electric utilities including Indiana Electric, does not generate electricity, other than TEEEF, and thus is not directly exposed to the risk of high capital costs and regulatory uncertainties that face electric utilities that burn fossil fuels to generate electricity. Nevertheless, Houston Electric's and Indiana Electric's revenues could be adversely affected to the extent any resulting regulatory action has the effect of reducing consumption of electricity by ultimate consumers within their respective service territories. Likewise, incentives to conserve energy or to use energy sources other than natural gas could result in a decrease in demand for the Registrants' services. For example, Minnesota has enacted the Natural Gas Innovation Act that seeks to provide customers with access to renewable energy resources and innovative technologies, with the goal of reducing GHG emissions. Further, certain local government bodies have introduced or are considering requirements and/or incentives to reduce energy consumption by certain specified dates. For example, Minneapolis has adopted carbon emission reduction goals in an effort to decrease reliance on natural gas. Additionally, cities in Minnesota within CenterPoint Energy's Natural Gas operational footprint are considering initiatives to eliminate natural gas use in buildings and focus on electrification. Also, Minnesota cities may consider seeking legislative authority for the ability to enact voluntary enhanced energy standards for all development projects. These initiatives could have a significant impact on CenterPoint Energy and its operations, and this impact could increase if other cities and jurisdictions in its service area enact similar initiatives. Further, our third-party suppliers, vendors and partners may also be impacted by climate change laws and regulations, which could impact CenterPoint Energy's business by, among other things, causing permitting and construction delays, project cancellations or increased project costs passed on to CenterPoint Energy. Conversely, regulatory actions that effectively promote the consumption of natural gas because of its lower emissions characteristics would be expected to benefit CenterPoint Energy and CERC and their natural gas-related businesses. At this time, however, we cannot quantify the magnitude of the impacts from possible new regulatory actions related to GHG emissions, either positive or negative, on the Registrants' businesses.

Compliance costs and other effects associated with climate change, reductions in GHG emissions and obtaining renewable energy sources remain uncertain. Although the amount of compliance costs remains uncertain, any new regulation or legislation relating to climate change will likely result in an increase in compliance costs. While the requirements of a federal or state rule remain uncertain, CenterPoint Energy will continue to monitor regulatory activity regarding GHG emission standards that may affect its business. Currently, CenterPoint Energy does not purchase carbon credits. In connection with its net zero emissions goals, CenterPoint Energy is expected to purchase carbon credits in the future; however, CenterPoint Energy does not currently expect the number of credits, or cost for those credits, to be material.

Climate Change Trends and Uncertainties

As a result of increased attention regarding climate change, coupled with adverse economic conditions, availability of alternative energy sources, including private solar, microturbines, fuel cells, energy-efficient buildings and energy storage

devices, and new regulations restricting emissions, including potential regulations of methane emissions, some consumers and companies may use less energy, meet their own energy needs through alternative energy sources or avoid expansions of their facilities, including natural gas facilities, resulting in less demand for the Registrants' services. As these technologies likely become more cost-competitive option over time, whether through cost effectiveness or government incentives and subsidies, certain customers may choose to meet their own energy needs and subsequently decrease usage of the Registrants' systems and services, which may result in, among other things, Indiana Electric's generating facilities becoming less competitive and economical. Further, evolving investor sentiment related to the use of fossil fuels and initiatives to restrict continued production of fossil fuels have had significant impacts on CenterPoint Energy's electric generation and natural gas businesses. For example, because Indiana Electric's current generating facilities substantially rely on coal for their operations, certain financial institutions choose not to participate in CenterPoint Energy's financing arrangements. Conversely, demand for the Registrants' services may increase as a result of customer changes in response to climate change. For example, as the expected utilization of electric vehicles increases, demand for electricity may increase, resulting in increased usage of CenterPoint Energy's systems and services. Any negative opinions with respect to CenterPoint Energy's environmental practices or its ability to meet the challenges posed by climate change formed by regulators, customers, investors, legislators or other stakeholders could harm its reputation.

To address these developments, CenterPoint Energy announced its net zero emissions goals for both Scope 1 emissions and certain Scope 2 emissions by 2035. Indiana Electric's 2019/2020 IRP identified a preferred portfolio that retires 730 MW of coal-fired generation facilities and replaces these resources with a mix of generating resources composed primarily of renewables, including solar, wind, and solar with storage, supported by dispatchable natural gas combustion turbines including a pipeline to serve such natural gas generation. Indiana Electric continues to execute on its 2019/2020 IRP and has received initial approvals for 626 MWs of the 700-1,000 MWs identified within Indiana Electric's 2019/2020 IRP. Additionally, as reflected in its 10-year capital plan announced in September 2021, CenterPoint Energy anticipates spending over \$3 billion in cleaner energy investments and enablement, which may be used to support, among other things, renewable energy generation and electric vehicle expansion. CenterPoint Energy believes its planned investments in renewable energy generation and corresponding planned reduction in its GHG emissions as part of its net zero emissions goals support global efforts to reduce the impacts of climate change. Indiana Electric has conducted a new IRP, which was submitted to the IURC in May 2023, to identify an appropriate generation resource portfolio to satisfy the needs of its customers and comply with environmental regulations. The proposed preferred portfolio is the second evolution to the generation transition plan to move away from coal-fired generation to a more sustainable portfolio of resources. Under the proposed preferred portfolio, Indiana Electric plans to convert its last remaining coal unit to natural gas by the end of 2027 and to add a significant amount of additional renewable resources through 2033. For more information regarding CenterPoint Energy's net zero emission goals and the risks associated with them, see "Risk Factors — Risk Factors Affecting Regulatory, Environmental and Legal Risks — CenterPoint Energy is subject to operational and financial risks..." in Item 1A of Part I of the Registrants' combined 2023 Form 10-K.

To the extent climate changes result in warmer temperatures in the Registrants' service territories, financial results from the Registrants' businesses could be adversely impacted. For example, CenterPoint Energy's and CERC's Natural Gas could be adversely affected through lower natural gas sales. On the other hand, warmer temperatures in CenterPoint Energy's and Houston Electric's electric service territory may increase revenues from transmission and distribution and generation through increased demand for electricity used for cooling. Another possible result of climate change is more frequent and more severe weather events, such as hurricanes, tornadoes and flooding, including such storms as the February 2021 Winter Storm Event, the May 2024 Storm Events and Hurricane Beryl. Since many of the Registrants' facilities are located along or near the Texas gulf coast, increased or more severe weather events, such as hurricanes, tornadoes or flooding, could increase costs to repair damaged facilities and restore service to customers. CenterPoint Energy's current 10-year capital plan includes capital expenditures to enhance reliability and safety and increase resiliency of its systems as climate change may result in more frequent significant weather events. Houston Electric does not own or operate any electric generation facilities other than, since September 2021, its operation of TEEEF. Houston Electric transmits and distributes to customers of REPs electric power that the REPs obtain from power generation facilities owned by third parties. To the extent adverse weather conditions affect the Registrants' suppliers, results from their energy delivery businesses may suffer. For example, in Texas, the February 2021 Winter Storm Event caused an electricity generation shortage that was severely disruptive to Houston Electric's service territory and the wholesale generation market and also caused a reduction in available natural gas capacity. Additionally, the May 2024 Storm Events and Hurricane Beryl caused significant damage to Houston Electric's electric delivery system and resulted in electric service interruptions peaking at an estimated 922,000 customers and an estimated 2.26 million customers, respectively. When the Registrants cannot deliver electricity or natural gas to customers, or customers cannot receive services, the Registrants' financial results can be impacted by lost revenues, and they generally must seek approval from regulators to recover restoration costs. To the extent the Registrants are unable to recover those costs, or if higher rates resulting from recovery of such costs result in reduced demand for services, the Registrants' future financial results may be adversely impacted. Further, as the intensity and frequency of significant weather events continues, it may impact our ability to secure cost-efficient insurance.

On March 6, 2024, the SEC adopted final rules that require the Registrants to disclose certain climate-related information in registration statements and annual reports. The final rules require Registrants to disclose, among other things, material climate-related risks, activities to mitigate such risks and information about the Registrants’ board of directors’ oversight and management’s role in managing material climate-related risks. The final rule also requires the Registrants to provide information related to any climate-related targets or goals that are material to the Registrants’ businesses, results of operations, or financial condition. Litigation challenging the new rule was filed by multiple parties in multiple jurisdictions, which have been consolidated and assigned to the U.S. Court of Appeals for the Eighth Circuit. On April 4, 2024, the SEC announced that it is voluntarily delaying the implementation of the climate disclosure regulations while the U.S. Court of Appeals considers the litigation. While a majority of the reporting requirements would have been applicable to the Registrants in the fiscal year beginning in 2025, with the addition of assurance reporting for GHG inventories starting in 2029 for large accelerated filers, as of April 12, 2024, the effective date of the final rules has been delayed indefinitely and the SEC has indicated that it will publish a document in the Federal Register at the conclusion of the stay addressing a new effective date for the final rules. The Registrants continue to evaluate the impact of the final rules on their respective consolidated financial statements and related disclosures.

Other Matters

Credit Facilities

The Registrants may draw on their respective revolving credit facilities from time to time to provide funds used for general corporate and limited liability company purposes, including to backstop CenterPoint Energy’s and CERC’s commercial paper programs. The facilities may also be utilized to obtain letters of credit. For further details related to the Registrants’ revolving credit facilities, see Note 11 to the Interim Condensed Financial Statements.

Based on the consolidated debt to capitalization covenant in the Registrants’ revolving credit facilities, the Registrants would have been permitted to utilize the full capacity of such revolving credit facilities, which aggregated approximately \$4.0 billion as of June 30, 2024. As of July 22, 2024, the Registrants had the following revolving credit facilities and utilization of such facilities:

Registrant	Size of Facility	Amount Utilized as of July 22, 2024			Commercial Paper	Weighted Average Interest Rate	Termination Date
		Loans	Letters of Credit	(in millions)			
CenterPoint Energy	\$ 2,400	\$ —	\$ —	\$ 1,062	5.46%	December 6, 2027	
CenterPoint Energy (1)	250	—	—	—	—%	December 6, 2027	
Houston Electric	300	—	—	—	—%	December 6, 2027	
CERC	1,050	—	1	—	—%	December 6, 2027	
Total	\$ 4,000	\$ —	\$ 1	\$ 1,062			

(1) This credit facility was issued by SIGECO.

Borrowings under each of the revolving credit facilities are subject to customary terms and conditions. However, there is no requirement that the borrower makes representations prior to borrowing as to the absence of material adverse changes or litigation that could be expected to have a material adverse effect. Borrowings under each of the revolving credit facilities are subject to acceleration upon the occurrence of events of default that we consider customary. The revolving credit facilities also provide for customary fees, including commitment fees, administrative agent fees, fees in respect of letters of credit and other fees. In each of the revolving credit facilities, the spread to SOFR and the commitment fees fluctuate based on the borrower’s credit rating. Each of the Registrant’s credit facilities provide for a mechanism to replace SOFR with possible alternative benchmarks upon certain benchmark replacement events. The borrowers are currently in compliance with the various business and financial covenants in the four revolving credit facilities.

Debt Transactions

For detailed information about the Registrants’ debt transactions to date in 2024, see Note 11 to the Interim Condensed Financial Statements.

Securities Registered with the SEC

On May 17, 2023, the Registrants filed a joint shelf registration statement with the SEC registering indeterminate principal amounts of Houston Electric’s general mortgage bonds, CERC Corp.’s senior debt securities and CenterPoint Energy’s senior debt securities and junior subordinated debt securities and an indeterminate number of shares of Common Stock, shares of preferred stock, depository shares, as well as stock purchase contracts and equity units. The joint shelf registration statement will expire on May 17, 2026. For information related to the Registrants’ debt issuances in 2024, see Note 11 to the Interim Condensed Financial Statements.

Additionally, for information related to shares of Common Stock sold pursuant to the CenterPoint Energy Equity Distribution Agreement, see Note 18 to the Interim Condensed Financial Statements.

Temporary Investments

As of July 22, 2024, the Registrants had no temporary investments.

Money Pool

The Registrants participate in a money pool through which they and certain of their subsidiaries can borrow or invest on a short-term basis. Funding needs are aggregated and external borrowing or investing is based on the net cash position. The net funding requirements of the CenterPoint Energy money pool are expected to be met with borrowings under CenterPoint Energy’s revolving credit facility or the sale of CenterPoint Energy’s commercial paper. The net funding requirements of the CERC money pool are expected to be met with borrowings under CERC’s revolving credit facility or the sale of CERC’s commercial paper. The money pool may not provide sufficient funds to meet the Registrants’ cash needs.

The table below summarizes CenterPoint Energy money pool activity by Registrant as of July 22, 2024:

	Weighted Average Interest Rate	Houston Electric	CERC
		(in millions)	
Money pool investments	5.53%	\$ 182	\$ 6

Impact on Liquidity of a Downgrade in Credit Ratings

The interest rate on borrowings under the credit facilities is based on each respective borrower’s credit ratings. As of July 22, 2024, Moody’s, S&P and Fitch had assigned the following credit ratings to the borrowers:

Registrant	Borrower/Instrument	Moody’s		S&P		Fitch	
		Rating	Outlook (1)	Rating	Outlook (2)	Rating	Outlook (3)
CenterPoint Energy	CenterPoint Energy Senior Unsecured Debt	Baa2	Stable	BBB	Negative	BBB	Negative
CenterPoint Energy	Vectren Corp. Issuer Rating	n/a	n/a	BBB+	Negative	n/a	n/a
CenterPoint Energy	SIGECO Senior Secured Debt	A1	Stable	A	Negative	n/a	n/a
Houston Electric	Houston Electric Senior Secured Debt	A2	Stable	A	Negative	A	Negative
CERC	CERC Corp. Senior Unsecured Debt	A3	Stable	BBB+	Negative	A-	Negative
CERC	Indiana Gas Senior Unsecured Debt	n/a	n/a	BBB+	Negative	n/a	n/a

- (1) A Moody’s rating outlook is an opinion regarding the likely direction of an issuer’s rating over the medium term.
- (2) An S&P outlook assesses the potential direction of a long-term credit rating over the intermediate to longer term.
- (3) A Fitch rating outlook indicates the direction a rating is likely to move over a one- to two-year period.

The Registrants cannot assure that the ratings set forth above will remain in effect for any given period of time or that one or more of these ratings will not be lowered or withdrawn entirely by a rating agency. The Registrants note that these credit ratings are included for informational purposes and are not recommendations to buy, sell or hold the Registrants’ securities and may be revised or withdrawn at any time by the rating agency. Each rating should be evaluated independently of any other rating. Any future reduction or withdrawal of one or more of the Registrants’ credit ratings could have a material adverse impact on the Registrants’ ability to obtain short- and long-term financing, the cost of such financings and the execution of the Registrants’ commercial strategies.

A decline in credit ratings could increase borrowing costs under the Registrants' revolving credit facilities. If the Registrants' credit ratings had been downgraded one notch by S&P and Moody's from the ratings that existed as of June 30, 2024, the impact on the borrowing costs under the four revolving credit facilities would have been insignificant. A decline in credit ratings would also increase the interest rate on long-term debt to be issued in the capital markets and could negatively impact the Registrants' ability to complete capital market transactions and to access the commercial paper market. Additionally, a decline in credit ratings could increase cash collateral requirements and reduce earnings of CenterPoint Energy's and CERC's Natural Gas reportable segments.

Pipeline tariffs and contracts typically provide that if the credit ratings of a shipper or the shipper's guarantor drop below a threshold level, which is generally investment grade ratings from both Moody's and S&P, cash or other collateral may be demanded from the shipper in an amount equal to the sum of three months' charges for pipeline services plus the unrecovered cost of any lateral built for such shipper. If the credit ratings of CERC Corp. decline below the applicable threshold levels, CERC might need to provide cash or other collateral of up to \$179 million as of June 30, 2024. The amount of collateral will depend on seasonal variations in transportation levels.

ZENS and Securities Related to ZENS (CenterPoint Energy)

If CenterPoint Energy's creditworthiness were to drop such that ZENS holders thought CenterPoint Energy's liquidity was adversely affected or the market for the ZENS were to become illiquid, some ZENS holders might decide to exchange their ZENS for cash. Funds for the payment of cash upon exchange could be obtained from the sale of the shares of ZENS-Related Securities that CenterPoint Energy owns or from other sources. CenterPoint Energy owns shares of ZENS-Related Securities equal to approximately 100% of the reference shares used to calculate its obligation to the holders of the ZENS. ZENS exchanges result in a cash outflow because tax deferrals related to the ZENS and shares of ZENS-Related Securities would typically cease when ZENS are exchanged or otherwise retired and shares of ZENS-Related Securities are sold. The ultimate tax liability related to the ZENS and ZENS-Related Securities continues to increase by the amount of the tax benefit realized each year, and there could be a significant cash outflow when the taxes are paid as a result of the retirement or exchange of the ZENS. If all ZENS had been exchanged for cash on June 30, 2024, deferred taxes of approximately \$779 million would have been payable in 2024. If all the ZENS-Related Securities had been sold on June 30, 2024, capital gains taxes of approximately \$67 million would have been payable in 2024 based on 2024 tax rates in effect. For additional information about ZENS, see Note 10 to the Interim Condensed Financial Statements.

Cross Defaults

Under each of CenterPoint Energy's, Houston Electric's and CERC's respective revolving credit facilities, a payment default on, or a non-payment default, event or condition that permits acceleration of, any indebtedness for borrowed money and certain other specified types of obligations (including guarantees) exceeding \$125 million by the borrower or any of their respective significant subsidiaries will cause a default under such borrower's respective credit facility or term loan agreement. Under SIGECO's revolving credit facility, a payment default on, or a non-payment default, event or condition that permits acceleration of, any indebtedness for borrowed money and certain other specific types of obligations (including guarantees) exceeding \$75 million by SIGECO or any of its significant subsidiaries will cause a default under SIGECO's credit facility. A default by CenterPoint Energy would not trigger a default under its subsidiaries' debt instruments or revolving credit facilities.

Possible Acquisitions, Divestitures and Joint Ventures

From time to time, the Registrants consider the acquisition or the disposition of assets or businesses or possible joint ventures, strategic initiatives or other joint ownership arrangements with respect to assets or businesses. Any determination to take action in this regard will be based on market conditions and opportunities existing at the time, and accordingly, the timing, size or success of any efforts and the associated potential capital commitments are unpredictable. The Registrants may seek to fund all or part of any such efforts with proceeds from debt and/or equity issuances. Debt or equity financing may not, however, be available to the Registrants at that time due to a variety of events, including, among others, maintenance of our credit ratings, industry conditions, general economic conditions, market conditions and market perceptions. CenterPoint Energy has increased its planned capital expenditures in its Electric and Natural Gas businesses multiple times over the recent years to support rate base growth and may continue to do so in the future. The Registrants may continue to explore asset sales as a means to efficiently finance a portion of its increased capital expenditures in the future, subject to the considerations listed above. For further information, see Note 3 to the Interim Condensed Financial Statements.

On February 19, 2024, CenterPoint Energy, through its subsidiary CERC Corp., entered into the LAMS Asset Purchase Agreement to sell its Louisiana and Mississippi natural gas LDC businesses. The transaction is expected to close in the first quarter of 2025. For further information, see Note 3 to the Interim Condensed Financial Statements.

Hedging of Interest Expense for Future Debt Issuances

From time to time, the Registrants may enter into interest rate agreements to hedge, in part, volatility in the U.S. treasury rates by reducing variability in cash flows related to interest payments. For further information, see Note 7(a) to the Interim Condensed Financial Statements.

Collection of Receivables from REPs (CenterPoint Energy and Houston Electric)

Houston Electric's receivables from the distribution of electricity are collected from REPs that supply the electricity Houston Electric distributes to their customers. Before conducting business, a REP must register with the PUCT and must meet certain financial qualifications. Nevertheless, adverse economic conditions, weather events such as the February 2021 Winter Storm Event, structural problems in the market served by ERCOT or financial difficulties of one or more REPs could impair the ability of these REPs to pay for Houston Electric's services or could cause them to delay such payments. Houston Electric depends on these REPs to remit payments on a timely basis, and any delay or default in payment by REPs could adversely affect Houston Electric's cash flows. In the event of a REP default, Houston Electric's tariff provides a number of remedies, including the option for Houston Electric to request that the PUCT suspend or revoke the certification of the REP. Applicable regulatory provisions require that customers be shifted to another REP or a provider of last resort if a REP cannot make timely payments. However, Houston Electric remains at risk for payments related to services provided prior to the shift to the replacement REP or the provider of last resort. If a REP were unable to meet its obligations, it could consider, among various options, restructuring under the bankruptcy laws, in which event such REP might seek to avoid honoring its obligations and claims might be made against Houston Electric involving payments it had received from such REP. If a REP were to file for bankruptcy, Houston Electric may not be successful in recovering accrued receivables owed by such REP that are unpaid as of the date the REP filed for bankruptcy. However, PUCT regulations authorize utilities, such as Houston Electric, to defer bad debts resulting from defaults by REPs for recovery in future rate cases, subject to a review of reasonableness and necessity.

Other Factors that Could Affect Cash Requirements

In addition to the above factors, the Registrants' liquidity and capital resources could also be negatively affected by:

- cash collateral requirements that could exist in connection with certain contracts, including weather hedging arrangements, and natural gas purchases, natural gas price and natural gas storage activities of CenterPoint Energy's and CERC's Natural Gas reportable segment;
- acceleration of payment dates on certain gas supply contracts, under certain circumstances, as a result of increased natural gas prices, and concentration of natural gas suppliers (CenterPoint Energy and CERC);
- increased costs related to the acquisition of natural gas (CenterPoint Energy and CERC);
- increases in interest expense in connection with debt refinancings and borrowings under credit facilities or term loans or the use of alternative sources of financings, including financings due to the May 2024 Storm Events and Hurricane Beryl, on capital and other financial markets;
- various legislative or regulatory actions, including such actions in response to the May 2024 Storm Events and Hurricane Beryl;
- incremental collateral, if any, that may be required due to regulation of derivatives (CenterPoint Energy);
- the ability of REPs, including REP affiliates of NRG and Vistra Energy Corp., to satisfy their obligations to CenterPoint Energy and Houston Electric;
- slower customer payments and increased write-offs of receivables due to higher natural gas prices, changing economic conditions, public health threats or severe weather events, such as the May 2024 Storm Events and Hurricane Beryl (CenterPoint Energy and CERC);
- the satisfaction of any obligations pursuant to guarantees;
- the outcome of litigation, including litigation related to the February 2021 Winter Storm Event and Hurricane Beryl;
- contributions to pension and postretirement benefit plans;
- recovery of any losses under applicable insurance policies;
- restoration costs and revenue losses resulting from future natural disasters such as hurricanes or other severe weather events, such as the May 2024 Storm Events and Hurricane Beryl, and the timing of recovery of such restoration costs; and
- various other risks identified in "Risk Factors" in [Item 1A of Part I of the Registrants' combined 2023 Form 10-K](#).

Certain Contractual Limits on Our Ability to Issue Securities and Borrow Money

Certain provisions in certain note purchase agreements relating to debt issued by CERC have the effect of restricting the amount of secured debt issued by CERC and debt issued by subsidiaries of CERC Corp. Additionally, Houston Electric and SIGECO are limited in the amount of mortgage bonds they can issue by the General Mortgage and SIGECO's mortgage indenture, respectively. For information about the total debt to capitalization financial covenants in the Registrants' and SIGECO's revolving credit facilities, see Note 11 to the Interim Condensed Financial Statements.

CRITICAL ACCOUNTING POLICIES

A critical accounting policy is one that is both important to the presentation of the Registrants' financial condition and results of operations and requires management to make difficult, subjective or complex accounting estimates. An accounting estimate is an approximation made by management of a financial statement element, item or account in the financial statements. Accounting estimates in the Registrants' historical consolidated financial statements measure the effects of past business transactions or events, or the present status of an asset or liability. The accounting estimates described below require the Registrants to make assumptions about matters that are highly uncertain at the time the estimate is made. Additionally, different estimates that the Registrants could have used or changes in an accounting estimate that are reasonably likely to occur could have a material impact on the presentation of their financial condition, results of operations or cash flows. The circumstances that make these judgments difficult, subjective and/or complex have to do with the need to make estimates about the effect of matters that are inherently uncertain. Estimates and assumptions about future events and their effects cannot be predicted with certainty. The Registrants base their estimates on historical experience and on various other assumptions that they believe to be reasonable under the circumstances, the results of which form the basis for making judgments. These estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as the Registrants' operating environment changes.

Assets Held for Sale

Generally, a long-lived asset to be sold is classified as held for sale in the period in which management, with approval from the Board of Directors, as applicable, commits to a plan to sell, and a sale is expected to be completed within one year. The Registrants record assets and liabilities held for sale, or the disposal group, at the lower of their carrying value or their estimated fair value less cost to sell. If a disposal group reflects a component of a reporting unit and meets the definition of a business, the goodwill within that reporting unit is allocated to the disposal group based on the relative fair value of the components representing a business that will be retained and disposed. Goodwill is not allocated to a portion of a reporting unit that does not meet the definition of a business.

During the three and six months ended June 30, 2024, as described further in Note 3 to the Interim Condensed Financial Statements, certain assets and liabilities representing the Louisiana and Mississippi natural gas LDC businesses met the held for sale criteria. The sale will be considered an asset sale for tax purposes, requiring net deferred tax liabilities to be excluded from held for sale balances.

Fair value is the amount at which an asset, liability or business could be bought or sold in a current transaction between willing parties and may be estimated using a number of techniques, including quoted market prices, present value techniques based on estimates of cash flows, or multiples of earnings or revenue performance measures. The fair value could be different if different estimates and assumptions in these valuation techniques were applied.

Fair value measurements require significant judgment and often unobservable inputs, including (i) projected timing and amount of future cash flows, which factor in planned growth initiatives, (ii) the regulatory environment, as applicable, and (iii) discount rates reflecting risk inherent in the future market prices. Changes in these assumptions could have a significant impact on the resulting fair value.

For further information, see Note 3 to the Interim Condensed Financial Statements.

Other than the assets held for sale analysis discussed above, there have been no significant changes in our critical accounting policies during the six months ended June 30, 2024, as compared to the critical accounting policies disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Registrants' combined 2023 Form 10-K.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Houston Electric and CERC meet the conditions specified in General Instruction H(1)(a) and (b) to Form 10-Q and are therefore permitted to use the reduced disclosure format for wholly-owned subsidiaries of reporting companies. Accordingly, Houston Electric and CERC have omitted from this report the information called for by Item 3 (Quantitative and Qualitative Disclosures About Market Risk) of Part I of the Form 10-Q.

Interest Rate Risk (CenterPoint Energy)

As of June 30, 2024, the Registrants had outstanding long-term debt, lease obligations and CenterPoint Energy had obligations under its ZENS that subject them to the risk of loss associated with movements in market interest rates.

CenterPoint Energy's floating rate obligations aggregated \$1.0 billion and \$1.9 billion as of June 30, 2024 and December 31, 2023, respectively. If the floating interest rates were to increase by 100 basis points from June 30, 2024 rates, CenterPoint Energy's combined interest expense would increase by approximately \$10 million annually.

As of June 30, 2024 and December 31, 2023, CenterPoint Energy had outstanding fixed-rate debt (excluding indexed debt securities) aggregating \$18.3 billion and \$16.9 billion, respectively, in principal amount and having a fair value of \$16.9 billion and \$16.1 billion, respectively. Because these instruments are fixed-rate, they do not expose CenterPoint Energy to the risk of loss in earnings due to changes in market interest rates. However, the fair value of these instruments would increase by approximately \$676 million if interest rates were to decline by 10% from levels at June 30, 2024. In general, such an increase in fair value would impact earnings and cash flows only if CenterPoint Energy were to reacquire all or a portion of these instruments in the open market prior to their maturity. CenterPoint Energy has \$500 million of fixed-rate senior notes maturing in 2024 that are expected to be refinanced at then current market rates.

The ZENS obligation is bifurcated into a debt component and a derivative component. The debt component of \$4 million as of June 30, 2024 was a fixed-rate obligation and, therefore, did not expose CenterPoint Energy to the risk of loss in earnings due to changes in market interest rates. However, the fair value of the debt component would increase by less than \$1 million if interest rates were to decline by 10% from levels at June 30, 2024. Changes in the fair value of the derivative component, a \$538 million recorded liability at June 30, 2024, are recorded in CenterPoint Energy's Condensed Statements of Consolidated Income and, therefore, it is exposed to changes in the fair value of the derivative component as a result of changes in the underlying risk-free interest rate. If the risk-free interest rate were to increase by 10% from June 30, 2024 levels, the fair value of the derivative component liability would decrease by \$1 million, which would be recorded as a gain on indexed debt securities in CenterPoint Energy's Condensed Statements of Consolidated Income.

Equity Market Value Risk (CenterPoint Energy)

CenterPoint Energy is exposed to equity market value risk through its ownership of 10.2 million shares of AT&T Common, 0.9 million shares of Charter Common and 2.5 million shares of WBD Common, which CenterPoint Energy holds to facilitate its ability to meet its obligations under the ZENS. See Note 10 to the Interim Condensed Financial Statements for a discussion of CenterPoint Energy's ZENS obligation. Changes in the fair value of the ZENS-Related Securities held by CenterPoint Energy are expected to substantially offset changes in the fair value of the derivative component of the ZENS. A decrease of 10% from the June 30, 2024 aggregate market value of these shares would result in a net loss of less than \$1 million, which would be recorded as a loss on debt securities in CenterPoint Energy's Condensed Statements of Consolidated Income.

Commodity Price Risk From Non-Trading Activities (CenterPoint Energy and CERC)

CenterPoint Energy's regulated operations are exposed to commodity price risk during severe weather events such as hurricanes, tornadoes and severe winter weather conditions. Severe weather events can increase commodity prices related to natural gas, coal and purchased power, which may increase our costs of providing service, and those costs may not be recoverable in rates. Recovery of cost increases driven by rising commodity prices during severe weather events could be resisted by our regulators and our regulators might attempt to deny or defer timely recovery of those costs.

However, CenterPoint Energy's and CERC's regulated operations in Indiana have limited exposure to commodity price risk for transactions involving purchases and sales of natural gas, coal and purchased power for the benefit of retail customers due to current state regulations, which, subject to compliance with those regulations, allow for recovery of the cost of such purchases through natural gas and fuel cost adjustment mechanisms. CenterPoint Energy's and CERC's utility natural gas operations in Indiana have regulatory authority to lock in pricing for up to 50% of annual natural gas purchases using arrangements with an original term of up to 10 years. This authority has been utilized to secure fixed price natural gas using

both physical purchases and financial derivatives. As of June 30, 2024, the recorded fair value of non-trading energy derivative liabilities was \$5 million and \$4 million, respectively, for CenterPoint Energy's and CERC's utility natural gas operations in Indiana.

Although CenterPoint Energy's and CERC's regulated operations are exposed to limited commodity price risk, natural gas and coal prices have other effects on working capital requirements, interest costs, and some level of price-sensitivity in volumes sold or delivered. Constructive regulatory orders, such as those authorizing lost margin recovery, other innovative rate designs and recovery of unaccounted for natural gas and other natural gas-related expenses, also mitigate the effect natural gas costs may have on CenterPoint Energy's financial condition. In 2008, the PUCO approved an exit of the merchant function in CenterPoint Energy's and CERC's Ohio natural gas service territory, allowing Ohio customers to purchase substantially all natural gas directly from retail marketers rather than from CenterPoint Energy or CERC.

Item 4. CONTROLS AND PROCEDURES

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Registrants carried out separate evaluations, under the supervision and with the participation of each company's management, including the principal executive officer and principal financial officer, of the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report. Based on those evaluations, the principal executive officer and principal financial officer, in each case, concluded that the disclosure controls and procedures were effective as of June 30, 2024 to provide assurance that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and such information is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding disclosure.

There has been no change in the Registrants' internal controls over financial reporting that occurred during the three months ended June 30, 2024 that has materially affected, or is reasonably likely to materially affect, the Registrants' internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

For a description of material legal and regulatory proceedings, including environmental legal proceedings that involve a governmental authority as a party and that the Registrants reasonably believe would result in \$1,000,000 or more of monetary sanctions, exclusive of interest and costs, under federal, state and local laws that have been enacted or adopted regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment, affecting the Registrants, please read Note 13(c) to the Interim Condensed Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Future Sources and Uses of Cash" and "— Regulatory Matters," each of which is incorporated herein by reference. See also "[Business — Regulation](#)" and "[— Environmental Matters](#)" in Item 1 and "[Legal Proceedings](#)" in Item 3 of the Registrants' combined 2023 Form 10-K.

Item 1A. RISK FACTORS

Other than with respect to the risk factors set forth below, there have been no material changes from the risk factors disclosed in the Registrants' combined 2023 Form 10-K.

Hurricane Beryl caused severe disruptions to our operations, customers and markets in certain of our service territories and could have a material adverse impact on our financial condition, results of operations, cash flows and liquidity.

In July 2024, Hurricane Beryl made landfall in Texas, bringing sustained winds, storm surges and torrential rain, which impacted our operations, customers and personnel in our Texas Gulf Coast markets. Hurricane Beryl caused significant damage to Houston Electric's electric delivery system, resulting in a substantial number of its customers (peaking at more than an estimated 2.26 million customers out of 2.8 million customers) being without power, many for extended periods of time.

The total cost for the restoration of Houston Electric's electric delivery facilities as a result of Hurricane Beryl is currently estimated to be in the range of \$1.2 billion to \$1.3 billion, but such estimate is preliminary and restoration costs ultimately incurred could vary from that estimate. Houston Electric believes it is entitled to recover prudently incurred storm restoration costs in accordance with applicable regulatory and legal principles. However, neither the amount nor timing of the recovery is certain. Houston Electric's failure to recover costs incurred as a result of Hurricane Beryl could adversely affect our liquidity, cash flows and financial condition.

Various federal, state and local governmental and regulatory agencies and other entities, such as the Texas Governor’s office, the Texas Legislature and the PUCT, have called for or are conducting inquiries and investigations into Hurricane Beryl and the efforts made by Houston Electric to prepare for, and respond to, this event, including the electric service outage issues. Moreover, additional governmental and regulatory agencies and other entities may conduct such inquiries and investigations, as well. There are significant uncertainties around these inquiries and investigations and potential results and consequences, including whether any financial penalties will be assessed or changes to Houston Electric’s system, service territories, operations and/or regulatory treatment will result therefrom. If these or other inquiries, investigations or reviews ultimately result in changes to Houston Electric’s system, service territories, operations and/or regulatory treatment, such changes could have a material adverse impact on our business, results of operations, cash flows and financial condition.

CenterPoint Energy and Houston Electric are subject to current and potential future litigation and claims arising out of Hurricane Beryl, which litigation and claims could include allegations of, among other things, personal injury, property damage, various economic losses in connection with loss of power, unlawful business practices, and others. Several lawsuits have been filed against CenterPoint Energy and/or Houston Electric, including three putative class actions claiming losses due to power outages following Hurricane Beryl and each seeking damages in excess of \$100 million for, among other things, business interruption, property damage and loss, cost of repair, loss of use and market value, lost income, nuisance, extreme mental anguish and/or punitive damages. CenterPoint Energy and its subsidiaries have general and excess liability insurance policies that provide coverage for third party bodily injury and property damage claims. Given the nature of some allegations, however, it is possible that the insurers could dispute coverage for some types of claims or damages that may be alleged by plaintiffs. CenterPoint Energy and Houston Electric intend to continue to pursue all available insurance coverage for all of these matters. While CenterPoint Energy and Houston Electric intend to vigorously defend themselves against the lawsuits, final resolution of these matters, or any potential future claims or liabilities, may require expenditures that may be in excess of established insurance or reserves and may have a material adverse effect on the Registrants’ financial condition, results of operation, cash flows and liquidity.

Item 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the three months ended June 30, 2024, no director or officer of CenterPoint Energy, Houston Electric or CERC adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Item 6. EXHIBITS

Exhibits filed herewith are designated by a cross (†); all exhibits not so designated are incorporated by reference to a prior filing as indicated. Agreements included as exhibits are included only to provide information to investors regarding their terms. The agreements listed below may contain representations, warranties and other provisions that were made, among other things, to provide the parties thereto with specified rights and obligations and to allocate risk among them, and such agreements should not be relied upon as constituting or providing any factual disclosures about the Registrants, any other persons, any state of affairs or other matters.

Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrants have not filed as exhibits to this combined Form 10-Q certain long-term debt instruments, including indentures, under which the total amount of securities authorized does not exceed 10% of the total assets of the Registrants and its subsidiaries on a consolidated basis. The Registrants hereby agree to furnish a copy of any such instrument to the SEC upon request.

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference	CenterPoint Energy	Houston Electric	CERC
2.1*	Agreement and Plan of Merger, dated as of April 21, 2018, by and among Vectren Corporation, CenterPoint Energy, Inc. and Pacer Merger Sub, Inc.	CenterPoint Energy’s Form 8-K dated April 21, 2018	1-31447	2.1	x		
2.2*	Asset Purchase Agreement, dated February 19, 2024, among CenterPoint Energy Resources Corp. and Delta Utilities No. LA, LLC, Delta Utilities S. LA, LLC, Delta Utilities MS, LLC, and Delta Shared Services Co., LLC	CenterPoint Energy’s Form 8-K dated February 19, 2024	1-31447	1.1	x		x

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference	CenterPoint Energy	Houston Electric	CERC
3.1	Restated Articles of Incorporation of CenterPoint Energy	CenterPoint Energy's Form 8-K dated July 24, 2008	1-31447	3.2	x		
3.2	Restated Certificate of Formation of Houston Electric	Houston Electric's Form 10-Q for the quarter ended June 30, 2011	1-3187	3.1		x	
3.3	Certificate of Incorporation of RERC Corp.	CERC Form 10-K for the year ended December 31, 1997	1-13265	3(a)(1)			x
3.4	Certificate of Merger merging former NorAm Energy Corp. with and into HI Merger, Inc. dated August 6, 1997	CERC Form 10-K for the year ended December 31, 1997	1-13265	3(a)(2)			x
3.5	Certificate of Amendment changing the name to Reliant Energy Resources Corp.	CERC Form 10-K for the year ended December 31, 1998	1-13265	3(a)(3)			x
3.6	Certificate of Amendment changing the name to CenterPoint Energy Resources Corp.	CERC Form 10-Q for the quarter ended June 30, 2003	1-13265	3(a)(4)			x
3.7	Fourth Amended and Restated Bylaws of CenterPoint Energy	CenterPoint Energy's Form 10-K for the year ended December 31, 2023	1-31447	3(h)	x		
3.8	Amended and Restated Limited Liability Company Agreement of Houston Electric	Houston Electric's Form 10-Q for the quarter ended June 30, 2011	1-3187	3.2		x	
3.9	Bylaws of RERC Corp.	CERC Form 10-K for the year ended December 31, 1997	1-13265	3(b)			x
3.10	Statement of Resolutions Deleting Shares Designated Series A Preferred Stock of CenterPoint Energy	CenterPoint Energy's Form 10-K for the year ended December 31, 2011	1-31447	3(c)	x		
4.1	Form of CenterPoint Energy Stock Certificate	CenterPoint Energy's Registration Statement on Form S-4	3-69502	4.1	x		
4.2	Indenture dated as of May 19, 2003, between CenterPoint Energy and The Bank of New York Mellon Trust Company, National Association (successor to JPMorgan Chase Bank, National Association (formerly JPMorgan Chase Bank)), as trustee	CenterPoint Energy's Form 8-K dated May 19, 2003	1-31447	4.1	x		
†4.3	Supplemental Indenture No. 15, dated as of May 10, 2024, to Exhibit 4.2				x		
4.4	Indenture dated as of February 1, 1998, between CERC (formerly NorAm Energy Corp.) and The Bank of New York Mellon Trust Company, National Association (successor to JPMorgan Chase Bank, National Association (formerly Chase Bank of Texas)), as trustee	CERC's Form 8-K dated February 5, 1998	1-13265	4.1			x
†4.5	Supplemental Indenture No. 25, dated as of June 20, 2024, to Exhibit 4.4						x
10.1	Term Loan Agreement dated as of June 24, 2024 among CenterPoint Energy Houston Electric, LLC as borrower, Mizuho Bank, Ltd., as administrative agent, and the banks party thereto	CenterPoint Energy's Form 8-K dated June 24, 2024	1-31447	10.1	x	x	
†31.1.1	Rule 13a-14(a)/15d-14(a) Certification of Jason P. Wells				x		
†31.1.2	Rule 13a-14(a)/15d-14(a) Certification of Darin M. Carroll					x	
†31.1.3	Rule 13a-14(a)/15d-14(a) Certification of Richard C. Leger						x
†31.2.1	Rule 13a-14(a)/15d-14(a) Certification of Christopher A. Foster				x		

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference	CenterPoint Energy	Houston Electric	CERC
†31.2.2	Rule 13a-14(a)/15d-14(a) Certification of Christopher A. Foster					x	
†31.2.3	Rule 13a-14(a)/15d-14(a) Certification of Christopher A. Foster						x
†32.1.1	Section 1350 Certification of Jason P. Wells				x		
†32.1.2	Section 1350 Certification of Darin M. Carroll					x	
†32.1.3	Section 1350 Certification of Richard C. Leger						x
†32.2.1	Section 1350 Certification of Christopher A. Foster				x		
†32.2.2	Section 1350 Certification of Christopher A. Foster					x	
†32.2.3	Section 1350 Certification of Christopher A. Foster						x
†101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				x	x	x
†101.SCH	Inline XBRL Taxonomy Extension Schema Document				x	x	x
†101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				x	x	x
†101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				x	x	x
†101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document				x	x	x
†101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				x	x	x
†104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				x	x	x

* Schedules to this agreement have been omitted pursuant to Items 601(a)(5) and 601(b)(2) of Regulation S-K. A copy of any omitted schedules will be furnished supplementally to the SEC upon request; provided, however, that the parties may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

SIGNATURES

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

**CENTERPOINT ENERGY, INC.
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
CENTERPOINT ENERGY RESOURCES CORP.**

By: _____ /s/ Kristie L. Colvin
Kristie L. Colvin
Senior Vice President and Chief Accounting Officer
(Duly Authorized Officer and Principal Accounting Officer)

Date: July 30, 2024

CENTERPOINT ENERGY, INC.

To

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION
(successor to JPMorgan Chase Bank, National Association (formerly JPMorgan Chase Bank))

Trustee

SUPPLEMENTAL INDENTURE NO. 15

Dated as of May 10, 2024

\$700,000,000 5.40% Senior Notes due 2029

CENTERPOINT ENERGY, INC.
SUPPLEMENTAL INDENTURE NO. 15

\$700,000,000 5.40% Senior Notes due 2029

SUPPLEMENTAL INDENTURE No. 15, dated as of May 10, 2024, between CENTERPOINT ENERGY, INC., a Texas corporation (the “Company”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION (successor to JPMorgan Chase Bank, National Association (formerly JPMorgan Chase Bank)), as Trustee (the “Trustee”).

RECITALS

The Company has heretofore executed and delivered to the Trustee an Indenture, dated as of May 19, 2003 (the “Original Indenture” and, as hereby supplemented and amended, the “Indenture”), providing for the issuance from time to time of one or more series of the Company’s Securities.

Pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a new series of Securities to be designated as the “5.40% Senior Notes due 2029” (the “Notes”), the form and substance of such Notes and the terms, provisions and conditions thereof to be set forth as provided in the Original Indenture and this Supplemental Indenture No. 15.

Section 301 of the Original Indenture provides that various matters with respect to any series of Securities issued under the Indenture may be established in an indenture supplemental to the Indenture.

Subparagraph (7) of Section 901 of the Original Indenture provides that the Company and the Trustee may enter into an indenture supplemental to the Indenture to establish the form or terms of Securities of any series as permitted by Sections 201 and 301 of the Original Indenture.

For and in consideration of the premises and the issuance of the series of Securities provided for herein, it is mutually covenanted and agreed, for the equal and proportionate benefit of the Holders of the Securities of such series, as follows:

ARTICLE I

Relation to Indenture; Additional Definitions

Section 101 *Relation to Indenture.* This Supplemental Indenture No. 15 constitutes an integral part of the Original Indenture.

Section 102 *Additional Definitions.* For all purposes of this Supplemental Indenture No. 15:

Capitalized terms used herein shall have the meaning specified herein or in the Original Indenture, as the case may be;

“Affiliate” of, or a Person “affiliated” with, a specific Person means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified. For purposes of this definition, “control” (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract, or otherwise;

“Business Day” means, with respect to any Note, any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close. If any Interest Payment Date, Stated Maturity or Redemption Date of a Note falls on a day that is not a Business Day, the required payment will be made on the next succeeding Business Day with the same force and effect as if made on the relevant date that the payment was due and no interest will accrue on such payment for the period from and after the Interest Payment Date, Stated Maturity or Redemption Date, as the case may be, to the date of that payment on the next succeeding Business Day. The definition of “Business Day” in this Supplemental Indenture No. 15 and the provisions described in the preceding sentence shall supersede the definition of Business Day in the Original Indenture and Section 113 of the Original Indenture;

“CERC Corp.” means CenterPoint Energy Resources Corp., a Delaware corporation, and any successor thereto; provided, that at any given time, there shall not be more than one such successor;

“Corporate Trust Office” means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, which office as of the date hereof is located at: 601 Travis Street, 16th Floor, Houston, Texas 77002, Attention: Global Corporate Trust; telephone: (713) 483-6817; telecopy: (713) 483-7038;

“Finance Lease” means a lease that, in accordance with accounting principles generally accepted in the United States of America, would be recorded as a finance lease on the balance sheet of the lessee, but excluding, for the avoidance of doubt, any operating leases or any other non-finance leases;

“Houston Electric” means CenterPoint Energy Houston Electric, LLC, a Texas limited liability company, and any successor thereto; provided, that at any given time, there shall not be more than one such successor;

“H.15” has the meaning set forth in Section 302 hereof;

“H.15 TCM” has the meaning set forth in Section 302 hereof;

The term “Indebtedness” as applied to any Person, means bonds, debentures, notes and other instruments or arrangements representing obligations created or assumed by such

Person, in respect of: (i) obligations for money borrowed (other than unamortized debt discount or premium); (ii) obligations evidenced by a note or similar instrument given in connection with the acquisition of any business, properties or assets of any kind; (iii) obligations as lessee under a Finance Lease; and (iv) any amendments, renewals, extensions, modifications and refundings of any such indebtedness or obligations listed in clause (i), (ii) or (iii) above. All indebtedness of such type, secured by a lien upon property owned by such Person although such Person has not assumed or become liable for the payment of such indebtedness, shall also for all purposes hereof be deemed to be indebtedness of such Person. All indebtedness for borrowed money incurred by any other Persons which is directly guaranteed as to payment of principal by such Person shall for all purposes hereof be deemed to be indebtedness of any such Person, but no other contingent obligation of such Person in respect of indebtedness incurred by any other Persons shall for any purpose be deemed to be indebtedness of such Person;

“Interest Payment Date” has the meaning set forth in Section 204(a) hereof;

“Issue Date” has the meaning set forth in Section 204(a) hereof;

“Maturity Date” has the meaning set forth in Section 203 hereof;

“Notes” has the meaning set forth in the second paragraph of the Recitals hereof;

“Original Indenture” has the meaning set forth in the first paragraph of the Recitals hereof;

“Par Call Date” has the meaning set forth in Section 301 hereof;

“Regular Record Date” has the meaning set forth in Section 204(a) hereof;

“Remaining Life” has the meaning set forth in Section 302 hereof;

“Treasury Rate” has the meaning set forth in Section 302 hereof;

All references herein to Articles and Sections, unless otherwise specified, refer to the corresponding Articles and Sections of this Supplemental Indenture No. 15; and

The terms “herein,” “hereof,” “hereunder” and other words of similar import refer to this Supplemental Indenture No. 15.

ARTICLE II

The Series of Securities

Section 201 *Title of the Securities.* The Notes shall be designated as the “5.40% Senior Notes due 2029.”

Section 202 *Limitation on Aggregate Principal Amount.* The Trustee shall authenticate and deliver the Notes for original issue on the Issue Date in the aggregate principal amount of

\$700,000,000, upon a Company Order for the authentication and delivery thereof and satisfaction of Sections 301 and 303 of the Original Indenture. Such order shall specify the amount of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated and the name or names of the initial Holder or Holders. The aggregate principal amount of the Notes that may initially be outstanding shall not exceed \$700,000,000; *provided, however*, that the authorized aggregate principal amount of the Notes may be increased above such amount by a Board Resolution to such effect.

Section 203 *Stated Maturity*. The Stated Maturity of the Notes shall be June 1, 2029 (the “Maturity Date”).

Section 204 *Interest and Interest Rates*.

(a) The Notes shall bear interest at a rate of 5.40% per year, from and including May 10, 2024 (the “Issue Date”) to, but excluding, the Maturity Date. Such interest shall be payable semiannually in arrears on June 1 and December 1 of each year (each an “Interest Payment Date”), beginning December 1, 2024, to the persons in whose names the Notes (or one or more Predecessor Securities) are registered at the close of business on May 15 and November 15 (each a “Regular Record Date”) (whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date.

(b) Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and shall either (i) be paid to the Person in whose name such Note (or one or more Predecessor Securities) is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of the Notes not less than 10 days prior to such Special Record Date, or (ii) be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Notes may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, all as more fully provided in the Indenture.

(c) The amount of interest payable for any period shall be computed on the basis of a 360-day year of twelve 30-day months. The amount of interest payable for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the days elapsed in any partial month. In the event that any date on which interest is payable on a Note is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable.

(d) Any principal and premium, if any, and any installment of interest, which is overdue shall bear interest at the rate of 5.40% per annum (to the extent permitted by law) for the Notes from the dates such amounts are due until they are paid or made available for payment, and such interest shall be payable on demand.

Section 205 *Paying Agent; Place of Payment*. The Trustee shall initially serve as the Paying Agent for the Notes. The Company may appoint and change any Paying Agent or approve a change in the office through which any Paying Agent acts without notice, other than notice to the

Trustee. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent. The Place of Payment where the Notes may be presented or surrendered for payment shall be the Corporate Trust Office of the Trustee. At the option of the Company, payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register, (ii) by wire transfer in immediately available funds at such place and to such account as may be designated in writing by the Person entitled thereto as specified in the Security Register or (iii) by wire transfer in immediately available funds in accordance with the procedures of The Depository Trust Company with respect to the Notes registered in the name of Cede & Co.

Section 206 *Place of Registration or Exchange; Notices and Demands With Respect to the Notes.* The place where the Holders of the Notes may present the Notes for registration of transfer or exchange and may make notices and demands to or upon the Company in respect of the Notes shall be the Corporate Trust Office of the Trustee.

Section 207 *Percentage of Principal Amount.* The Notes shall be initially issued at 99.790% of their principal amount, plus accrued interest, if any, from the Issue Date.

Section 208 *Global Securities.* The Notes shall be issuable in whole or in part in the form of one or more Global Securities. Such Global Securities shall be deposited with, or on behalf of, The Depository Trust Company, New York, New York, which shall act as Depository with respect to the Notes. Such Global Securities shall bear the legends set forth in the form of Security attached as Exhibit A hereto.

Section 209 *Form of Securities.* The Notes shall be substantially in the form attached as Exhibit A hereto.

Section 210 *Securities Registrar.* The Trustee shall initially serve as the Security Registrar for the Notes.

Section 211 *Sinking Fund Obligations.* The Company shall have no obligation to redeem or purchase any Notes pursuant to any sinking fund or analogous requirement or upon the happening of a specified event or at the option of a Holder thereof.

Section 212 *Defeasance and Discharge; Covenant Defeasance*

(a) Article Fourteen of the Original Indenture, including without limitation Sections 1402 and 1403 thereof (as modified by Section 212(b) hereof), shall apply to the Notes.

(b) Solely with respect to the Notes issued hereby, the first sentence of Section 1403 of the Original Indenture is hereby deleted in its entirety, and the following is substituted in lieu thereof:

“Upon the Company’s exercise of its option (if any) to have this Section 1403 applied to any Securities or any series of Securities, as the case may be, (1) the Company shall be released from its obligations under Article Eight and under any covenants provided pursuant to Section 301(20), 901(2) or 901(7) for the benefit of the Holders of such Securities and (2) the occurrence of any event specified in

Sections 501(4) (with respect to Article Eight and to any such covenants provided pursuant to Section 301(20), 901(2) or 901(7)) and 501(7) shall be deemed not to be or result in an Event of Default, in each case with respect to such Securities as provided in this Section 1403 on and after the date the conditions set forth in Section 1404 are satisfied (hereinafter called “Covenant Defeasance”).”

ARTICLE III

Optional Redemption of the Notes

Section 301 *Redemption Price.* Prior to May 1, 2029 (the “Par Call Date”), the Notes shall be redeemable, at the option of the Company, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of (1)(a) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed discounted to the Redemption Date (assuming the Notes to be redeemed matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 15 basis points less (b) interest accrued to the Redemption Date, and (2) 100% of the principal amount of the Notes to be redeemed, plus, in either case, accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date. On or after the Par Call Date, the Notes shall be redeemable, at the option of the Company, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the Notes to be redeemed plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

Section 302 *Calculation.* “Treasury Rate” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The treasury rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the treasury rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM or any successor designation or publication is no longer published, the Company shall calculate the treasury rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the treasury rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company's actions and determinations in determining the Redemption Price shall be conclusive and binding for all purposes, absent manifest error. The Trustee shall have no responsibility for the calculation of such amount.

Section 303 *Partial Redemption.* If fewer than all of the Notes are to be redeemed by the Company pursuant to this Article III, not more than 60 days prior to the Redemption Date, the particular Notes or portions thereof for redemption will be selected from the outstanding Notes not previously called by lot by the Trustee. The Trustee may select for redemption Notes and portions of Notes in minimum amounts of \$2,000 or whole multiples of \$1,000. A new Note in principal amount equal to the unredeemed portion of the original Note shall be issued upon the cancellation of the original Note. In the case of a partial redemption of Notes registered in the name of Cede & Co., the Notes to be redeemed will be determined in accordance with the procedures of The Depository Trust Company.

Section 304 *Notice of Optional Redemption.*

(a) The Trustee, at the written direction of the Company, will send a notice of redemption prepared by the Company to each holder of Notes to be redeemed by first-class mail (or in accordance with the procedures of The Depository Trust Company with respect to Notes registered in the name of Cede & Co.) at least 10 days and not more than 60 days prior to the date fixed for redemption. Unless the Company defaults on payment of the Redemption Price, interest will cease to accrue on the Notes or portions thereof called for redemption on the Redemption Date. If any Note is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount to be redeemed.

(b) Notice of any redemption of the Notes may, at the Company's discretion, be given subject to one or more conditions precedent, including, but not limited to, completion of a corporate transaction that is pending (such as an equity or equity-linked offering, an incurrence of Indebtedness or an acquisition or other strategic transaction involving a change of control in the Company or another entity). If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or otherwise waived by the Redemption Date. Once notice of redemption is mailed or sent, subject to the satisfaction of any conditions precedent provided in the notice of redemption, the Notes called for redemption will become due and payable on the Redemption Date and at the applicable Redemption Price, plus accrued and unpaid interest to the Redemption Date. The Company shall notify holders of Notes called for redemption of any such rescission as soon as practicable after the Company determines that such conditions precedent will not be able to be satisfied or the Company is not able or willing to waive such conditions precedent.

ARTICLE IV

Remedies

Section 401 Additional Events of Default; Acceleration of Maturity

(a) Solely with respect to the Notes issued hereby, Section 501(5) of the Original Indenture is hereby deleted in its entirety, and the following is substituted in lieu thereof as an Event of Default in addition to the other events set forth in Section 501 of the Original Indenture:

“(5) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company, CERC Corp. or Houston Electric in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company, CERC Corp. or Houston Electric, bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company, CERC Corp. or Houston Electric, under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company, CERC Corp. or Houston Electric or of any substantial part of its respective property, or ordering the winding up or liquidation of its respective affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; provided that any specified event in (A) or (B) involving CERC Corp. or Houston Electric shall not constitute an Event of Default if, at the time such event occurs, CERC Corp. or Houston Electric, as the case may be, shall no longer be an Affiliate of the Company; or”

(b) Solely with respect to the Notes issued hereby, Section 501(6) of the Original Indenture is hereby deleted in its entirety, and the following is substituted in lieu thereof as an Event of Default in addition to the other events set forth in Section 501 of the Original Indenture:

“(6) the commencement by the Company, CERC Corp. or Houston Electric of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by any of them to the entry of a decree or order for relief in respect of the Company, CERC Corp. or Houston Electric in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against any of them, or the filing by any of them of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by any of them to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company, CERC Corp. or Houston Electric or of any substantial part of its respective property, or the making by any of them of an assignment of a substantial part of its respective property for the benefit of creditors, or the admission by any of them in writing of the inability of any of the Company, CERC Corp. or Houston Electric to pay its respective debts generally as they become due, or the taking of corporate action by the Company, CERC Corp. or Houston Electric in furtherance of any such action; provided that any such specified event involving CERC Corp. or Houston Electric shall not constitute an Event of Default if, at the time such event occurs, CERC Corp. or Houston Electric, as the case may be, shall no longer be an Affiliate of the Company; or”

(c) Solely with respect to the Notes issued hereby, and pursuant to Section 501(7) of the Original Indenture, Section 501(7) of the Original Indenture is hereby deleted in its entirety, and the following is substituted in lieu thereof, as an “Event of Default” in addition to the other events set forth in Section 501 of the Original Indenture:

“(7) The default by the Company in a scheduled payment at maturity, upon redemption or otherwise, in the aggregate principal amount of \$125 million or more, after the expiration of any applicable grace period, of any Indebtedness or the acceleration of any Indebtedness of the Company in such aggregate principal amount so that it becomes due and payable prior to the date on which it would otherwise have become due and payable and such payment default is not cured or such acceleration is not rescinded within 30 days after notice to the Company in accordance with the terms of the Indebtedness.”

Section 402 *Amendment of Certain Provisions*. Solely with respect to the Notes issued hereby, references to “25%” in Article Five of the Indenture are hereby deleted in their entirety and “33%” is substituted in lieu thereof.

ARTICLE V

Miscellaneous Provisions

Section 501 The Indenture, as supplemented and amended by this Supplemental Indenture No. 15, is in all respects hereby adopted, ratified and confirmed.

Section 502 This Supplemental Indenture No. 15 may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The words “execution,” “executed,” “signed,” “signature,” and words of like import in this Supplemental Indenture No. 15 shall include images of manually executed signatures transmitted by facsimile, email or other electronic format (including, without limitation, “pdf,” “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. Without limitation to the foregoing, and anything in this Supplemental Indenture No. 15 to the contrary notwithstanding, (a) any Officers’ Certificate, Company Order, Opinion of Counsel, Security, certificate of authentication appearing on or attached to any Security or other certificate, Opinion of Counsel, instrument, agreement or other document delivered pursuant to this Supplemental Indenture No. 15 may be executed, attested and transmitted by any of the foregoing electronic means and formats, (b) all references in Section 303 or elsewhere in the Indenture to the execution, attestation or authentication of any Security or any certificate of authentication appearing on or attached to any Security by means of a manual or facsimile signature shall be deemed to include signatures that are made or transmitted by any of the foregoing electronic means or formats (provided that any electronic signature is a true representation of the signer’s actual signature), and (c) any requirement in Section 303 or elsewhere in the Indenture that any signature be made under a corporate seal (or facsimile thereof) shall not be applicable to the Securities of such series.

Section 503 THIS SUPPLEMENTAL INDENTURE NO. 15 AND EACH NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 504 If any provision in this Supplemental Indenture No. 15 limits, qualifies or conflicts with another provision hereof which is required to be included herein by any provisions of the Trust Indenture Act, such required provision shall control.

Section 505 In case any provision in this Supplemental Indenture No. 15 or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture No. 15 to be duly executed, as of the day and year first written above.

CENTERPOINT ENERGY, INC.

By: /s/Christopher A. Foster
Name: Christopher A. Foster
Title: Executive Vice President and Chief
Financial Officer

Attest:

/s/Vincent A. Mercaldi
Name: Vincent A. Mercaldi
Title: Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL
ASSOCIATION,
As Trustee

By: /s/Ann M. Dolezal
Name: Ann M. Dolezal
Title: Vice President

Exhibit A

[FORM OF FACE OF SECURITY]

[IF THIS SECURITY IS TO BE A GLOBAL SECURITY -] THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY.

[FOR AS LONG AS THIS GLOBAL SECURITY IS DEPOSITED WITH OR ON BEHALF OF THE DEPOSITARY TRUST COMPANY IT SHALL BEAR THE FOLLOWING LEGEND.] UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO CENTERPOINT ENERGY, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

CENTERPOINT ENERGY, INC.

5.40% Senior Notes due 2029

Original Interest Accrual Date: May 10, 2024

Stated Maturity: June 1, 2029

Interest Rate: 5.40%

Interest Payment Dates: June 1 and December 1

Initial Interest Payment Date: December 1, 2024

Regular Record Dates: May 15 and November 15 immediately preceding the respective Interest Payment Date

Redeemable: Yes No

Redemption Date: At any time.

Redemption Price: (1) Prior to May 1, 2029 (the “Par Call Date”), the greater of (i)(a) the sum of the present values of the remaining scheduled payments of principal and interest on this Security or the portion thereof to be redeemed discounted to the Redemption Date (assuming this Security, or such portion to be redeemed, matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 15 basis points less (b) interest accrued to the Redemption Date, and (ii) 100% of the principal amount of this Security or the portion thereof to be redeemed plus, in either case, accrued and

unpaid interest on the principal amount being redeemed, if any, to, but excluding, the Redemption Date; or (2) on or after the Par Call Date, at a redemption price equal to 100% of the principal amount of this Security or the portion thereof to be redeemed, plus accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

This Security is not an Original Issue Discount Security within the meaning of the within-mentioned Indenture.

Principal Amount Registered No. T-1
\$ * CUSIP 15189T BG1

CENTERPOINT ENERGY, INC., a corporation duly organized and existing under the laws of the State of Texas (herein called the “Company,” which term includes any successor Person under the Indenture referred to below), for value received, hereby promises to pay to

CEDE & Co.

, or its registered assigns, the principal sum of _____ DOLLARS on the Stated Maturity specified above, and to pay interest thereon from the Original Interest Accrual Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on the Interest Payment Dates specified above in each year, commencing on December 1, 2024, and at Maturity, at the Interest Rate per annum specified above, until the principal hereof is paid or made available for payment, *provided* that any principal and premium, and any such installment of interest, which is overdue shall bear interest at the rate of 5.40% per annum (to the extent permitted by applicable law), from the dates such amounts are due until they are paid or made available for payment, and such interest shall be payable on demand. The amount of interest payable for any period shall be computed on the basis of twelve 30-day months and a 360-day year. The amount of interest payable for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the days elapsed in any partial month. In the event that any date on which interest is payable on this Security is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. A “Business Day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be May 15 and November 15 (whether or not

* Reference is made to Schedule A attached hereto with respect to decreases and increases in the aggregate principal amount of Securities evidenced hereby.

a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and shall either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Securities of this series may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made at the Corporate Trust Office of the Trustee, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at the option of the Company payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer in immediately available funds at such place and to such account as may be designated in writing by the Person entitled thereto as specified in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual, facsimile or electronic signature (provided that any electronic signature is a true representation of the signer's actual signature), this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: May 10, 2024 CENTERPOINT ENERGY, INC.

By: _____
Name: Christopher A. Foster
Title: Executive Vice President and Chief
Financial Officer

Attest:

Name: Vincent A. Mercaldi
Title: Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL
ASSOCIATION
As Trustee

Dated: May 10, 2024

By: _____
Authorized Signatory

SCHEDULE A

The initial aggregate principal amount of Securities evidenced by the Certificate to which this Schedule is attached is \$. The notations on the following table evidence decreases and increases in the aggregate principal amount of Securities evidenced by such Certificate.

Date of Adjustment	Decrease in Aggregate Principal Amount of Securities	Increase in Aggregate Principal Amount of Securities	Aggregate Principal Amount of Securities Remaining After Such Decrease or Increase	Notation by Security Registrar
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[FORM OF REVERSE SIDE OF SECURITY]

CENTERPOINT ENERGY, INC.

5.40% SENIOR NOTES DUE 2029

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under an Indenture, dated as of May 19, 2003 (herein called the “Indenture,” which term shall have the meaning assigned to it in such instrument), between the Company and The Bank of New York Mellon Trust Company, National Association (successor to JPMorgan Chase Bank, National Association (formerly JPMorgan Chase Bank)), as Trustee (herein called the “Trustee,” which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, initially limited in aggregate principal amount to \$700,000,000; *provided, however*, that the authorized aggregate principal amount of the Securities may be increased above such amount by a Board Resolution to such effect.

Prior to May 1, 2029 (the “Par Call Date”), the Company may redeem this Security at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of (1)(a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming this Security, or such portion to be redeemed, matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 15 basis points less (b) interest accrued to the Redemption Date, and (2) 100% of the principal amount of this Security to be redeemed, plus, in either case, accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

On or after the Par Call Date, the Company may redeem this Security, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of this Security (or such portion to be redeemed) plus accrued and unpaid interest on the principal amount being redeemed, if any, to, but excluding, the Redemption Date.

“Treasury Rate” means, with respect to any redemption date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the

treasury rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM or any successor designation or publication is no longer published, the Company shall calculate the treasury rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the treasury rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company’s actions and determinations in determining the Redemption Price shall be conclusive and binding for all purposes, absent manifest error. The Trustee shall have no responsibility for the calculation of such amount.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

The Securities of this series are not entitled to the benefit of any sinking fund.

The Indenture contains provisions for satisfaction and discharge of the entire indebtedness of this Security upon compliance by the Company with certain conditions set forth in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 33% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the

same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Securities of this series are issuable only in registered form without coupons in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

THE INDENTURE AND THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

CENTERPOINT ENERGY RESOURCES CORP.

(formerly known as NorAm Energy Corp.)

To

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

(successor to JPMorgan Chase Bank, National Association (formerly Chase Bank of Texas, National Association))

Trustee

SUPPLEMENTAL INDENTURE NO. 25

Dated as of June 20, 2024

\$400,000,000 5.40% Senior Notes due 2034

CENTERPOINT ENERGY RESOURCES CORP.
SUPPLEMENTAL INDENTURE NO. 25

5.40% Senior Notes due 2034

SUPPLEMENTAL INDENTURE No. 25, dated as of June 20, 2024, between CENTERPOINT ENERGY RESOURCES CORP., a Delaware corporation formerly known as NorAm Energy Corp. (the “Company”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. (successor to JPMorgan Chase Bank, National Association (formerly Chase Bank of Texas, National Association)), as Trustee (the “Trustee”).

RECITALS

The Company has heretofore executed and delivered to the Trustee an Indenture, dated as of February 1, 1998 (the “Original Indenture” and, as previously and hereby supplemented and amended, the “Indenture”), providing for the issuance from time to time of one or more series of the Company’s Securities.

The Company has changed its name from “NorAm Energy Corp.” to “CenterPoint Energy Resources Corp.” and all references in the Indenture to the “Company” or “NorAm Energy Corp.” shall be deemed to refer to CenterPoint Energy Resources Corp.

Pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a new series of Securities to be designated as the “5.40% Senior Notes due 2034” (the “Notes”), the form and substance of such Notes and the terms, provisions and conditions thereof to be set forth as provided in the Original Indenture and this Supplemental Indenture No. 25.

Section 301 of the Original Indenture provides that various matters with respect to any series of Securities issued under the Indenture may be established in an indenture supplemental to the Indenture.

Subparagraph (7) of Section 901 of the Original Indenture provides that the Company and the Trustee may enter into an indenture supplemental to the Indenture to establish the form or terms of Securities of any series as permitted by Sections 201 and 301 of the Original Indenture.

For and in consideration of the premises and the issuance of the series of Securities provided for herein, it is mutually covenanted and agreed, for the equal and proportionate benefit of the Holders of the Securities of such series, as follows:

ARTICLE ONE

Relation to Indenture; Additional Definitions

Section 101 *Relation to Indenture.* This Supplemental Indenture No. 25 constitutes an integral part of the Original Indenture.

Section 102 *Additional Definitions.* For all purposes of this Supplemental Indenture No. 25:

Capitalized terms used but not defined in this Supplement Indenture No. 25 have the meaning given such terms in the Original Indenture. Capitalized terms defined in both this Supplemental Indenture No. 25 and in the Original Indenture have the meaning given such terms in this Supplemental Indenture No. 25.

“Authorized Officers” has the meaning set forth in Section 606 hereof.

“Business Day” means, with respect to any Note, any day other than a Saturday, a Sunday or a day on which banking institutions or trust companies in The City of New York are generally authorized or required by law or executive order to remain closed. If any Interest Payment Date, Stated Maturity or Redemption Date of a Note falls on a day that is not a Business Day, the required payment will be made on the next succeeding Business Day with the same force and effect as if made on the relevant date that the payment was due and no interest will accrue on such payment for the period from and after the Interest Payment Date, Stated Maturity or Redemption Date, as the case may be, to the date of that payment on the next succeeding Business Day.

“Consolidated Net Tangible Assets” means the total amount of assets of the Company, including the assets of its Subsidiaries, less, without duplication: (a) total current liabilities (excluding indebtedness due within 12 months); (b) all reserves for depreciation and other asset valuation reserves, but excluding reserves for deferred federal income taxes; (c) all intangible assets such as goodwill, trademarks, trade names, patents and unamortized debt discount and expense carried as an asset; and (d) all appropriate adjustments on account of minority interests of other Persons holding common stock of any Subsidiary, all as reflected in the Company’s most recent audited consolidated balance sheet preceding the date of such determination.

“control” (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract, or otherwise.

“Corporate Trust Office” means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, which office as of the date hereof is located at: 601 Travis Street, 16th Floor, Houston, Texas 77002, Attention: Global Corporate Trust; telephone: (713) 483-6817; telecopy: (713) 483-7038.

“Electronic Means” means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

“Equity Interests” means any capital stock, partnership, joint venture, member or limited liability or unlimited liability company interest, beneficial interest in a trust or similar entity or other equity interest or investment of whatever nature.

“H.15” has the meaning set forth in Section 402 hereof.

“H.15 TCM” has the meaning set forth in Section 402 hereof.

“Finance Lease” means a lease that, in accordance with accounting principles generally accepted in the United States of America, would be recorded as a finance lease on the balance sheet of the lessee, but excluding, for the avoidance of doubt, any operating leases or any other non-finance leases.

“indebtedness” means, as applied to the Company or any Subsidiary, means bonds, debentures, notes and other instruments or arrangements representing obligations created or assumed by the Company or any such Subsidiary, including any and all: (i) obligations for money borrowed (other than unamortized debt discount or premium); (ii) obligations evidenced by a note or similar instrument given in connection with the acquisition of any business, properties or assets of any kind; (iii) obligations as lessee under a Finance Lease; and (iv) amendments, renewals, extensions, modifications and refundings of any such indebtedness or obligation listed in clause (i), (ii) or (iii) above. All indebtedness secured by a lien upon property owned by the Company or any Subsidiary and upon which indebtedness the Company or any such Subsidiary customarily pays interest, although the Company or any such Subsidiary has not assumed or become liable for the payment of such indebtedness, shall for all purposes hereof be deemed to be indebtedness of the Company or any such Subsidiary. All indebtedness for borrowed money incurred by other Persons which is directly guaranteed as to payment of principal by the Company or any Subsidiary shall for all purposes hereof be deemed to be indebtedness of the Company or any such Subsidiary, as applicable, but no other contingent obligation of the Company or any such Subsidiary in respect of indebtedness incurred by other Persons shall for any purpose be deemed to be indebtedness of the Company or any such Subsidiary.

“Instructions” has the meaning set forth in Section 606 hereof.

“Interest Payment Date” has the meaning set forth in Section 204(a) hereof.

“Issue Date” has the meaning set forth in Section 204(a) hereof.

“Lien” means any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, charge, security interest, encumbrance or lien of any kind whatsoever (including any Finance Lease).

“Maturity Date” has the meaning set forth in Section 203 hereof.

“Non-Recourse Debt” means (i) any indebtedness for borrowed money incurred by any Project Finance Subsidiary to finance the acquisition, improvement, installation, design, engineering, construction, development, completion, maintenance or operation of, or otherwise to pay costs and expenses relating to or providing financing for, any project, which indebtedness for borrowed money does not provide for recourse against the Company or any Subsidiary of the Company (other than a Project Finance Subsidiary and such recourse as exists under a Performance Guaranty) or any property or asset of the Company or any Subsidiary of the Company (other than Equity Interests in, or the property or assets of, a Project Finance Subsidiary and such recourse as exists under a Performance Guaranty) and (ii) any refinancing of such indebtedness for borrowed money that does not increase the outstanding principal amount thereof (other than to pay costs incurred in connection therewith and the capitalization of any interest or fees) at the time of the refinancing or increase the property subject to any lien securing such indebtedness for borrowed money or otherwise add additional security or support for such indebtedness for borrowed money.

“Notes” has the meaning set forth in the third paragraph of the Recitals hereof.

“Original Indenture” has the meaning set forth in the first paragraph of the Recitals hereof.

“Par Call Date” has the meaning set forth in Section 401 hereof.

“Performance Guaranty” means any guaranty issued in connection with any Non-Recourse Debt that (i) if secured, is secured only by assets of or Equity Interests in a Project Finance Subsidiary, and (ii) guarantees to the provider of such Non-Recourse Debt or any other person (a) performance of the improvement, installation, design, engineering, construction, acquisition, development, completion, maintenance or operation of, or otherwise affects any such act in respect of, all or any portion of the project that is financed by such Non-Recourse Debt, (b) completion of the minimum agreed equity or other contributions or support to the relevant Project Finance Subsidiary, or (c) performance by a Project Finance Subsidiary of obligations to persons other than the provider of such Non-Recourse Debt.

“Project Finance Subsidiary” means any Subsidiary designated by the Company whose principal purpose is to incur Non-Recourse Debt and/or construct, lease, own or operate the assets financed thereby, or to become a direct or indirect partner, member or other equity participant or owner in a Person created for such purpose, and substantially all the assets of which Subsidiary or Person are limited to (x) those assets being financed (or to be financed), or the operation of which is being financed (or to be financed), in whole

or in part by Non-Recourse Debt, or (y) Equity Interests in, or indebtedness or other obligations of, one or more other such Subsidiaries or Persons, or (z) indebtedness or other obligations of the Company or any Subsidiary or other Persons. At the time of designation of any Project Finance Subsidiary, the sum of the net book value of the assets of such Subsidiary and the net book value of the assets of all other Project Finance Subsidiaries then existing shall not in the aggregate exceed 10 percent of the Consolidated Net Tangible Assets.

“Regular Record Date” has the meaning set forth in Section 204(a) hereof.

“Remaining Life” has the meaning set forth in Section 402 hereof.

“Subsidiary” of any entity means any corporation, partnership, joint venture, limited liability company, trust or estate of which (or in which) more than 50% of (i) the issued and outstanding capital stock having ordinary voting power to elect a majority of the Board of Directors of such corporation (irrespective of whether at the time capital stock of any other class or classes of such corporation shall or might have voting power upon the occurrence of any contingency), (ii) the interest in the capital or profits of such limited liability company, partnership, joint venture or other entity or (iii) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled by such entity, by such entity and one or more of its other subsidiaries or by one or more of such entity’s other subsidiaries.

“Treasury Rate” has the meaning set forth in Section 402 hereof.

All references herein to Articles and Sections, unless otherwise specified, refer to the corresponding Articles and Sections of this Supplemental Indenture No. 25.

The terms “herein,” “hereof,” “hereunder” and other words of similar import refer to this Supplemental Indenture No. 25.

ARTICLE TWO

The Series of Securities

Section 201 *Title of the Securities.* The Notes shall be designated as the “5.40% Senior Notes due 2034.”

Section 202 *Limitation on Aggregate Principal Amount.* The Trustee shall authenticate and deliver the Notes for original issue on the Issue Date in the aggregate principal amount of \$400,000,000, upon a Company Order for the authentication and delivery thereof and satisfaction of Sections 301 and 303 of the Original Indenture. Such order shall specify the amount of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated and the name or names of the initial Holder or Holders. The aggregate principal amount of Notes that may initially be outstanding shall not exceed \$400,000,000; provided, however, that the authorized

aggregate principal amount of the Notes may be increased above such amount by a Board Resolution to such effect.

Section 203 *Stated Maturity*. The Stated Maturity of the Notes shall be July 1, 2034 (the “Maturity Date”).

Section 204 *Interest and Interest Rates*.

(a) The Notes shall bear interest at a rate of 5.40% per year, from and including June 20, 2024 (the “Issue Date”) to, but excluding, the Maturity Date. Such interest shall be payable semi-annually in arrears on January 1 and July 1 of each year (each an “Interest Payment Date”), beginning January 1, 2025, to the persons in whose names the Notes (or one or more Predecessor Securities) are registered at the close of business on December 15 and June 15 (each a “Regular Record Date”) (whether or not a Business Day), as the case may be, immediately preceding such Interest Payment Date.

(b) Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and shall either (i) be paid to the Person in whose name such Note (or one or more Predecessor Securities) is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of the Notes not less than 10 days prior to such Special Record Date, or (ii) be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Notes may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, all as more fully provided in the Indenture.

(c) The amount of interest payable for any period shall be computed on the basis of a 360-day year of twelve 30-day months. The amount of interest payable for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the days elapsed in any partial month. In the event that any date on which interest is payable on a Note is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable.

(d) Any principal and premium, if any, and any installment of interest, which is overdue shall bear interest at the rate of 5.40% per annum (to the extent permitted by law), from the dates such amounts are due until they are paid or made available for payment, and such interest shall be payable on demand.

Section 205 *Paying Agent; Place of Payment*. The Trustee shall initially serve as the Paying Agent for the Notes. The Company may appoint and change any Paying Agent or approve a change in the office through which any Paying Agent acts without notice, other than notice to the Trustee. The Company or any of its Subsidiaries or any of their Affiliates may act as Paying Agent. The Place of Payment where the Notes may be presented or surrendered for payment shall be the Corporate Trust Office of the Trustee. At the option of the Company, payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall

appear in the Security Register or (ii) by wire transfer in immediately available funds at such place and to such account as may be designated in writing by the Person entitled thereto as specified in the Security Register.

Section 206 *Place of Registration or Exchange; Notices and Demands With Respect to the Notes.* The place where the Holders of the Notes may present the Notes for registration of transfer or exchange and may make notices and demands to or upon the Company in respect of the Notes shall be the Corporate Trust Office of the Trustee.

Section 207 *Percentage of Principal Amount.* The Notes shall be initially issued at 99.837% of their principal amount, plus accrued interest, if any, from the Issue Date.

Section 208 *Global Securities.* The Notes shall be issuable in whole or in part in the form of one or more Global Securities. Such Global Securities shall be deposited with, or on behalf of, The Depository Trust Company, New York, New York, which shall act as Depository with respect to the Notes. Such Global Securities shall bear the legends set forth in the form of Security attached as Exhibit A hereto.

Section 209 *Form of Securities.* The Notes shall be substantially in the form attached as Exhibit A hereto.

Section 210 *Securities Registrar.* The Trustee shall initially serve as the Security Registrar for the Notes.

Section 211 *Defeasance and Discharge; Covenant Defeasance.*

(a) Article Fourteen of the Original Indenture, including without limitation Sections 1402 and 1403 thereof (as modified by Section 211(b) hereof), shall apply to the Notes.

(b) Solely with respect to the Notes issued hereby, the first sentence of Section 1403 of the Original Indenture is hereby deleted in its entirety, and the following is substituted in lieu thereof:

“Upon the Company’s exercise of its option (if any) to have this Section 1403 applied to any Securities or any series of Securities, as the case may be, (1) the Company shall be released from its obligations under Article Eight and under any covenants provided pursuant to Section 301(20), 901(2) or 901(7) for the benefit of the Holders of such Securities, including without limitation, the covenants provided for in Article Three of Supplemental Indenture No. 25 to the Indenture, and (2) the occurrence of any event specified in Sections 501(4) (with respect to Article Eight and to any such covenants provided pursuant to Section 301(20), 901(2) or 901(7)) and 501(7) shall be deemed not to be or result in an Event of Default, in each case with respect to such Securities as provided in this Section 1403 on and after the date the conditions set forth in Section 1404 are satisfied (hereinafter called “Covenant Defeasance”).”

Section 212 *Sinking Fund Obligations*. The Company shall have no obligation to redeem or purchase any Notes pursuant to any sinking fund or analogous requirement or upon the happening of a specified event or at the option of a Holder thereof.

ARTICLE THREE

Additional Covenants

Section 301. *Maintenance of Properties*. The Company shall cause all properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and shall cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly conducted at all times; provided, however, that nothing in this Section 301 shall prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business or the business of any Subsidiary.

Section 302. *Payment of Taxes and Other Claims*. The Company shall pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company or any Subsidiary; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

ARTICLE FOUR

Optional Redemption of the Notes

Section 401 *Redemption Price*.

(a) Prior to April 1, 2034 (the "Par Call Date"), the Company may redeem the Notes, at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of (1)(a) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed discounted to the Redemption Date (assuming the Notes to be redeemed matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points less (b) interest accrued to the date of redemption, and (2) 100% of the principal amount of the Notes to be redeemed, plus, in either case, accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

(b) On or after the Par Call Date, the Company may redeem the Notes, at its option, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the

principal amount of the Notes to be redeemed plus accrued and unpaid interest on the principal amount being redeemed, if any, to, but excluding, the Redemption Date.

Section 402 *Calculation.*

“Treasury Rate” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM or any successor designation or publication is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of

principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company's actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error. The Trustee shall have no responsibility for the calculation of such amount.

Section 403 *Partial Redemption*. If fewer than all of the Notes are to be redeemed by the Company pursuant to this Article Four, not more than 60 days prior to the Redemption Date, the particular Notes or portions thereof called for redemption will be selected from the outstanding Notes not previously called by lot by the Trustee. The Trustee may select for redemption Notes and portions of Notes in amounts of \$2,000 or whole multiples of \$1,000. A new Note in principal amount equal to the unredeemed portion of the original Note shall be issued upon the cancellation of the original Note. In the case of a partial redemption of Notes registered in the name of Cede & Co., the Notes to be redeemed will be determined in accordance with the procedures of The Depository Trust Company.

Section 404 *Notice of Optional Redemption*.

(a) The Trustee, at the written direction of the Company, will send a notice of redemption by first-class mail (or otherwise transmitted in accordance with the procedures of The Depository Trust Company with respect to Notes registered in the name of Cede & Co.) at least 10 days and not more than 60 days prior to the date fixed for redemption to each holder of Notes to be redeemed. Unless the Company defaults on payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the Redemption Date. If any Note is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount to be redeemed.

(b) Notice of any redemption of Notes may, at the Company's discretion, be given subject to one or more conditions precedent, including, but not limited to, completion of a corporate transaction that is pending (such as an equity or equity-linked offering, an incurrence of indebtedness or an acquisition or other strategic transaction involving a change of control in the Company or another Person). If such redemption is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied or otherwise waived on or prior to the Business Day immediately preceding the relevant redemption date. The Company shall notify holders of Notes of any such rescission as soon as practicable after it determines that such conditions precedent will not be able to be satisfied or the Company is not able or willing to waive such conditions precedent.

ARTICLE FIVE

Remedies

Section 501 *Additional Event of Default; Acceleration of Maturity*.

(a) Solely with respect to the Notes issued hereby, Section 501(7) of the Original Indenture is hereby deleted in its entirety, and the following is substituted in lieu thereof as an Event of Default in addition to the other events set forth in Section 501 of the Original Indenture:

“(7) the default by the Company or any Subsidiary, other than a Project Finance Subsidiary, in the payment, when due, after the expiration of any applicable grace period, of principal of indebtedness for money borrowed, other than Non-Recourse Debt, in the aggregate principal amount then outstanding of \$125 million or more, or acceleration of any indebtedness for money borrowed in such aggregate principal amount so that it becomes due and payable prior to the date on which it would otherwise have become due and payable and such acceleration is not rescinded or such default is not cured within 30 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the holders of at least 33% in principal amount of the Notes Outstanding written notice specifying such default and requiring the Company to cause such acceleration to be rescinded or such default to be cured and stating that such notice is a “Notice of Default” under the Indenture;”.

(b) Solely with respect to the Notes issued hereby, the first paragraph of Section 502 of the Original Indenture is hereby deleted in its entirety, and the following is substituted in lieu thereof:

“If an Event of Default (other than an Event of Default specified in Section 501(5) or 501(6)) with respect to the Notes at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 33% in principal amount of the Notes Outstanding may declare the principal amount of all the Notes to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable. If an Event of Default specified in Section 501(5) or 501(6) with respect to the Notes at the time Outstanding occurs and is continuing, the principal amount of all the Notes shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable.”

Section 502 *Amendment of Certain Provisions*. Solely with respect to the Notes issued hereby, references to “25%” in Article Five of the Indenture are hereby deleted in their entirety and “33%” is substituted in lieu thereof.

ARTICLE SIX

Miscellaneous Provisions

Section 601 The Indenture, as supplemented and amended by this Supplemental Indenture No. 25, is in all respects hereby adopted, ratified and confirmed.

Section 602 This Supplemental Indenture No. 25 may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The words “execution,” “executed,” “signed,” “signature,” and words of like import in this Supplemental Indenture No. 25 shall include images of manually executed signatures transmitted by facsimile, email or other electronic format (including, without limitation, “pdf,” “tif” or “jpg”) and other electronic signatures (including, without limitation, DocuSign and AdobeSign). The use of electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act and any other applicable law, including, without limitation, any state law based on the Uniform Electronic Transactions Act or the Uniform Commercial Code. Without limitation to the foregoing, and anything in this Supplemental Indenture No. 25 to the contrary notwithstanding, (a) any Officers’ Certificate, Company Order, Opinion of Counsel, Security, certificate of authentication appearing on or attached to any Security or other certificate, Opinion of Counsel, instrument, agreement or other document delivered pursuant to this Supplemental Indenture No. 25 may be executed, attested and transmitted by any of the foregoing electronic means and formats, (b) all references in Section 303 or elsewhere in the Indenture to the execution, attestation or authentication of any Security or any certificate of authentication appearing on or attached to any Security by means of a manual or facsimile signature shall be deemed to include signatures that are made or transmitted by any of the foregoing electronic means or formats, and (c) any requirement in Section 303 or elsewhere in the Indenture that any signature be made under a corporate seal (or facsimile thereof) shall not be applicable to the Securities of such series.

Section 603 THIS SUPPLEMENTAL INDENTURE NO. 25 AND EACH NOTE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEW YORK AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 604 If any provision in this Supplemental Indenture No. 25 limits, qualifies or conflicts with another provision hereof which is required to be included herein by any provisions of the Trust Indenture Act, such required provision shall control.

Section 605 In case any provision in this Supplemental Indenture No. 25 or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 606 The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Indenture and delivered using

Electronic Means; provided, however, that the Company shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Company whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee’s understanding of such Instructions shall be deemed controlling. The Company understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer, unless the Trustee has knowledge to the contrary or the Trustee is acting in bad faith. The Company shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Company and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Company. Absent gross negligence, willful misconduct or bad faith by the Trustee, the Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee’s reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Company agrees, absent gross negligence, willful misconduct or bad faith by the Trustee: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including the risk of the Trustee acting on unauthorized Instructions and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Company; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee as soon as practicable upon learning of any compromise or unauthorized use of the security procedures.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture No. 25 to be duly executed, as of the day and year first written above.

CENTERPOINT ENERGY RESOURCES CORP.

By: /s/Christopher A. Foster
Christopher A. Foster
Executive Vice President and Chief Financial Officer

Attest:

/s/Vincent A. Mercaldi
Vincent A. Mercaldi
Secretary

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
As Trustee

By: /s/April Bradley
Authorized Signatory

Exhibit A

[FORM OF FACE OF SECURITY]

[IF THIS SECURITY IS TO BE A GLOBAL SECURITY -] THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY.

[FOR AS LONG AS THIS GLOBAL SECURITY IS DEPOSITED WITH OR ON BEHALF OF THE DEPOSITARY TRUST COMPANY IT SHALL BEAR THE FOLLOWING LEGEND.] UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO CENTERPOINT ENERGY RESOURCES CORP. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

CENTERPOINT ENERGY RESOURCES CORP.

5.40% Senior Notes due 2034

Original Interest Accrual Date: June 20, 2024

Stated Maturity: July 1, 2034

Interest Rate: 5.40%

Interest Payment Dates: January 1 and July 1

Initial Interest Payment Date: January 1, 2025

Regular Record Dates: December 15 and June 15
immediately preceding the applicable Interest Payment Date

Redeemable: Yes No

Redemption Date: At any time.

Redemption Price: (1) Prior to April 1, 2034 (the “Par Call Date”), at a redemption price equal to the greater of: (i)(a) the sum of the present values of the remaining scheduled payments of principal and interest on this Security, or the portion thereof to be redeemed, that would be due if this Security matured on the Par Call Date but for the redemption (not including any portion of such payments of interest accrued to the Redemption Date) discounted to the Redemption Date on a semiannual basis at the Treasury Rate plus 20 basis points less (b) interest accrued to the date of redemption; and (ii) 100% of the

principal amount of this Security or the portion thereof to be redeemed; plus, in each case, accrued and unpaid interest on the principal amount being redeemed, if any, to, but excluding, the Redemption Date; or (2) on or after the Par Call Date, at a redemption price equal to 100% of the principal amount of this Security or the portion thereof to be redeemed plus accrued and unpaid interest on the principal amount being redeemed, if any, to, but excluding, the Redemption Date.

This Security is not an Original Issue Discount Security within the meaning of the within-mentioned Indenture.

Principal Amount

Registered No. T-1

\$ _____ *

CUSIP 15189W AS9

CENTERPOINT ENERGY RESOURCES CORP., a corporation duly organized and existing under the laws of the State of Delaware, formerly known as NorAm Energy Corp. (herein called the "Company," which term includes any successor Person under the Indenture referred to below), for value received, hereby promises to pay to

CEDE & Co.

, or its registered assigns, the principal sum of DOLLARS on the Stated Maturity specified above, and to pay interest thereon from the Original Interest Accrual Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on the Interest Payment Dates specified above in each year, commencing on June 20, 2024, and at Stated Maturity, at the Interest Rate per annum specified above, until the principal hereof is paid or made available for payment, *provided* that any principal and premium, and any such installment of interest, which is overdue shall bear interest at the rate of 5.40% per annum (to the extent permitted by applicable law), from the dates such amounts are due until they are paid or made available for payment, and such interest shall be payable on demand. The amount of interest payable for any period shall be computed on the basis of twelve 30-day months and a 360-day year. The amount of interest payable for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the days elapsed in

* Reference is made to Schedule A attached hereto with respect to decreases and increases in the aggregate principal amount of Securities evidenced hereby.

any partial month. In the event that any date on which interest is payable on this Security is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. A “Business Day” shall mean any day other than a Saturday, a Sunday or a day on which banking institutions in The City of New York are authorized or required by law, regulation or executive order to close. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be January 1 or July 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and shall either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Securities of this series may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, all as more fully provided in said Indenture.

Payment of the principal of (and premium, if any) and any such interest on this Security will be made at the Corporate Trust Office of the Trustee, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; *provided, however*, that at the option of the Company payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer in immediately available funds at such place and to such account as may be designated in writing by the Person entitled thereto as specified in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

Dated: June 20, 2024 CENTERPOINT ENERGY RESOURCES CORP.

By: _____
Name: Christopher A. Foster
Title: Executive Vice President and Chief Financial Officer

Attest:

Name: Vincent A. Mercaldi
Title: Secretary

CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
As Trustee

Dated: June 20, 2024

By: _____
Authorized Signatory

SCHEDULE A

The initial aggregate principal amount of Securities evidenced by the Certificate to which this Schedule is attached is \$. The notations on the following table evidence decreases and increases in the aggregate principal amount of Securities evidenced by such Certificate.

Date of Adjustment	Decrease in Aggregate Principal Amount of Securities	Increase in Aggregate Principal Amount of Securities	Aggregate Principal Amount of Securities Remaining After Such Decrease or Increase	Notation by Security Registrar
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[FORM OF REVERSE SIDE OF SECURITY]

CENTERPOINT ENERGY RESOURCES CORP.

5.40% SENIOR NOTES DUE 2034

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under an Indenture, dated as of February 1, 1998, as previously supplemented and amended including by the Supplemental Indenture No. 25, dated as of June 20, 2024 (collectively herein called the “Indenture,” which term shall have the meaning assigned to it in such instrument), between the Company and The Bank of New York Mellon Trust Company, N.A. (successor to JPMorgan Chase Bank, National Association (formerly Chase Bank of Texas, National Association)), as Trustee (herein called the “Trustee,” which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, initially limited in aggregate principal amount to \$400,000,000; *provided, however*, that the authorized aggregate principal amount of the Securities may be increased above such amount by a Board Resolution to such effect.

Prior to April 1, 2034 (the “Par Call Date”), the Company may redeem this Security, at its option, in whole or in part, at any time and from time to time, at a redemption price (expressed as a percentage of principal amount and rounded to three decimal places) equal to the greater of: (1)(a) the sum of the present values of the remaining scheduled payments of principal and interest thereon discounted to the Redemption Date (assuming this Security, or such portion to be redeemed, matured on the Par Call Date) on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 20 basis points less (b) interest accrued to the date of redemption, and (2) 100% of the principal amount of this Security to be redeemed; plus, in either case, accrued and unpaid interest thereon, if any, to, but excluding, the Redemption Date.

On or after the Par Call Date, the Company may redeem this Security, at its option, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of this Security (or such portion to be redeemed) plus accrued and unpaid interest on the principal amount being redeemed, if any, to, but excluding, the Redemption Date. The Trustee shall have no responsibility for the calculation of such amount.

“Treasury Rate” means, with respect to any Redemption Date, the yield determined by the Company in accordance with the following two paragraphs.

The Treasury Rate shall be determined by the Company after 4:15 p.m., New York City time (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System), on the third Business Day preceding the Redemption Date based upon the yield or yields for the most recent day that appear after such time on such day

in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as “Selected Interest Rates (Daily) - H.15” (or any successor designation or publication) (“H.15”) under the caption “U.S. government securities–Treasury constant maturities–Nominal” (or any successor caption or heading) (“H.15 TCM”). In determining the Treasury Rate, the Company shall select, as applicable: (1) the yield for the Treasury constant maturity on H.15 exactly equal to the period from the Redemption Date to the Par Call Date (the “Remaining Life”); or (2) if there is no such Treasury constant maturity on H.15 exactly equal to the Remaining Life, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Remaining Life – and shall interpolate to the Par Call Date on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (3) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Remaining Life, the yield for the single Treasury constant maturity on H.15 closest to the Remaining Life. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the Redemption Date.

If on the third Business Day preceding the Redemption Date H.15 TCM or any successor designation or publication is no longer published, the Company shall calculate the Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity at 11:00 a.m., New York City time, on the second Business Day preceding such Redemption Date of the United States Treasury security maturing on, or with a maturity that is closest to, the Par Call Date, as applicable. If there is no United States Treasury security maturing on the Par Call Date but there are two or more United States Treasury securities with a maturity date equally distant from the Par Call Date, one with a maturity date preceding the Par Call Date and one with a maturity date following the Par Call Date, the Company shall select the United States Treasury security with a maturity date preceding the Par Call Date. If there are two or more United States Treasury securities maturing on the Par Call Date or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Company shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at 11:00 a.m., New York City time. In determining the Treasury Rate in accordance with the terms of this paragraph, the semi-annual yield to maturity of the applicable United States Treasury security shall be based upon the average of the bid and asked prices (expressed as a percentage of principal amount) at 11:00 a.m., New York City time, of such United States Treasury security, and rounded to three decimal places.

The Company’s actions and determinations in determining the redemption price shall be conclusive and binding for all purposes, absent manifest error. The Trustee shall have no responsibility for the calculation of such amount.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

The Securities of this series are not entitled to the benefit of any sinking fund.

The Indenture contains provisions for satisfaction and discharge of the entire indebtedness of this Security upon compliance by the Company with certain conditions set forth in the Indenture.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 33% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for

registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Securities of this series are issuable only in registered form without coupons in minimum denominations of \$2,000 principal amount and integral multiples of \$1,000 principal amount in excess thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

THE INDENTURE AND THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

CERTIFICATIONS

I, Jason P. Wells, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Jason P. Wells
Jason P. Wells
Chief Executive Officer

CERTIFICATIONS

I, Darin M. Carroll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy Houston Electric, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Darin M. Carroll
Darin M. Carroll
President and Chief Executive Officer

CERTIFICATIONS

I, Richard C. Leger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy Resources Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Richard C. Leger

Richard C. Leger

Interim President and Chief Executive Officer

CERTIFICATIONS

I, Christopher A. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

CERTIFICATIONS

I, Christopher A. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy Houston Electric, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

CERTIFICATIONS

I, Christopher A. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy Resources Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 30, 2024

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, Jason P. Wells, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason P. Wells

Jason P. Wells
Chief Executive Officer
July 30, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy Houston Electric, LLC (the “Company”) on Form 10-Q for the quarter ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, Darin M. Carroll, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Darin M. Carroll

Darin M. Carroll
President and Chief Executive Officer
July 30, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy Resources Corp. (the “Company”) on Form 10-Q for the quarter ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, Richard C. Leger, Interim Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard C. Leger

Richard C. Leger

Interim President and Chief Executive Officer

July 30, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Christopher A. Foster, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

July 30, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy Houston Electric, LLC (the “Company”) on Form 10-Q for the quarter ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, Christopher A. Foster, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

July 30, 2024

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy Resources Corp. (the “Company”) on Form 10-Q for the quarter ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, Christopher A. Foster, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

July 30, 2024