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 September 30, 2023

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			**74-0694415**
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
1111 Louisiana	**Houston**	**Texas**	**77002**
(Address of Principal Executive Offices)			(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			**22-3865106**
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
1111 Louisiana	**Houston**	**Texas**	**77002**
(Address of Principal Executive Offices)			(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			**76-0511406**
(State or other jurisdiction of incorporation or organization)			(I.R.S. Employer Identification No.)
1111 Louisiana	**Houston**	**Texas**	**77002**
(Address of Principal Executive Offices)			(Zip Code)

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

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

Registrant	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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	☑	No	o
CenterPoint Energy Houston Electric, LLC	Yes	☑	No	o
CenterPoint Energy Resources Corp.	Yes	☑	No	o

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	☑	No	o
CenterPoint Energy Houston Electric, LLC	Yes	☑	No	o
CenterPoint Energy Resources Corp.	Yes	☑	No	o

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.	☑	o	o	☐	☐
CenterPoint Energy Houston Electric, LLC	o	o	☑	☐	☐
CenterPoint Energy Resources Corp.	o	o	☑	☐	☐

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. o

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	☐	No	☑
CenterPoint Energy Houston Electric, LLC	Yes	☐	No	☑
CenterPoint Energy Resources Corp.	Yes	☐	No	☑

Indicate the number of shares outstanding of each of the issuers’ classes of common stock as of October 18, 2023:

CenterPoint Energy, Inc.	631,223,560	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.

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GLOSSARY

ACE	Affordable Clean Energy
AFSI	Adjusted financial statement income
AFUDC	Allowance for funds used during construction
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
Asset Purchase Agreement	Asset Purchase Agreement, dated as of April 29, 2021, by and between CERC Corp. and Southern Col Midco
AT&T Common	AT&T Inc. common stock
Bcf	Billion cubic feet
Board	Board of Directors of CenterPoint Energy, Inc.
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
CARES Act	Coronavirus Aid, Relief, and Economic Security Act
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
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
Compensation Committee	Compensation Committee of the Board
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

GLOSSARY

DSMA	Demand Side Management Adjustment
ECA	Environmental Cost Adjustment
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
Energy Transfer	Energy Transfer LP, a Delaware limited partnership
Energy Transfer Common Units	Energy Transfer common units, representing limited partner interests in Energy Transfer
Energy Transfer Series G Preferred Units	Energy Transfer Series G Fixed-Rate Reset Cumulative Redeemable Perpetual Preferred Units, representing limited partner interests in Energy Transfer
EPA	Environmental Protection Agency
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
FERC	Federal Energy Regulatory Commission
Fitch	Fitch Ratings, Inc.
Form 10-Q	Quarterly Report on Form 10-Q
GHG	Greenhouse gases
GRIP	Gas Reliability Infrastructure Program
GWh	Gigawatt-hours
Houston Electric	CenterPoint Energy Houston Electric, LLC and its subsidiaries
IAS	International Accounting Standards
IBEW	International Brotherhood of Electrical Workers
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
LIBOR	London Interbank Offered Rate

GLOSSARY

LLTF	Long Lead Time Facilities, which are transmission and distribution facilities that have a lead time of at least six months and would aid in restoring power to Houston Electric's distribution customers following a widespread power outage under Public Utility Regulatory Act Section 39.918
LPSC	Louisiana Public Service Commission
LTIP	Long-term Incentive Plan
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
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
Moody's	Moody's Investors Service, Inc.
MPUC	Minnesota Public Utilities Commission
MW	Megawatt
NERC	North American Electric Reliability Corporation
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 VEDO 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

GLOSSARY

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
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
Southern Col Midco	Southern Col Midco, LLC, a Delaware limited liability company and an affiliate of Summit Utilities, Inc.
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
Transition Services Agreement	Transition Services Agreement by and between CenterPoint Energy Service Company, LLC and Southern Col Midco
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
VEDO	Vectren Energy Delivery of Ohio, LLC, which converted its corporate structure from Vectren Energy Delivery of Ohio, Inc. to a limited liability company on June 13, 2022, formerly a wholly-owned subsidiary of Vectren, acquired by CERC on June 30, 2022
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 September 30, 2023 and December 31, 2022, consisted of AT&T Common, Charter Common and WBD Common
2022 Form 10-K	Annual Report on Form 10-K for the fiscal year ended December 31, 2022 as filed with the SEC on February 17, 2023

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, including the completed Restructuring, joint ventures and acquisitions or dispositions of assets or businesses, including the completed sales of our Natural Gas businesses in Arkansas and Oklahoma and Energy Systems Group, and our exit of the midstream sector, 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 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 and legislation such as seen in connection with the February 2021 Winter Storm Event;
- volatility in the markets for natural gas as a result of, among other factors, armed conflicts, including the conflict in Israel and any broader related conflict, and the conflict in Ukraine, and the related sanctions on certain Russian entities;
- continued disruptions to the global supply chain, including increases 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, such as COVID-19, 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, 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;
- direct or indirect effects on our facilities, resources, operations and financial condition resulting from terrorism, cyber attacks 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;

- tax legislation, including the effects of the CARES Act and 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, 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;
- our ability to recruit, effectively transition 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;
- 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 2022 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 (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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions, except per share amounts)			
Revenues:				
Utility revenues	$ 1,849	$ 1,829	$ 6,355	$ 6,400
Non-utility revenues	11	74	159	210
Total	1,860	1,903	6,514	6,610
Expenses:				
Utility natural gas, fuel and purchased power	192	349	1,550	1,860
Non-utility cost of revenues, including natural gas	1	52	98	143
Operation and maintenance	648	670	1,990	2,020
Depreciation and amortization	374	329	1,042	974
Taxes other than income taxes	127	119	395	401
Total	1,342	1,519	5,075	5,398
Operating Income	518	384	1,439	1,212
Other Income (Expense):				
Gain (loss) on equity securities	49	(206)	56	(284)
Gain (loss) on indexed debt securities	(47)	210	(52)	381
Gain (loss) on sale	—	—	(12)	303
Interest expense and other finance charges	(176)	(116)	(489)	(375)
Interest expense on Securitization Bonds	(7)	(3)	(11)	(11)
Other income, net	13	8	39	25
Total	(168)	(107)	(469)	39
Income Before Income Taxes	350	277	970	1,251
Income tax expense	68	75	245	328
Net Income	282	202	725	923
Income allocated to preferred shareholders	26	13	50	37
Income Available to Common Shareholders	$ 256	$ 189	$ 675	$ 886
Basic Earnings Per Common Share	0.41	0.30	1.07	1.41
Diluted Earnings Per Common Share	$ 0.40	$ 0.30	$ 1.07	$ 1.40
Weighted Average Common Shares Outstanding, Basic	631	630	631	629
Weighted Average Common Shares Outstanding, Diluted	633	633	633	633

See Combined Notes to Interim Condensed Financial Statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Net Income	$ 282	$ 202	$ 725	$ 923
Other comprehensive income (loss):				
Adjustment to pension and other postretirement plans (net of tax expense (benefit) of $-0-, $(9), $-0- and $(5))	1	2	—	(20)
Net deferred gain from cash flow hedges (net of tax of $-0-, $-0-, $-0- and $-0-)	2	—	2	—
Reclassification of deferred loss from cash flow hedges realized in net income (net of tax of $-0-, $-0-, $-0- and $-0-)	—	—	—	1
Total	3	2	2	(19)
Comprehensive income	285	204	727	904
Income allocated to preferred shareholders	26	13	50	37
Comprehensive income available to common shareholders	$ 259	$ 191	$ 677	$ 867

See Combined Notes to Interim Condensed Financial Statements

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

	September 30, 2023	December 31, 2022
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents ($118 and $75 related to VIEs, respectively)	$ 120	$ 74
Investment in equity securities	566	510
Accounts receivable ($32 and $22 related to VIEs, respectively), less allowance for credit losses of $31 and $38, respectively	767	889
Accrued unbilled revenues ($2 and $0 related to VIEs, respectively), less allowance for credit losses of $1 and $4, respectively	340	764
Natural gas and coal inventory	138	241
Materials and supplies	672	635
Non-trading derivative assets	1	10
Taxes receivable	67	20
Regulatory assets	217	1,385
Prepaid expenses and other current assets ($14 and $13 related to VIEs, respectively)	134	171
Total current assets	3,022	4,699
Property, Plant and Equipment:		
Property, plant and equipment	39,618	37,728
Less: accumulated depreciation and amortization	10,447	10,585
Property, plant and equipment, net	29,171	27,143
Other Assets:		
Goodwill	4,160	4,294
Regulatory assets ($438 and $229 related to VIEs, respectively)	2,481	2,193
Non-trading derivative assets	—	2
Other non-current assets	167	215
Total other assets	6,808	6,704
Total Assets	$ 39,001	$ 38,546

See Combined Notes to Interim Condensed Financial Statements

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

	September 30, 2023	December 31, 2022
	(in millions, except par value and shares)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	$ 4	$ 511
Current portion of VIE Securitization Bonds long-term debt	170	156
Indexed debt, net	5	7
Current portion of other long-term debt	1,255	1,346
Indexed debt securities derivative	630	578
Accounts payable	763	1,352
Taxes accrued	244	298
Interest accrued	179	159
Dividends accrued	126	144
Customer deposits	110	110
Other current liabilities	407	452
Total current liabilities	3,893	5,113
Other Liabilities:		
Deferred income taxes, net	4,128	3,986
Benefit obligations	533	547
Regulatory liabilities	3,195	3,245
Other non-current liabilities	829	774
Total other liabilities	8,685	8,552
Long-term Debt:		
VIE Securitization Bonds, net	408	161
Other long-term debt, net	16,430	14,675
Total long-term debt, net	16,838	14,836
Commitments and Contingencies (Note 13)		
Temporary Equity (Note 18)	—	3
Shareholders' Equity:		
Cumulative preferred stock, $0.01 par value, 20,000,000 shares authorized, 0 shares and 800,000 shares outstanding, respectively, $0 and $800 liquidation preference, respectively (Note 18)	—	790
Common stock, $0.01 par value, 1,000,000,000 shares authorized, 631,209,962 shares and 629,535,631 shares outstanding, respectively	6	6
Additional paid-in capital	8,581	8,568
Retained earnings	1,027	709
Accumulated other comprehensive loss	(29)	(31)
Total shareholders' equity	9,585	10,042
Total Liabilities and Shareholders' Equity	$ 39,001	$ 38,546

See Combined Notes to Interim Condensed Financial Statements

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

	Nine Months Ended September 30,	
	2023	2022
	(in millions)	
Cash Flows from Operating Activities:		
Net income	$ 725	$ 923
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,042	974
Deferred income taxes	94	26
Loss (gain) on divestitures	12	(303)
Loss (gain) on equity securities	(56)	284
Loss (gain) on indexed debt securities	52	(381)
Pension contributions	(30)	(6)
Changes in other assets and liabilities:		
Accounts receivable and unbilled revenues, net	528	95
Inventory	63	(224)
Taxes receivable	(47)	1
Accounts payable	(443)	(119)
Net regulatory assets and liabilities	1,102	148
Other current assets and liabilities	(41)	(199)
Other non-current assets and liabilities	59	34
Other operating activities, net	9	72
Net cash provided by operating activities	3,069	1,325
Cash Flows from Investing Activities:		
Capital expenditures	(3,323)	(3,079)
Proceeds from sale of marketable securities	—	702
Proceeds from divestitures, net of cash divested	145	2,075
Other investing activities, net	(12)	73
Net cash used in investing activities	(3,190)	(229)
Cash Flows from Financing Activities:		
Increase (decrease) in short-term borrowings, net	(14)	457
Payment of obligation for finance lease	—	(218)
Payments of commercial paper, net	(1,496)	(1,620)
Proceeds from long-term debt and term loans	5,574	2,089
Payments of long-term debt and term loans, including make-whole premiums	(2,613)	(1,519)
Payment of debt issuance costs	(50)	(26)
Payment of dividends on Common Stock	(359)	(328)
Payment of dividends on Preferred Stock	(49)	(48)
Redemption of Series A Preferred Stock	(800)	—
Other financing activities, net	(25)	(7)
Net cash provided by (used in) financing activities	168	(1,220)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	47	(124)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	91	254
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 138	$ 130

See Combined Notes to Interim Condensed Financial Statements

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	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	1	$ 790	1	$ 790
Redemption of Series A Preferred Stock	(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	631	6	629	6	630	6	629	6
Issuances related to benefit and investment plans	—	—	—	—	1	—	—	—
Balance, end of period	631	6	629	6	631	6	629	6
Additional Paid-in-Capital								
Balance, beginning of period		8,570		8,544		8,568		8,529
Issuances related to benefit and investment plans		11		13		13		28
Balance, end of period		8,581		8,557		8,581		8,557
Retained Earnings								
Balance, beginning of period		1,032		768		709		154
Net income		282		202		725		923
Common Stock dividends declared (see Note 18)		(246)		(227)		(366)		(334)
Preferred Stock dividends declared (see Note 18)		(41)		(24)		(41)		(24)
Balance, end of period		1,027		719		1,027		719
Accumulated Other Comprehensive Loss								
Balance, beginning of period		(32)		(85)		(31)		(64)
Other comprehensive loss		3		2		2		(19)
Balance, end of period		(29)		(83)		(29)		(83)
Total Shareholders' Equity		$ 9,585		$ 9,989		$ 9,585		$ 9,989

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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Revenues	$ 1,083	$ 935	$ 2,784	$ 2,562
Expenses:				
Operation and maintenance	409	395	1,190	1,193
Depreciation and amortization	210	175	555	511
Taxes other than income taxes	70	65	201	196
Total	689	635	1,946	1,900
Operating Income	394	300	838	662
Other Income (Expense):				
Interest expense and other finance charges	(69)	(50)	(185)	(148)
Interest expense on Securitization Bonds	(2)	(3)	(6)	(11)
Other income, net	5	5	22	13
Total	(66)	(48)	(169)	(146)
Income Before Income Taxes	328	252	669	516
Income tax expense	72	52	147	108
Net Income	$ 256	$ 200	$ 522	$ 408

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 COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Net income	$ 256	$ 200	$ 522	$ 408
Comprehensive income	$ 256	$ 200	$ 522	$ 408

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)

	September 30, 2023	December 31, 2022
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents ($113 and $75 related to VIEs, respectively)	$ 113	$ 75
Accounts receivable ($30 and $22 related to VIEs, respectively), less allowance for credit losses of $1 and $1, respectively	482	311
Accounts and notes receivable–affiliated companies	409	21
Accrued unbilled revenues	182	142
Materials and supplies	489	471
Taxes receivable	8	—
Prepaid expenses and other current assets ($13 and $13 related to VIEs, respectively)	33	41
Total current assets	1,716	1,061
Property, Plant and Equipment:		
Property, plant and equipment	19,056	17,753
Less: accumulated depreciation and amortization	4,425	4,292
Property, plant and equipment, net	14,631	13,461
Other Assets:		
Regulatory assets ($107 and $229 related to VIEs, respectively)	775	778
Other non-current assets	37	39
Total other assets	812	817
Total Assets	$ 17,159	$ 15,339

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)

	September 30, 2023	December 31, 2022
	(in millions)	
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Current portion of VIE Securitization Bonds long-term debt	$ 159	$ 156
Accounts payable	359	413
Accounts and notes payable–affiliated companies	92	755
Taxes accrued	152	150
Interest accrued	93	83
Other current liabilities	90	88
Total current liabilities	945	1,645
Other Liabilities:		
Deferred income taxes, net	1,359	1,229
Benefit obligations	38	38
Regulatory liabilities	1,032	1,155
Other non-current liabilities	113	77
Total other liabilities	2,542	2,499
Long-term Debt:		
VIE Securitization Bonds, net	81	161
Other long-term debt, net	7,425	6,036
Total long-term debt, net	7,506	6,197
Commitments and Contingencies (Note 13)		
Member's Equity:		
Common stock	—	—
Additional paid-in capital	4,745	3,860
Retained earnings	1,421	1,138
Total member's equity	6,166	4,998
Total Liabilities and Member's Equity	$ 17,159	$ 15,339

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)

	Nine Months Ended September 30,	
	2023	2022
	(in millions)	
Cash Flows from Operating Activities:		
Net income	$ 522	$ 408
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	555	511
Deferred income taxes	117	44
Changes in other assets and liabilities:		
Accounts and notes receivable, net	(211)	(159)
Accounts receivable/payable–affiliated companies	(9)	(35)
Inventory	(18)	(116)
Accounts payable	(23)	(11)
Taxes receivable	(8)	—
Net regulatory assets and liabilities	(113)	(40)
Other current assets and liabilities	18	(43)
Other non-current assets and liabilities	44	(5)
Other operating activities, net	(16)	(9)
Net cash provided by operating activities	858	545
Cash Flows from Investing Activities:		
Capital expenditures	(1,724)	(1,727)
Increase in notes receivable–affiliated companies	(400)	(360)
Other investing activities, net	(8)	34
Net cash used in investing activities	(2,132)	(2,053)
Cash Flows from Financing Activities:		
Proceeds from long-term debt	1,398	1,589
Payments of long-term debt	(77)	(444)
Decrease in notes payable–affiliated companies	(642)	(512)
Dividend to parent	(239)	(141)
Contribution from parent	885	1,143
Payment of debt issuance costs	(12)	(15)
Payment of obligation for finance lease	—	(218)
Other financing activities, net	(1)	—
Net cash provided by financing activities	1,312	1,402
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	38	(106)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	88	233
Cash, Cash Equivalents and Restricted Cash at End of Period	$ 126	$ 127

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 September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	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		4,510		3,860		3,860		2,678
Non-cash contribution from parent		—		—		—		38
Contribution from parent		235		—		885		1,143
Other		—		—		—		1
Balance, end of period		4,745		3,860		4,745		3,860
Retained Earnings								
Balance, beginning of period		1,244		1,085		1,138		944
Net income		256		200		522		408
Dividend to parent		(79)		(74)		(239)		(141)
Balance, end of period		1,421		1,211		1,421		1,211
Total Member’s Equity		$ 6,166		$ 5,071		$ 6,166		$ 5,071

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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Revenues:				
Utility revenues	$ 574	$ 663	$ 3,014	$ 3,206
Non-utility revenues	9	9	31	26
Total	583	672	3,045	3,232
Expenses:				
Utility natural gas	141	276	1,399	1,660
Non-utility cost of revenues, including natural gas	1	1	2	3
Operation and maintenance	187	190	616	630
Depreciation and amortization	125	113	365	333
Taxes other than income taxes	53	50	181	185
Total	507	630	2,563	2,811
Operating Income	76	42	482	421
Other Income (Expense):				
Gain on sale	—	—	—	557
Interest expense and other finance charges	(44)	(32)	(131)	(91)
Other income (expense), net	6	—	12	(11)
Total	(38)	(32)	(119)	455
Income Before Income Taxes	38	10	363	876
Income tax expense	10	17	80	220
Net Income (Loss)	$ 28	$ (7)	$ 283	$ 656

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 September 30,		Nine Months Ended September 30,	
	2023	**2022**	**2023**	**2022**
	(in millions)			
Net income (loss)	$ 28	$ (7)	$ 283	$ 656
Adjustment to pension and other postretirement plans (net of tax of $-0-, $-0-,$-0- and $-0-)	—	—	(1)	—
Other comprehensive loss	—	—	(1)	—
Comprehensive income (loss)	$ 28	$ (7)	$ 282	$ 656

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)

	September 30, 2023	December 31, 2022
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1	$ —
Accounts receivable, less allowance for credit losses of $28 and $34, respectively	234	463
Accrued unbilled revenues, less allowance for credit losses of $1 and $4, respectively	119	573
Accounts receivable–affiliated companies	14	52
Notes receivable–affiliated companies	86	—
Materials and supplies	118	98
Natural gas inventory	92	195
Non-trading derivative assets	1	7
Taxes receivable	—	12
Regulatory assets	205	1,336
Prepaid expenses and other current assets	46	78
Total current assets	916	2,814
Property, Plant and Equipment:		
Property, plant and equipment	15,460	14,379
Less: accumulated depreciation and amortization	4,151	3,973
Property, plant and equipment, net	11,309	10,406
Other Assets:		
Goodwill	1,583	1,583
Regulatory assets	833	844
Non-trading derivative assets	—	2
Other non-current assets	53	55
Total other assets	2,469	2,484
Total Assets	$ 14,694	$ 15,704

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)

	September 30, 2023	December 31, 2022
	(in millions)	
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Short-term borrowings	$ 4	$ 511
Current portion of long-term debt	57	1,331
Accounts payable	289	690
Accounts payable–affiliated companies	209	190
Taxes accrued	178	140
Interest accrued	44	50
Customer deposits	95	94
Other current liabilities	220	200
Total current liabilities	1,096	3,206
Other Liabilities:		
Deferred income taxes, net	1,168	1,262
Benefit obligations	76	76
Regulatory liabilities	1,857	1,801
Other non–current liabilities	513	501
Total other liabilities	3,614	3,640
Long-Term Debt	4,186	3,495
Commitments and Contingencies (Note 13)		
Stockholder's Equity:		
Common stock	—	—
Additional paid-in capital	4,229	3,729
Retained earnings	1,554	1,618
Accumulated other comprehensive income	15	16
Total stockholder's equity	5,798	5,363
Total Liabilities and Stockholder's Equity	$ 14,694	$ 15,704

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)

	Nine Months Ended September 30,	
	2023	2022
	(in millions)	
Cash Flows from Operating Activities:		
Net income	$ 283	$ 656
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	365	333
Deferred income taxes	(113)	217
Gain on divestitures	—	(557)
Changes in other assets and liabilities:		
Accounts receivable and unbilled revenues, net	724	271
Accounts receivable/payable–affiliated companies	57	(59)
Inventory	90	(87)
Accounts payable	(384)	(117)
Net regulatory assets and liabilities	1,192	181
Other current assets and liabilities	64	(81)
Other non-current assets and liabilities	(5)	(5)
Other operating activities, net	(3)	1
Net cash provided by operating activities	2,270	753
Cash Flows from Investing Activities:		
Capital expenditures	(1,219)	(1,166)
Increase in notes receivable–affiliated companies	(86)	—
Proceeds from divestiture	—	2,075
Other investing activities, net	(15)	12
Net cash provided by (used in) investing activities	(1,320)	921
Cash Flows from Financing Activities:		
Increase (decrease) in short-term borrowings, net	(14)	457
Payments of commercial paper, net	(805)	(324)
Proceeds from long-term debt and term loan	2,006	852
Payments of long-term debt and term loan	(2,275)	(425)
Dividends to parent	(347)	(844)
Payment of debt issuance costs	(13)	(11)
Decrease in notes payable–affiliated companies	—	(1,517)
Contribution from parent	500	125
Other financing activities, net	(1)	(1)
Net cash used in financing activities	(949)	(1,688)
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	1	(14)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	—	15
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 September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	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		3,565		3,729		4,106
Non-cash contribution from parent		—		—		—		54
Contribution from parent		—		—		500		125
Contribution to parent for sale of Arkansas and Oklahoma Natural Gas businesses		—		—		—		(720)
Balance, end of period		4,229		3,565		4,229		3,565
Retained Earnings								
Balance, beginning of period		1,562		1,569		1,618		1,017
Net income		28		(7)		283		656
Dividend to parent		(36)		(13)		(347)		(124)
Balance, end of period		1,554		1,549		1,554		1,549
Accumulated Other Comprehensive Income								
Balance, beginning of period		15		10		16		10
Other comprehensive loss		—		—		(1)		—
Balance, end of period		15		10		15		10
Total Stockholder's Equity		$ 5,798		$ 5,124		$ 5,798		$ 5,124

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 to the Registrants' Interim Condensed Financial Statements, 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.

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 2022 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.

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. For additional information, see Note 3. CenterPoint Energy completed the Restructuring on June 30, 2022, whereby the equity interests in Indiana Gas and VEDO, both subsidiaries it acquired in its acquisition of Vectren on February 1, 2019, were transferred from VUH to CERC Corp. SIGECO was not acquired by CERC and remains a subsidiary of VUH. On January 10, 2022, CERC Corp. completed the sale of its Arkansas and Oklahoma Natural Gas businesses. For additional information, see Note 3.

As of September 30, 2023, 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 VEDO, 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 September 30, 2023, 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.

As of September 30, 2023, 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.

Basis of Presentation. 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.

The Interim Condensed Financial Statements reflect all normal 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.

(2) New Accounting Pronouncements

Management believes that recently adopted standards and recently issued 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) Divestitures (CenterPoint Energy and CERC)

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 September 30, 2023, CenterPoint Energy had a payable to ESG Holdings Group for working capital and other adjustments set forth in the Equity Purchase Agreement that have not yet been finalized.

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. For disposal groups that are classified as held for sale but that do not meet the criteria for discontinued operations reporting, the assets and liabilities of the disposal group are required to be separately presented on the face of the balance sheet only in the initial period in which it is classified as held for sale. Therefore, CenterPoint Energy's Condensed Consolidated Balance Sheet as of December 31, 2022 was not recast to reflect Energy Systems Group's assets and liabilities as held for sale. Depreciation and amortization of long-lived assets ceased at the end of the quarter in which the held for sale criteria is met. Additionally, as a result of the completion of the sale of Energy Systems Group in June 2023, there were no assets or liabilities classified as held for sale as of September 30, 2023. 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 $12 million, including $3 million of transaction costs, during the nine months ended September 30, 2023, in connection with the closing of the sale of Energy Systems Group. Additionally, CenterPoint Energy recognized a current tax expense of $33 million during the nine months ended September 30, 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Loss from Continuing Operations Before Income Taxes	$ —	$ (1)	$ (4)	$ (5)

Divestiture of Arkansas and Oklahoma Natural Gas Businesses. On April 29, 2021, CenterPoint Energy, through its subsidiary CERC Corp., entered into an Asset Purchase Agreement to sell its Arkansas and Oklahoma Natural Gas businesses for $2.15 billion in cash, including recovery of approximately $425 million in natural gas costs, including storm-related incremental natural gas costs associated with the February 2021 Winter Storm Event, subject to certain adjustments set forth in the Asset Purchase Agreement. The assets included approximately 17,000 miles of main pipeline in Arkansas, Oklahoma and certain portions of Bowie County, Texas serving more than half a million customers. The transaction closed on January 10, 2022.

The sale was considered an asset sale for tax purposes, requiring net deferred tax liabilities to be excluded from held for sale balances. The deferred taxes associated with the businesses were recognized as a deferred income tax benefit by CenterPoint Energy and CERC upon closing of the sale in 2022.

Although the Arkansas and Oklahoma Natural Gas businesses met the held for sale criteria, their disposals did not represent a strategic shift to CenterPoint Energy and CERC, as both retained significant operations in, and continued to invest in, their natural gas businesses. Therefore, the income and expenses associated with the disposed businesses were not reflected as discontinued operations on CenterPoint Energy's and CERC's Condensed Statements of Consolidated Income, as applicable. Since the depreciation on the Arkansas and Oklahoma Natural Gas assets continued to be reflected in revenues through customer rates until the closing of the transaction and will be reflected in the carryover basis of the rate-regulated assets, CenterPoint Energy and CERC continued to record depreciation on those assets through the closing of the transaction. 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.

CenterPoint Energy and CERC recognized gains of $303 million and $557 million, respectively, net of transaction costs of $59 million, in connection with the closing of the disposition of the Arkansas and Oklahoma Natural Gas businesses during the year ended December 31, 2022. CenterPoint Energy and CERC collected a receivable of $15 million in May 2022 for full and final settlement of the working capital adjustment under the Asset Purchase Agreement.

The pre-tax income for the Arkansas and Oklahoma Natural Gas 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 September 30, 2022	Nine Months Ended September 30, 2022 (1)
	(in millions)	
Income from Continuing Operations Before Income Taxes	$ —	$ 9

(1) Reflects January 1, 2022 to January 9, 2022 results only due to the sale of the Arkansas and Oklahoma Natural Gas businesses.

Effective on the date of the closing of the disposition of the Arkansas and Oklahoma Natural Gas businesses, a subsidiary of CenterPoint Energy entered into the Transition Services Agreement, whereby that subsidiary agreed to provide certain transition services such as accounting, customer operations, procurement, and technology functions for a term of up to twelve months. In November 2022, a significant majority of all services under the Transition Services Agreement were terminated, and on January 10, 2023, all remaining services were terminated.

CenterPoint Energy's charges to Southern Col Midco for reimbursement of transition services were $-0- and less than $1 million during the three and nine months ended September 30, 2023 and were $10 million and $29 million during the three and nine months ended September 30, 2022. Actual transitional services costs incurred are recorded net of amounts charged to Southern Col Midco. CenterPoint Energy had accounts receivable from Southern Col Midco of $-0- as of September 30, 2023 and $1 million as of December 31, 2022, for transition services.

(4) Revenue Recognition and Allowance for Credit Losses

Revenues from Contracts with Customers

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 September 30, 2023			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts	$ 1,274	$ 589	$ 1	$ 1,864
Other (1)	(13)	8	1	(4)
Total revenues	$ 1,261	$ 597	$ 2	$ 1,860

	Nine Months Ended September 30, 2023			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts	$ 3,272	$ 3,100	$ 125	$ 6,497
Other (1)	(22)	36	3	17
Total revenues	$ 3,250	$ 3,136	$ 128	$ 6,514

	Three Months Ended September 30, 2022			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts	$ 1,155	$ 686	$ 65	$ 1,906
Other (1)	(9)	6	—	(3)
Total revenues	$ 1,146	$ 692	$ 65	$ 1,903

	Nine Months Ended September 30, 2022			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts	$ 3,113	$ 3,358	$ 182	$ 6,653
Other (1)	(21)	(24)	2	(43)
Total revenues	$ 3,092	$ 3,334	$ 184	$ 6,610

(1) Primarily consists of income from ARPs and leases. Total lease income was $2 million and $1 million for the three months ended September 30, 2023 and 2022, respectively, and $6 million and $5 million for the nine months ended September 30, 2023 and 2022, respectively.

Houston Electric

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Revenue from contracts	$ 1,100	$ 949	$ 2,821	$ 2,597
Other (1)	(17)	(14)	(37)	(35)
Total revenues	$ 1,083	$ 935	$ 2,784	$ 2,562

(1) Primarily consists of income from ARPs and leases. Lease income was not significant for the three and nine months ended September 30, 2023 and 2022.

CERC

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Revenue from contracts	$ 575	$ 667	$ 3,012	$ 3,257
Other (1)	8	5	33	(25)
Total revenues	$ 583	$ 672	$ 3,045	$ 3,232

(1) Primarily consists of income from ARPs and leases. Lease income was $1 million for both the three months ended September 30, 2023 and 2022. Lease income was $3 million and $2 million, respectively, for the nine months ended September 30, 2023 and 2022.

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 satisfied at a point in time and revenue is recognized upon completion of service and 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 either a contract asset (performance precedes billing) or a contract liability (customer payment precedes performance). Those customers that prepay are represented by contract liabilities until the performance obligations are satisfied. The Registrants' contract assets are included in Accrued unbilled revenues and contract liabilities are included in Accounts payable and Other current liabilities in their Condensed Consolidated Balance Sheets. CenterPoint Energy's contract assets and contract liabilities primarily related to Energy Systems Group contracts where revenue was recognized using the input method prior to the sale of Energy Systems Group that was completed on June 30, 2023.

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

CenterPoint Energy

	Accounts Receivable	Other Accrued Unbilled Revenues	Contract Assets	Contract Liabilities
	(in millions)			
Opening balance as of December 31, 2022	$ 858	$ 764	$ 4	$ 45
Closing balance as of September 30, 2023	733	340	—	5
Decrease	$ (125)	$ (424)	$ (4) (1)	$ (40) (1)

(1) Decrease primarily related to the completed sale of Energy Systems Group on June 30, 2023.

The amount of revenue recognized during the nine-month period ended September 30, 2023 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		Other Accrued Unbilled Revenues		Contract Liabilities	
			(in millions)			
Opening balance as of December 31, 2022	$	271	$	142	$	2
Closing balance as of September 30, 2023		459		182		5
Increase (decrease)	$	188	$	40	$	3

The amount of revenue recognized during the nine-month period ended September 30, 2023 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		Other Accrued Unbilled Revenues	
		(in millions)		
Opening balance as of December 31, 2022	$	478	$	573
Closing balance as of September 30, 2023		230		119
Decrease	$	(248)	$	(454)

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, including those related to COVID-19, 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Service cost (1)	$ 6	$ 7	$ 19	$ 23
Interest cost (2)	19	20	57	52
Expected return on plan assets (2)	(19)	(21)	(57)	(69)
Amortization of net loss (2)	7	8	21	22
Settlement cost (2) (3)	—	8	—	38
Net periodic cost	$ 13	$ 22	$ 40	$ 66

(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.
(3) Amounts presented represent a one-time, non-cash settlement cost, prior to regulatory deferrals, which are required when the total lump sum distributions or other settlements of plan benefit obligations during a plan year exceed the service cost and interest cost components of the net periodic cost for that year.

Postretirement Benefits

	Three Months Ended September 30,					
	2023			2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Service cost (1)	$ —	$ —	$ —	$ —	$ —	$ 1
Interest cost (2)	3	1	1	3	1	1
Expected return on plan assets (2)	(1)	(1)	—	(1)	(1)	(1)
Amortization of prior service credit (2)	(1)	(1)	1	(1)	(1)	—
Amortization of net loss (2)	(2)	(1)	(1)	(1)	(1)	—
Net periodic cost (benefit)	$ (1)	$ (2)	$ 1	$ —	$ (2)	$ 1

	Nine Months Ended September 30,					
	2023			2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Service cost (1)	$ 1	$ —	$ —	$ 1	$ —	$ 1
Interest cost (2)	9	4	3	7	3	3
Expected return on plan assets (2)	(4)	(3)	—	(3)	(3)	(1)
Amortization of prior service cost (credit) (2)	(2)	(4)	2	(2)	(3)	1
Amortization of net loss (2)	(6)	(3)	(2)	(3)	(2)	(1)
Net periodic cost (benefit)	$ (2)	$ (6)	$ 3	$ —	$ (5)	$ 3

(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 (expense), 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 2023:

	CenterPoint Energy	Houston Electric	CERC
		(in millions)	
Expected contribution to pension plans during 2023	$ 31	$ —	$ —
Expected contribution to postretirement benefit plans in 2023	8	1	4

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

	Three Months Ended September 30, 2023			Nine Months Ended September 30, 2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
			(in millions)			
Pension plans (1)	$ 26	$ —	$ —	$ 30	$ —	$ —
Postretirement benefit plans	1	—	1	5	—	3

(1) A discretionary contribution in the amount of $24 million was made in September 2023.

(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:

	September 30, 2023			December 31, 2022		
	CenterPoint Energy (1)	Houston Electric (2)	CERC (3)	CenterPoint Energy (1)	Houston Electric (2)	CERC (3)
			(in millions)			
Allowed equity return not recognized	$ 205	$ 81	$ 66	$ 188	$ 82	$ 54

(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, including investments at SIGECO and securitized qualified costs associated with the completed retirements of SIGECO's A.B. Brown coal-fired generation facilities.
(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 storm restoration, TEEEF and LLTF balances.
(3) CERC's allowed equity return on post in-service carrying cost associated with certain distribution facilities replacements 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 September 30,					
	2023			2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Allowed equity return recognized	$ 14	$ 14	$ —	$ 14	$ 12	$ 1

	Nine Months Ended September 30,					
	2023			2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Allowed equity return recognized	$ 32	$ 30	$ 1	$ 36	$ 33	$ 2

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 and Texas discussed further below, and continue to recover the natural gas cost in Louisiana and Minnesota. As of September 30, 2023, CenterPoint Energy and CERC have each recorded current regulatory assets of $92 million and non-current regulatory assets of $141 million associated with the February 2021 Winter Storm Event. As of December 31, 2022, CenterPoint Energy and CERC have each recorded current regulatory assets of $1,175 million and non-current regulatory assets of $202 million associated with the February 2021 Winter Storm Event.

In Minnesota, the MPUC issued its written order on October 19, 2022 disallowing CERC's recovery of approximately $36 million of the $409 million incurred, and CERC's regulatory asset balance was reduced to reflect the disallowance. CERC filed a petition for reconsideration on November 8, 2022 and a written order denying the petition for reconsideration was issued on January 6, 2023.

CenterPoint Energy and CERC have approximately $75 million of the total $2 billion of natural gas costs incurred during the February 2021 Winter Storm Event remaining under prudence review in Louisiana, which may impact the amount ultimately recovered in Louisiana. 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.

As of both September 30, 2023 and December 31, 2022, 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 $17 million and $16 million as of both September 30, 2023 and December 31, 2022, to defer operations and maintenance costs associated with the February 2021 Winter Storm Event.

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 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 to be included for recovery in a subsequent rate proceeding. 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 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 customers as a component of each regulated utility's gas cost or in another manner that the Railroad Commission determines reasonable, 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 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 nine months ended September 30, 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.

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.

On March 24, 2023, SIGECO and the SIGECO Securitization Subsidiary filed a registration statement on Form SF-1, amended on May 16, 2023, under the Securities Act of 1933, as amended, with the SEC registering the public offering and sale of approximately $341 million aggregate principal amount of the SIGECO Securitization Bonds. The registration statement became effective on June 12, 2023. The SIGECO Securitization Subsidiary issued $341 million aggregate principal amount of the SIGECO Securitization Bonds on June 29, 2023. See Note 11 for further details of the issuance. The SIGECO Securitization Subsidiary used the net proceeds from the issuance 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 deferred 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. The annual revenue increase requested for these lease agreements was approximately $57 million. A final order was issued on April 5, 2023 approving a reduced 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 April 28, 2023, and May 1, 2023, certain intervenors filed motions for rehearing of the PUCT's April 5, 2023 order. 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. On June 19, 2023, certain intervenors filed motions for rehearing of the PUCT's May 25, 2023 Order on Rehearing; the PUCT issued an order on August 3, 2023 denying the motions for rehearing. The deadline for a party to file a judicial appeal of the PUCT's decision was September 5, 2023, and no appeal was filed. As such, 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 is requesting 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 June 7, 2023, intervenors jointly requested a hearing, and on June 14, 2023, the PUCT staff indicated that it does not oppose a hearing in this docket. On June 21, 2023 Houston Electric made a filing that a hearing is not necessary given the PUCT's decision in the TEEEF docket filed in 2022 and indicated that if the PUCT does refer this case to the State Office of Administrative Hearings, any preliminary order issued by the PUCT should be limited. On July 18, 2023 the PUCT referred the case to the State Office of Administrative Hearings and, on July 20, 2023, the PUCT issued a preliminary order identifying the issues to be addressed. 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 and are subject to surcharge or refund if they differ from the final rates approved by the PUCT. On October 12, 2023, a joint motion to abate was filed because the parties reached an agreement in principle on all issues. The agreement in principle is subject to PUCT approval. The ultimate outcome of these proceedings cannot be predicted at this time.

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 September 30, 2023. 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, 2022 or the nine months ended September 30, 2023. See Note 19 for further information.

COVID-19 Regulatory Matters

Regulatory commissions in Indiana Electric's and CenterPoint Energy's and CERC's Natural Gas service territories have either (1) issued orders to record a regulatory asset for incremental bad debt expenses related to COVID-19, including costs associated with the suspension of disconnections and payment plans, or (2) provided authority to recover bad debt expense through an existing tracking mechanism. Both CenterPoint Energy and CERC have recorded estimated incremental uncollectible receivables to the associated regulatory asset of $18 million and $17 million, respectively, as of September 30, 2023 and December 31, 2022. CenterPoint Energy and CERC have $5 million and $4 million, respectively, remaining to recover through rates and other sources as of September 30, 2023, and $11 million and $10 million, respectively, remaining to recover through rates and other sources as of December 31, 2022.

(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 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. 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. 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 outstanding interest rate hedging activity:

	September 30, 2023	December 31, 2022
Hedging Classification	Notional Principal	
	CenterPoint Energy	CenterPoint Energy
	(in millions)	
Economic hedge (1)	$ —	$ 84

(1) Relates to interest rate derivative instruments at SIGECO that terminated on May 1, 2023.

In May 2023, CenterPoint Energy entered into a forward interest rate agreement having an aggregate notional amount of $75 million, which agreement was amended in June 2023. The agreement was executed to hedge, in part, volatility in the 3-year U.S treasury rate by reducing CenterPoint Energy's exposure to variability in cash flows related to interest payments of CenterPoint Energy's $400 million issuance of fixed rate debt in August 2023. The forward interest rate agreement was designated as a cash flow hedge. The realized gains and losses associated with the agreement were immaterial.

In September 2023, SIGECO entered into two forward interest rate agreements having aggregate notional amounts of $50 million and $38 million. The agreements were executed to hedge, in part, volatility in the 5-year and 7-year U.S. treasury rates, respectively, by reducing SIGECO's exposure to variability in cash flows related to interest payments of SIGECO's $470 million issuance of fixed rate debt in October 2023. The forward interest rate agreements were designated as cash flow hedges. The realized gains and losses associated with the agreements were immaterial.

Weather Normalization (CenterPoint Energy and CERC). CenterPoint Energy and CERC have weather normalization or other rate mechanisms that largely mitigate the impact of weather on Natural Gas in Indiana, Louisiana, Mississippi, Minnesota and Ohio, as applicable. CenterPoint Energy's and CERC's Natural Gas in Texas and CenterPoint Energy's electric operations in Texas and Indiana do not have such mechanisms. As a result, fluctuations from normal weather may have a positive or negative effect on CenterPoint Energy's and CERC's Natural Gas' results in Texas and on CenterPoint Energy's electric operations' results in its Texas and Indiana service territories. The Registrants do not currently enter into weather hedges.

(b) Derivative Fair Values and Income Statement Impacts (CenterPoint Energy and CERC)

The following tables present information about derivative instruments and hedging activities. The first table provides a balance sheet overview of derivative assets and liabilities, while the last table provides a breakdown of the related income statement impacts.

Fair Value of Derivative Instruments and Hedged Items

CenterPoint Energy

		September 30, 2023		December 31, 2022	
	Balance Sheet Location	Derivative Assets Fair Value	Derivative Liabilities Fair Value	Derivative Assets Fair Value	Derivative Liabilities Fair Value
Derivatives not designated as hedging instruments:		(in millions)			
Natural gas derivatives (1)	Current Assets: Non-trading derivative assets	$ 1	$ —	$ 9	$ —
Natural gas derivatives (1)	Other Assets: Non-trading derivative assets	—	—	2	—
Interest rate derivatives	Current Assets: Non-trading derivative assets	—	—	1	—
Indexed debt securities derivative (2)	Current Liabilities	—	630	—	578
	Total	$ 1	$ 630	$ 12	$ 578

CERC

	Balance Sheet Location	September 30, 2023 Derivative Assets Fair Value	September 30, 2023 Derivative Liabilities Fair Value	December 31, 2022 Derivative Assets Fair Value	December 31, 2022 Derivative Liabilities Fair Value
Derivatives not designated as hedging instruments:		(in millions)			
Natural gas derivatives (1)	Current Assets: Non-trading derivative assets	$ 1	$ —	$ 7	$ —
Natural gas derivatives (1)	Other Assets: Non-trading derivative assets	—	—	2	—
	Total	$ 1	$ —	$ 9	$ —

(1) Natural gas contracts are subject to master netting arrangements. This netting applies to all undisputed amounts due or past due. However, the mark-to-market fair value of each natural gas contract is in an asset position with no offsetting amounts.

(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.

Income Statement Impact of Hedge Accounting Activity (CenterPoint Energy)

	Income Statement Location	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Derivatives not designated as hedging instruments:		(in millions)			
Indexed debt securities derivative (1)	Gain (loss) on indexed debt securities	$ (47)	$ 210	$ (52)	$ 381

(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.

(c) Credit Risk Contingent Features (CenterPoint Energy)

Certain of CenterPoint Energy's derivative instruments contain provisions that require CenterPoint Energy's debt to maintain an investment grade credit rating on its long-term unsecured unsubordinated debt from S&P and Moody's. If CenterPoint Energy'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. As of September 30, 2023 and December 31, 2022, all derivatives with credit risk-related contingent features were in an asset position.

(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, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means. 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 September 30, 2023 and December 31, 2022 and indicate the fair value hierarchy of the valuation techniques utilized by the Registrants to determine such fair value.

CenterPoint Energy

	September 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets	(in millions)							
Equity securities	$ 566	$ —	$ —	$ 566	$ 510	$ —	$ —	$ 510
Investments, including money market funds (1)	31	—	—	31	32	—	—	32
Interest rate derivatives	—	—	—	—	—	1	—	1
Natural gas derivatives	—	1	—	1	—	11	—	11
Total assets	$ 597	$ 1	$ —	$ 598	$ 542	$ 12	$ —	$ 554
Liabilities								
Indexed debt securities derivative	$ —	$ 630	$ —	$ 630	$ —	$ 578	$ —	$ 578
Total liabilities	$ —	$ 630	$ —	$ 630	$ —	$ 578	$ —	$ 578

Houston Electric

	September 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets	(in millions)							
Investments, including money market funds (1)	$ 14	$ —	$ —	$ 14	$ 17	$ —	$ —	$ 17
Total assets	$ 14	$ —	$ —	$ 14	$ 17	$ —	$ —	$ 17

CERC

	September 30, 2023				December 31, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets	(in millions)							
Investments, including money market funds (1)	$ 14	$ —	$ —	$ 14	$ 14	$ —	$ —	$ 14
Natural gas derivatives	—	1	—	1	—	9	—	9
Total assets	$ 14	$ 1	$ —	$ 15	$ 14	$ 9	$ —	$ 23

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

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.

	September 30, 2023			December 31, 2022		
	CenterPoint Energy (1)	Houston Electric (1)	CERC	CenterPoint Energy (1)	Houston Electric (1)	CERC
Long-term debt, including current maturities			(in millions)			
Carrying amount	$ 18,263	$ 7,665	$ 4,243	$ 16,338	$ 6,353	$ 4,826
Fair value	16,283	6,397	3,908	14,990	5,504	4,637

(1) Includes Securitization Bonds, as applicable.

(9) Goodwill and Other Intangibles (CenterPoint Energy and CERC)

Goodwill (CenterPoint Energy and CERC)

CenterPoint Energy's goodwill by reportable segment is as follows:

	December 31, 2022	Disposals		September 30, 2023
		(in millions)		
Electric (1)	$ 936	$ —		$ 936
Natural Gas	2,920	—		2,920
Corporate and Other	438	134	(2)	304
Total	$ 4,294	$ 134		$ 4,160

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

(2) Represents goodwill attributable to the sale of Energy Systems Group. For further information, see Note 3.

CERC's goodwill as of both September 30, 2023 and December 31, 2022 is as follows:

	(in millions)
Goodwill	$ 1,583

When 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 described further in Note 3, certain assets and liabilities of Energy Systems Group, including goodwill of $134 million at CenterPoint Energy, were disposed of upon consummation of the sale of Energy Systems Group in the second quarter of 2023. The disposal of goodwill attributable to Energy Systems Group was reflected in the loss on sale of $12 million during the nine months ended September 30, 2023.

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 reporting units approximate the reportable segments. 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.

CenterPoint Energy and CERC performed their annual goodwill impairment tests in the third quarter of 2023 and determined that no goodwill impairment charge was required for any reporting unit as a result of those tests.

Other Intangibles (CenterPoint Energy)

The tables below present information on CenterPoint Energy's intangible assets, excluding goodwill, recorded in Other non-current assets on CenterPoint Energy's Condensed Consolidated Balance Sheets and the related amortization expense included in Depreciation and amortization on CenterPoint Energy's Condensed Statements of Consolidated Income. The intangible assets and associated amortization expense are primarily related to Energy Systems Group prior to the completion of the sale in June 2023 as indicated below. See Note 3 for further information.

	September 30, 2023			December 31, 2022		
	Gross Carrying Amount	Accumulated Amortization	Net Balance	Gross Carrying Amount	Accumulated Amortization	Net Balance
	(in millions)					
Customer relationships (1)	$ —	$ —	$ —	$ 33	$ (16)	$ 17
Trade names (1)	—	—	—	16	(6)	10
Operation and maintenance agreements (1) (2)	—	—	—	12	(2)	10
Other	2	(1)	1	2	(1)	1
Total	$ 2	$ (1)	$ 1	$ 63	$ (25)	$ 38

(1) Related to Energy Systems Group prior to the completion of the sale in June 2023. Amortization ceased at June 30, 2023, the end of the quarter in which the held for sale criteria was met. See Note 3 for further information.

(2) Amortization expense related to the operation and maintenance agreements is included in Non-utility cost of revenues, including natural gas on CenterPoint Energy's Condensed Statements of Consolidated Income. Amortization ceased at June 30, 2023, the end of the quarter in which the held for sale criteria was met. See Note 3 for further information.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Amortization expense of intangible assets recorded in Depreciation and amortization	$ —	$ 1	$ 3	$ 4

CenterPoint Energy estimates that amortization expense of intangible assets with finite lives for the next five years will not be significant.

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

(a) Equity Securities

During the nine months ended September 30, 2022, CenterPoint Energy completed the execution of its previously announced plan to exit the midstream sector by selling the remaining Energy Transfer Common Units and Energy Transfer Series G Preferred Units it held.

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.

	Gains (Losses) on Equity Securities			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
AT&T Common	$ (10)	$ (57)	$ (35)	$ (94)
Charter Common	63	(144)	88	(304)
WBD Common	(5)	(5)	3	28
Energy Transfer Common Units	—	—	—	95
Energy Transfer Series G Preferred Units	—	—	—	(9)
Other	1	—	—	—
Total	$ 49	$ (206)	$ 56	$ (284)

CenterPoint Energy recorded net unrealized gains of $49 million and $56 million for the three and nine months ended September 30, 2023 and net unrealized losses of $206 million and $370 million for the three and nine months ended September 30, 2022 respectively, for equity securities held as of September 30, 2023 and 2022.

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.

	Shares Held		Carrying Value	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
			(in millions)	
AT&T Common	10,212,945	10,212,945	$ 153	$ 188
Charter Common	872,503	872,503	384	296
WBD Common	2,470,685	2,470,685	27	23
Other			2	3
Total			$ 566	$ 510

(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 September 30, 2023. 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:

	September 30, 2023	December 31, 2022
	(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 September 30, 2023, the ZENS, having an original principal amount of $828 million and a contingent principal amount of $20 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 have 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 2027. 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 $4 million and $11 million outstanding obligations related to the AMAs as of September 30, 2023 and December 31, 2022, respectively, recorded in Short-term borrowings on CenterPoint Energy's and CERC's Condensed Consolidated Balance Sheets.

Debt Transactions. During the nine months ended September 30, 2023, the following debt instruments were issued or incurred:

Registrant	Issuance Date	Debt Instrument	Aggregate Principal Amount	Interest Rate	Maturity Date
			(in millions)		
Houston Electric	March 2023	General Mortgage Bonds (1)	$ 600	4.95%	2033
Houston Electric	March 2023	General Mortgage Bonds (1)	300	5.30%	2053
Houston Electric	September 2023	General Mortgage Bonds (13)	500	5.20%	2028
		Total Houston Electric	1,400		
CERC	February 2023	Term Loan (2)	500	SOFR (3) + 0.85%	2024
CERC	February 2023	Senior Notes (4)	600	5.25%	2028
CERC	February 2023	Senior Notes (4)	600	5.40%	2033
CERC	May 2023	Senior Notes (5)	300	5.25%	2028
		Total CERC	2,000		
CenterPoint Energy (6)	March 2023	First Mortgage Bonds (7)	100	4.98%	2028
CenterPoint Energy (6)	March 2023	First Mortgage Bonds (7)	80	5.04%	2033
CenterPoint Energy	March 2023	Term Loan (8)	250	SOFR (3) + 1.50%	2023
CenterPoint Energy (9)	June 2023	Securitization Bonds (10)	341	5.026% - 5.172%	2038-2043
CenterPoint Energy	August 2023	Convertible Notes (11)	1,000	4.25%	2026
CenterPoint Energy	August 2023	Senior Notes (12)	400	5.25%	2026
		Total CenterPoint Energy	$ 5,571		

(1) Total proceeds from Houston Electric's March 2023 issuances of general mortgage bonds, net of transaction expenses and fees, were approximately $890 million. Approximately $593 million of such proceeds were used for general limited liability company purposes, including capital expenditures, working capital and the repayment of all or a portion of Houston Electric's borrowings under the CenterPoint Energy money pool, and approximately $296 million of such proceeds will be disbursed or allocated to finance or refinance, in part or in full, new or existing projects that meet stated criteria.

(2) Total proceeds, net of transaction expenses and fees, of approximately $500 million were used for general corporate purposes, including the repayment of CERC's outstanding commercial paper balances.

(3) As defined in the applicable term loan agreement, which includes an adjustment of 0.10% per annum.

(4) Total proceeds from CERC's February 2023 issuances of senior notes, net of transaction expenses and fees, of approximately $1.2 billion were used for general corporate purposes, including the repayment of (i) all or a portion of CERC's outstanding 0.700% senior notes due 2023, (ii) all or a portion of CERC's outstanding floating rate senior notes due 2023 and (iii) a portion of CERC's outstanding commercial paper balances.

(5) Total proceeds, net of issuance premiums, transaction expenses and fees, of approximately $308 million, which includes approximately $3 million of accrued interest, were used for general corporate purposes, including repayment of all or a portion of CERC's outstanding $500 million term loan due February 2024.

(6) Issued by SIGECO.

(7) Total proceeds from SIGECO's March 2023 issuances of first mortgage bonds, net of transaction expenses and fees, of approximately $179 million were used for general corporate purposes, including repaying short-term debt and refunding long-term debt at maturity or otherwise.

(8) Total proceeds, net of transaction expenses and fees, of approximately $250 million were used for general corporate purposes, including the repayment of CenterPoint Energy's outstanding commercial paper balances. The full outstanding amount of the term loan, including accrued and unpaid interest, was repaid in March 2023 and, following the repayment, the term loan agreement was terminated.

(9) Issued by the SIGECO Securitization Subsidiary. Scheduled final payment dates are November 15, 2036 and May 15, 2041. The SIGECO Securitization Bonds will be repaid over time through a securitization charge imposed on retail electric customers in SIGECO's service territory. See Notes 1 and 6 for further details.

(10) Total proceeds from the SIGECO Securitization Subsidiary's June 2023 issuance of SIGECO Securitization Bonds, net of transaction expenses and fees, of approximately $337 million were used to pay SIGECO the purchase price of the securitization property. SIGECO used the net proceeds from the sale of the securitization property (after payment of upfront financing costs) to reimburse or pay for qualified costs approved by the IURC related to the completed retirement of its A.B. Brown 1 and 2 coal-powered generation units.

(11) Total proceeds, net of discounts, transaction fees and expenses, of $985 million were used for general corporate purposes, including the redemption of CenterPoint Energy's Series A Preferred Stock on September 1, 2023, and the repayment of a portion of CenterPoint Energy's outstanding commercial paper. See additional information below.

(12) Total proceeds, net of discounts, transaction fees and expenses, of $397 million were used for general corporate purposes, including the repayment of a portion of CenterPoint Energy's outstanding commercial paper.
(13) Total proceeds from Houston Electric's September 2023 issuances of general mortgage bonds, net of transaction expenses and fees, of approximately $496 million were used for general limited liability company purposes, including capital expenditures, working capital and the repayment of all of Houston Electric's borrowings under the CenterPoint Energy money pool.

SIGECO Debt Remarketing. In April 2023, SIGECO executed a remarketing agreement to remarket five series of tax-exempt debt issued by the Indiana Finance Authority, and secured by SIGECO first mortgage bonds, of approximately $148 million, comprised of: (i) $107 million aggregate principal amount of Environmental Improvement Refunding Revenue Bonds, Series 2013, originally issued by the Indiana Finance Authority on April 26, 2013, and (ii) $41 million aggregate principal amount of Environmental Improvement Refunding Revenue Bonds, Series 2014, originally issued by the Indiana Finance Authority on September 24, 2014, which closed on May 1, 2023.

In July 2023, SIGECO executed a remarketing agreement to remarket two series of tax-exempt debt issued by the City of Mount Vernon, Indiana and Warrick County, Indiana, and secured by SIGECO first mortgage bonds, of approximately $38 million, comprised of: (i) $23 million aggregate principal amount of Environmental Improvement Revenue Bonds, Series 2015 issued by the City of Mount Vernon and (ii) $15 million aggregate principal amount of Environmental Improvement Revenue Bonds, Series 2015 issued by Warrick County, which closed on September 1, 2023. Effective September 1, 2023, the bonds of each series bear interest at a fixed rate of 4.250% per annum to the earlier of (i) its redemption date or (ii) September 1, 2028, at which time the bonds are subject to mandatory tender.

Convertible Senior Notes. Interest on the Convertible Notes described in the table above 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 New York Stock Exchange 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) (other than an exempted 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.

SIGECO First Mortgage Bonds. On October 13, 2023, SIGECO issued a total of $470 million aggregate principal amount of first mortgage bonds in three tranches: (i) $180 million first mortgage bonds bearing interest at 5.75% due 2029; (ii) $105 million first mortgage bonds bearing interest at 5.91% due 2030; and (iii) $185 million first mortgage bonds bearing interest at 6.00% due 2034. The net proceeds of $467 million will be used for general corporate purposes, including repaying short-term debt and refunding long-term debt at maturity or otherwise.

Debt Repayments and Redemptions. During the nine months ended September 30, 2023, the following debt instruments were repaid at maturity or redeemed prior to maturity with proceeds received from the Texas securitization discussed further in Note 6 or through the issuance of new debt. The table does not include Bond Company payments for which there is a dedicated revenue stream,

Registrant	Repayment/Redemption Date	Debt Instrument	Aggregate Principal Amount	Interest Rate	Maturity Date
			(in millions)		
CERC	March 2023	Term Loan (3)	$ 500	SOFR (2) + 0.70%	2023
CERC	March 2023	Senior Notes	700	0.70%	2023
CERC	March 2023	Floating Rate Senior Notes	575	Three-month LIBOR plus 0.5%	2023
CERC	May 2023	Term Loan (4)	500	SOFR (2) + 0.85%	2024
		Total CERC	2,275		
CenterPoint Energy (1)	January 2023	First Mortgage Bonds	11	4.00%	2044
CenterPoint Energy	March 2023	Term Loan (3)	250	SOFR (2) + 1.50%	2023
		Total CenterPoint Energy	$ 2,536		

(1) On December 16, 2022, SIGECO provided notice of redemption and on January 17, 2023, SIGECO redeemed $11 million aggregate principal amount of SIGECO's outstanding first mortgage bonds due 2044 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, if any, to, but excluding, the redemption date.
(2) As defined in the applicable term loan agreement, which includes an adjustment of 0.10% per annum.
(3) The full outstanding amount of the term loan, including accrued and unpaid interest, was repaid in March 2023 and, following the repayment, the term loan agreement was terminated.
(4) The full outstanding amount of the term loan, including accrued and unpaid interest, was repaid in May 2023 and, following the repayment, the term loan agreement was terminated.

Credit Facilities. The Registrants had the following revolving credit facilities as of September 30, 2023:

Execution Date	Registrant	Size of Facility	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 September 30, 2023 (2)	Termination Date
		(in millions)					
December 6, 2022	CenterPoint Energy	$ 2,400	1.500%	65.0%	(3)	59.2%	December 6, 2027
December 6, 2022	CenterPoint Energy (4)	250	1.125%	65.0%		43.8%	December 6, 2027
December 6, 2022	Houston Electric	300	1.250%	67.5%	(3)	52.4%	December 6, 2027
December 6, 2022	CERC	1,050	1.125%	65.0%		38.2%	December 6, 2027
	Total	$ 4,000					

(1) Based on current credit ratings.
(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, including the subsidiaries of CenterPoint Energy discussed above, were in compliance with all financial debt covenants as of September 30, 2023.

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

	September 30, 2023				December 31, 2022			
Registrant	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	$ —	$ 8	$ 1,079	5.50 %	$ —	$ 11	$ 1,770	4.71 %
CenterPoint Energy (1)	—	—	—	— %	—	—	—	— %
Houston Electric	—	—	—	— %	—	—	—	— %
CERC	—	1	—	— %	—	—	805	4.67 %
Total	$ —	$ 9	$ 1,079		$ —	$ 11	$ 2,575	

(1) This credit facility was issued by SIGECO.
(2) Outstanding commercial paper generally has maturities of 60 days or less and each Registrants' commercial paper program is backstopped by such Registrants' long-term credit facilities. Neither Houston Electric nor SIGECO has a commercial paper program.

Liens. As of September 30, 2023, Houston Electric's assets were subject to liens securing approximately $7.6 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 $4.5 billion of additional general mortgage bonds on the basis of retired bonds and 70% of property additions as of September 30, 2023. 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 September 30, 2023, SIGECO had approximately $457 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 September 30, 2023, SIGECO was permitted to issue additional bonds under its mortgage indenture up to 70% of then currently unfunded property additions and approximately $1.4 billion of additional first mortgage bonds could be issued on this basis. On October 13, 2023, SIGECO issued a total of $470 million aggregate principal amount of first mortgage bonds in three tranches as discussed above.

Other. As of September 30, 2023, certain financial institutions agreed to issue, from time to time, up to $5 million of letters of credit on behalf of Vectren and certain of its subsidiaries in exchange for customary fees. As of September 30, 2023, such financial institutions had issued less than $1 million of letters of credit on behalf of Vectren and certain of its subsidiaries.

(12) Income Taxes

The Registrants reported the following effective tax rates:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
CenterPoint Energy (1) (2)	19 %	27 %	25 %	26 %
Houston Electric (3)	22 %	21 %	22 %	21 %
CERC (4) (5)	25 %	170 %	22 %	25 %

(1) CenterPoint Energy's lower effective tax rate for the three months ended September 30, 2023 compared to the same period ended September 30, 2022 was primarily due to the tax impacts of the absence of non-deductible goodwill

associated with the sale of the Natural Gas business in Arkansas and Oklahoma in 2022 and an increase in EDIT amortization of the net regulatory liability for EDIT.

(2) CenterPoint Energy's lower effective tax rate for the nine months ended September 30, 2023 compared to the same period ended September 30, 2022 was primarily due to the tax impacts of the absence of non-deductible goodwill associated with the sale of the Natural Gas businesses in Arkansas and Oklahoma in 2022, partially offset by the tax impacts of the sale of Energy Systems Group and an increase in state income taxes.

(3) Houston Electric's higher effective tax rate for the three and nine months ended September 30, 2023 compared to the same periods ended September 30, 2022 was primarily driven by an increase in state income taxes.

(4) CERC's lower effective tax rate for the three months ended September 30, 2023 compared to the same period ended September 30, 2022 was primarily driven by the tax impact of the absence of non-deductible goodwill associated with the sale of the Natural Gas businesses in Arkansas and Oklahoma in 2022 and an increase in the favorable impact of amortization of the net regulatory liability for EDIT.

(5) CERC's lower effective tax rate for the nine months ended September 30, 2023 compared to the same period ended September 30, 2022 was primarily driven by the tax impact of the absence of non-deductible goodwill associated with the sale of the Natural Gas businesses in Arkansas and Oklahoma in 2022 and increase in the favorable impact of amortization of the net regulatory liability for EDIT, partially offset by an increase in state income taxes.

CenterPoint Energy reported a net uncertain tax liability, inclusive of interest and penalties, of $29 million as of September 30, 2023. The Registrants believe that it is reasonably possible that there will be no change in unrecognized tax benefits, including penalties and interest, in the next 12 months as a result of a lapse of statutes on older exposures, a tax settlement, and/or a resolution of open audits.

Tax Audits and Settlements. Tax years through 2018 have been audited and settled with the IRS for CenterPoint Energy. The 2019 and 2020 tax years are before IRS Appeals. For the 2021-2023 tax years, 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 September 30, 2023 and December 31, 2022. 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 have exceeded the agreed upon levels in the BTA. Once pricing is updated and parties determine whether to continue with the project, Indiana Electric may have to refile for approval of the project with the IURC, which could delay the in-service date from 2025 to 2026.

As of September 30, 2023, other than discussed below, undiscounted minimum purchase obligations are approximately:

	CenterPoint Energy			CERC
	Natural Gas Supply	Electric Supply (1)	Other (2)	Natural Gas Supply
	(in millions)			
Remaining three months of 2023	$ 220	$ 51	$ 71	$ 218
2024	683	160	181	678
2025	588	492	39	584
2026	501	342	39	497
2027	425	105	—	421
2028	380	68	—	376
2029 and beyond	1,710	719	332	1,685

(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 and its BTA in Pike County, Indiana are included above.

(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 $509 million as of September 30, 2023 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 September 30, 2023 and December 31, 2022 related to its obligation under the outstanding guarantees.

(c) Legal, Environmental and Other Matters

Legal Matters

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, LLC, 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, LLC, 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.

Substantially all of the litigation is or will be consolidated in Texas state court in Harris County, Texas, as part of an MDL proceeding, with one case currently pending in justice court in Harris County. 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 recent 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 lists of natural gas defendants incorrectly included Utility Holding, LLC), and the REP defendants and some causes of action against the other defendants. As to the TDU and generator defendants, the MDL 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 are asking the court of appeals to overturn. The court of appeals granted the request for oral argument in the TDU mandamus proceeding and heard oral argument on October 23, 2023. The MDL judge has allowed plaintiffs to file several motions related to the framework for preliminary discovery, but otherwise the cases remain stayed as the MDL judge addresses additional preliminary issues.

As of September 30, 2023, there are approximately 220 pending lawsuits that are in or will be added to 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. 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 is also pending against CenterPoint Energy, Houston Electric, and numerous other defendants. Additionally, Utility Holding, LLC is currently named as a defendant in approximately five lawsuits in which CenterPoint Energy and/or Houston Electric are also named as defendants. CenterPoint Energy expects that the claims against Utility Holding, LLC will ultimately be dismissed in light of the judge’s initial rulings. CenterPoint Energy, Utility Holding, LLC, 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 one such 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 September 30, 2023, 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. The plaintiffs in those three cases filed motions to remand the lawsuits back to their original trial courts and out of the MDL. On August 1, 2023, the judge overseeing the MDL denied the motions to remand. Plaintiffs' joint motion for reconsideration of the MDL judge's orders denying remand is pending before the MDL panel. Regardless of whether the cases remain within the MDL, CERC intends to vigorously defend itself against the claims raised, including by raising jurisdictional challenges to the plaintiffs' claims.

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. Given the nature of certain of the recent allegations, however, it is possible that the insurers for third party bodily injury and property damage claims could dispute coverage for other types of damage that may be alleged by plaintiffs. CenterPoint Energy and its subsidiaries intend to continue to pursue any and all available insurance coverage for all of these matters.

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.

	September 30, 2023	
	CenterPoint Energy	CERC
	(in millions, except years)	
Amount accrued for remediation	$ 17	$ 15
Minimum estimated remediation costs	12	11
Maximum estimated remediation costs	51	44
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 the majority 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. Further "Part B" amendments, which related to alternate liners for CCR surface impoundments and the surface impoundment closure process, were published in March 2020. 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. CenterPoint Energy evaluated the Part B amendments to determine potential impacts and determined that the Part B amendments did not have an impact on its current plans.

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 existing 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 are necessary to determine the remaining service life of the ponds and whether a pond must be retrofitted with liners or closed in place. Indiana Electric's Warrick generating unit is not included in the scope of the CCR Rule as this unit has historically been part of a larger generating station that predominantly serves an adjacent industrial facility. Preliminary 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. The EPA is still reviewing industry extension requests, including CenterPoint Energy's extension request for the Culley East pond; however, the Culley East pond was taken out of service on May 1, 2023, and the A.B. Brown pond on October 7, 2023, so there is no longer a need for an extension at either the Culley East or A.B. Brown ash ponds. 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 is also seeking 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. The project costs are estimated to be approximately $52 million, inclusive of overheads.

On May 18, 2023, the EPA proposed amendments to the CCR rule that would, if finalized, apply closure requirements for inactive surface impoundments located at inactive facilities (legacy CCR surface impoundments) and CCR management units located at regulated CCR facilities. CenterPoint Energy is currently reviewing this proposal.

As of September 30, 2023, CenterPoint Energy has recorded an approximate $116 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.

Clean Water Act Permitting of Groundwater 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. However, on May 25, 2023, in *Sackett v. Environmental Protection Agency*, the U.S. Supreme Court issued an opinion redefining the term "waters of the United States," which may limit the scope of the April 2020 opinion. The Registrants are evaluating the extent to which these decisions will affect Clean Water Act permitting requirements and/or liability for their operations.

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 basic weighted average number of common shares outstanding during the period. 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 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 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 share using the if-converted method if the convertible debt is in the money. The denominator of diluted earnings per 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 nine months ended September 30, 2023, 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions, except per share and share amounts)			
Numerator:				
Income from continuing operations	$ 282	$ 202	$ 725	$ 923
Less: Preferred stock dividend requirement (Note 18)	26	13	50	37
Income available to common shareholders - basic and diluted	$ 256	$ 189	$ 675	$ 886
Denominator:				
Weighted average common shares outstanding - basic	631,185,000	629,509,000	630,854,000	629,374,000
Plus: Incremental shares from assumed conversions:				
Restricted stock	1,858,000	3,559,000	2,183,000	3,559,000
Weighted average common shares outstanding - diluted	633,043,000	633,068,000	633,037,000	632,933,000
Earnings Per Common Share:				
Basic Earnings Per Common Share	$ 0.41	$ 0.30	$ 1.07	$ 1.41
Diluted Earnings Per Common Share	$ 0.40	$ 0.30	$ 1.07	$ 1.40

(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 September 30, 2023, reportable segments by Registrant were as follows:

CenterPoint Energy

- CenterPoint Energy's Electric reportable segment consisted 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.

Houston Electric

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

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 September 30,			
	2023		2022	
	Revenues from External Customers	Net Income (Loss)	Revenues from External Customers	Net Income (Loss)
	(in millions)			
Electric	$ 1,261 (1)	$ 290	$ 1,146 (1)	$ 234
Natural Gas	597	27	692	(10)
Corporate and Other	2	(35)	65	(22)
Consolidated	$ 1,860	$ 282	$ 1,903	$ 202

	Nine Months Ended September 30,			
	2023		2022	
	Revenues from External Customers	Net Income (Loss)	Revenues from External Customers	Net Income
	(in millions)			
Electric	$ 3,250 (1)	$ 593	$ 3,092 (1)	$ 489
Natural Gas	3,136	296	3,334	416
Corporate and Other	128	(164)	184	18
Consolidated	$ 6,514	$ 725	$ 6,610	$ 923

(1) Houston Electric revenues from major external customers are as follows (CenterPoint Energy and Houston Electric):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Affiliates of NRG	$ 370	$ 327	$ 826	$ 797
Affiliates of Vistra Energy Corp.	177	153	403	372

	Total Assets	
	September 30, 2023	December 31, 2022
	(in millions)	
Electric	$ 21,130	$ 19,024
Natural Gas	16,802	18,043
Corporate and Other, net of eliminations (1)	1,069	1,479
Consolidated	$ 39,001	$ 38,546

(1) Total assets included pension and other postemployment-related regulatory assets of $379 million and $405 million as of September 30, 2023 and December 31, 2022, 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 Information

The table below provides supplemental disclosure of cash flow information:

	Nine Months Ended September 30, 2023			2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Cash Payments/Receipts:						
Interest, net of capitalized interest	$ 521	$ 211	$ 153	$ 376	$ 188	$ 67
Income tax payments, net	200	12	113	340	113	3
Non-cash transactions:						
Accounts payable related to capital expenditures	264	137	122	333	197	145
ROU assets obtained in exchange for lease liabilities (1)	3	1	—	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:

	September 30, 2023			December 31, 2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Cash and cash equivalents (1)	$ 120	$ 113	$ 1	$ 74	$ 75	$ —
Restricted cash included in Prepaid expenses and other current assets	18	13	—	17	13	—
Total cash, cash equivalents and restricted cash shown in Condensed Statements of Consolidated Cash Flows	$ 138	$ 126	$ 1	$ 91	$ 88	$ —

(1) Cash and cash equivalents related to VIEs as of September 30, 2023 and December 31, 2022 included $118 million and $75 million, respectively, at CenterPoint Energy and $113 million and $75 million, respectively, at Houston Electric.

(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:

	September 30, 2023		December 31, 2022	
	Houston Electric	CERC	Houston Electric	CERC
	(in millions, except interest rates)			
Money pool investments (borrowings) (1)	$ 400	$ 86	$ (642)	$ —
Weighted average interest rate	5.56 %	5.56 %	4.75 %	4.75 %

(1) Included in Accounts and notes receivable (payable)–affiliated companies on Houston Electric's and CERC's respective Condensed Consolidated Balance Sheets.

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:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	Houston Electric	CERC	Houston Electric	CERC	Houston Electric	CERC	Houston Electric	CERC
	(in millions)							
Corporate service charges	$ 40	$ 56	$ 38	$ 54	$ 115	$ 162	$ 114	$ 163
Net affiliate service charges (billings)	(1)	1	3	(3)	(7)	7	(12)	12

The table below presents transactions among Houston Electric, CERC and their parent, CenterPoint Energy.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2023		2022		2023		2022	
	Houston Electric	CERC	Houston Electric	CERC	Houston Electric	CERC	Houston Electric	CERC
	(in millions)							
Cash dividends paid to parent	$ 79	$ 36	$ 74	$ 13	$ 239	$ 347	$ 141	$ 124
Cash dividend paid to parent related to the sale of the Arkansas and Oklahoma Natural Gas businesses	—	—	—	—	—	—	—	720
Cash contribution from parent	235	—	—	—	885	500	1,143	125
Net assets acquired in the Restructuring	—	—	—	—	—	—	—	2,345
Non-cash capital contribution from parent in payment for property, plant and equipment below	—	—	—	—	—	—	38	54
Cash paid to parent for property, plant and equipment below	—	—	—	—	—	—	65	61
Property, plant and equipment from parent (1)	—	—	—	—	—	—	103	115

(1) Property, plant and equipment purchased from CenterPoint Energy at its net carrying value on the date of purchase.

(18) Equity

Dividends Declared and Paid (CenterPoint Energy)

	Dividends Declared Per Share				Dividends Paid Per Share			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022	2023	2022	2023	2022
Common Stock	$ 0.390	$ 0.360	$ 0.580	$ 0.530	$ 0.190	$ 0.180	$ 0.570	$ 0.520
Series A Preferred Stock	30.625	30.625	30.625	30.625	30.625	30.625	61.250	61.250

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.

Preferred Stock (CenterPoint Energy)

	Liquidation Preference Per Share	Shares Outstanding as of		Outstanding Value as of	
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
	(in millions, except shares and per share amounts)				
Series A Preferred Stock	$ 1,000	—	800,000	$ —	$ 790
		—	800,000	$ —	$ 790

Income Allocated to Preferred Shareholders (CenterPoint Energy)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in millions)			
Series A Preferred Stock	$ 26	$ 13	$ 50	$ 37
Total income allocated to preferred shareholders	$ 26	$ 13	$ 50	$ 37

Temporary Equity (CenterPoint Energy)

On the approval and recommendation of the Compensation Committee and approval of the Board (acting solely through its independent directors), CenterPoint Energy entered into a retention incentive agreement with David J. Lesar, then President and Chief Executive Officer of CenterPoint Energy, dated July 20, 2021. Pursuant to the retention incentive agreement, Mr. Lesar received equity-based awards under CenterPoint Energy's LTIP covering a total of 1 million shares of Common Stock (Total Stock Award) which were granted in multiple annual awards. Mr. Lesar received 400 thousand restricted stock units in July 2021 that vested in December 2022 and 400 thousand restricted stock units and 200 thousand restricted stock units in February 2022 and February 2023, respectively, that will vest in December 2023. For accounting purposes, the 1 million shares under the Total Stock Award, consisting of the equity-based awards described above, were considered granted in July 2021. In the event that death, disability, termination without cause or resignation for good reason, as defined in the retention incentive agreement, had occurred prior to the full Total Stock Award being awarded, CenterPoint Energy would have paid a lump sum cash payment equal to the value of the unawarded equity-based awards, based on the closing trading price of Common Stock on the date of the event's occurrence. Because the equity-based awards would have been redeemable for cash prior to being awarded upon events that were not probable at the grant date, the equity associated with any unawarded equity-based awards were classified as Temporary Equity as of December 31, 2022 on CenterPoint Energy's Condensed Consolidated Balance Sheets. As of September 30, 2023, all restricted stock units have been awarded to Mr. Lesar and no amounts are reflected in Temporary Equity on CenterPoint Energy's Condensed Consolidated Balance Sheets.

Accumulated Other Comprehensive Income (Loss)

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

	Three Months Ended September 30,					
	2023			2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Beginning Balance	$ (32)	$ —	$ 15	$ (85)	$ —	$ 10
Other comprehensive income (loss) before reclassifications:						
Remeasurement of pension and other postretirement plans	—	—	—	(10)	—	—
Amounts reclassified from accumulated other comprehensive income (loss):						
Net deferred gain from cash flow hedges	2	—	—	—	—	—
Prior service cost (1)	1	—	—	—	—	—
Actuarial losses (1)	—	—	—	2	—	—
Settlement (2)	—	—	—	1	—	—
Tax benefit (expense)	—	—	—	9	—	—
Net current period other comprehensive income (loss)	3	—	—	2	—	—
Ending Balance	$ (29)	$ —	$ 15	$ (83)	$ —	$ 10

	Nine Months Ended September 30,					
	2023			2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Beginning Balance	$ (31)	$ —	$ 16	$ (64)	$ —	$ 10
Other comprehensive income (loss) before reclassifications:						
Remeasurement of pension and other postretirement plans	—	—	—	(44)	—	—
Amounts reclassified from accumulated other comprehensive income (loss):						
Net deferred gain from cash flow hedges	2	—	—	—	—	—
Prior service cost (1)	—	—	(1)	1	—	—
Actuarial losses (1)	—	—	—	4	—	—
Settlement (2)	—	—	—	14	—	—
Tax benefit (expense)	—	—	—	5	—	—
Net current period other comprehensive income (loss)	2	—	(1)	(19)	—	—
Ending Balance	$ (29)	$ —	$ 15	$ (83)	$ —	$ 10

(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.
(2) Amounts presented represent a one-time, non-cash settlement cost (benefit), prior to regulatory deferrals, which are required when the total lump sum distributions or other settlements of plan benefit obligations during a plan year exceed the service cost and interest cost components of the net periodic cost for that year. Amounts presented in the table above are included in Other income (expense), net in CenterPoint Energy's Statements of Consolidated Income, net of regulatory deferrals.

(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. As of December 31, 2022, the short-term lease agreement has expired and all mobile generation assets are 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, $102 million and $103 million as of September 30, 2023 and December 31, 2022, 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 September 30, 2023 and December 31, 2022 and relates to removal costs that will be incurred at the end of the lease term. As of September 30, 2023, Houston Electric has secured a first lien on the assets leased under the prepayment agreement, except for assets with lease payments totaling $101 million. The $101 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, $117 million and $60 million as of September 30, 2023 and December 31, 2022, 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 is 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. If the disallowance reimbursement clause is exercised, 85% of such disallowance up to $53 million would be paid to Houston Electric. Any disallowance greater than $53 million would remain subject to the 75% limit set forth in the termination clause. 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 September 30, 2023			Three Months Ended September 30, 2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease cost	$ 1	$ 1	$ —	$ 2	$ —	$ —
Short-term lease cost	15	14	—	39	39	1
Total lease cost (1)	$ 16	$ 15	$ —	$ 41	$ 39	$ 1

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease cost	$ 4	$ 2	$ 1	$ 4	$ —	$ 1
Short-term lease cost	28	27	—	123	122	1
Total lease cost (1)	$ 32	$ 29	$ 1	$ 127	$ 122	$ 2

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

Lease income was as follows:

	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease income	$ 2	$ 1	$ 1	$ 1	$ 1	$ 1
Variable lease income	—	—	—	—	—	—
Total lease income	$ 2	$ 1	$ 1	$ 1	$ 1	$ 1

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease income	$ 5	$ 1	$ 3	$ 4	$ 1	$ 2
Variable lease income	1	—	—	1	—	—
Total lease income	$ 6	$ 1	$ 3	$ 5	$ 1	$ 2

Supplemental balance sheet information related to leases was as follows:

	September 30, 2023			December 31, 2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions, except lease term and discount rate)					
Assets:						
Operating ROU assets (1)	$ 15	$ 6	$ 4	$ 19	$ 6	$ 5
Finance ROU assets (2)	550	550	—	621	621	—
Total leased assets	$ 565	$ 556	$ 4	$ 640	$ 627	$ 5
Liabilities:						
Current operating lease liability (3)	$ 4	$ 1	$ 1	$ 5	$ 1	$ 2
Non-current operating lease liability (4)	11	5	3	14	5	4
Total leased liabilities (5)	$ 15	$ 6	$ 4	$ 19	$ 6	$ 6
Weighted-average remaining lease term (in years) - operating leases	5.7	4.1	3.3	4.3	4.8	3.9
Weighted-average discount rate - operating leases	3.94 %	4.09 %	3.60 %	3.80 %	4.01 %	3.58 %
Weighted-average remaining lease term (in years) - finance leases	5.8	5.8	—	6.5	6.5	—
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.
(2) Reported within Property, Plant and Equipment in the Registrants’ respective Condensed Consolidated Balance Sheets. Finance lease assets are recorded 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, 2023 or December 31, 2022 and are reported within Other long-term debt in the Registrants’ respective Condensed Consolidated Balance Sheets when applicable.

As of September 30, 2023, finance lease liabilities were not significant to the Registrants. As of September 30, 2023, maturities of operating lease liabilities were as follows:

	CenterPoint Energy	Houston Electric	CERC
		(in millions)	
Remainder of 2023	$ 2	$ —	$ 1
2024	3	2	2
2025	3	2	1
2026	3	2	1
2027	2	1	—
2028	2	—	—
2029 and beyond	1	—	—
Total lease payments	16	7	5
Less: Interest	1	1	1
Present value of lease liabilities	$ 15	$ 6	$ 4

As of September 30, 2023, future minimum finance lease payments were not significant to the Registrants. As of September 30, 2023, maturities of undiscounted operating lease payments to be received are as follows:

	CenterPoint Energy	Houston Electric	CERC
		(in millions)	
Remainder of 2023	$ 2	$ —	$
2024	6	1	
2025	8	1	
2026	8	—	
2027	7	—	
2028	7	—	
2029 and beyond	173	—	17
Total lease payments to be received	$ 211	$ 2	$ 19

Other information related to leases is as follows:

	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	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	$ 1	$ —	$ —	$ 1	$ —	$ —
Financing cash flows from finance leases included in the measurement of lease liabilities	—	—	—	47	47	—

	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	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	$ 4	$ 1	$ 1	$ 4	$ —	$ 1
Financing cash flows from finance leases included in the measurement of lease liabilities	—	—	—	218	218	—

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

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 2022 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. Where appropriate, information relating to a specific Registrant has been segregated and labeled as such. 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. 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

Series A Preferred Stock Redemption. On September 1, 2023, CenterPoint Energy redeemed the Series A Preferred Stock in whole for cash of $800 million at a redemption price of $1,000 per share, plus accumulated and unpaid dividends thereon to, but excluding, the redemption date. For further information, see Note 18 to the Interim Condensed Financial Statements.

Divestiture of Energy Systems Group. On May 21, 2023, 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, for $154 million in cash, subject to finalization of the purchase price adjustment. For further information, see Note 3 to the Interim Condensed Financial Statements.

Regulatory Proceedings. On March 23, 2023, CenterPoint Energy and CERC, collectively, received approximately $1.1 billion in proceeds from the customer rate relief bonds issued by the Texas Public Financing Authority related to the February 2021 Winter Storm Event. On April 5, 2023, a final order was issued approving the $39 million revenue requirement from Houston Electric's 2021 investment in TEEEF. On April 5, 2023, Houston Electric filed its second TEEEF filing requesting 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. On June 29, 2023, Indiana Electric received the net securitization proceeds of $337 million to reimburse it for or fund qualified costs approved by the IURC related to the retirement of its A.B. Brown coal-fired generation facilities. 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 2023, see "—Liquidity and Capital Resources —Regulatory Matters" below.

Debt Transactions. During the nine months ended September 30, 2023, CenterPoint Energy issued or borrowed a combined $5.6 billion in new debt, including Houston Electric's issuance of $1.4 billion aggregate principal amount of general mortgage bonds, CERC's issuance of $1.5 billion aggregate principal amount of senior notes and $500 million term loan, SIGECO Securitization Subsidiary's issuance of $341 million aggregate principal amount of SIGECO Securitization Bonds, SIGECO's issuance of $180 million aggregate principal amount of first mortgage bonds, and CenterPoint Energy's issuance of $1.0 billion aggregate principal of convertible notes, $400 million aggregate principal of senior notes and $250 million term loan. During the nine months ended September 30, 2023, CenterPoint Energy repaid or redeemed a combined $2.5 billion of debt, including CERC's repayment of $1.0 billion of term loans and $1.275 billion of senior notes maturing in 2023, CenterPoint Energy's repayment of its $250 million term loan and SIGECO's early redemption of $11 million of first mortgage bonds maturing in 2044, excluding scheduled principal payments on Securitization Bonds. On October 13, 2023, SIGECO issued a total of $470 million aggregate principal amount of first mortgage bonds in three tranches. For information about debt transactions to date in 2023, see Note 11 to the Interim Condensed Financial Statements.

CenterPoint Energy Leadership Transition. On March 15, 2023, CenterPoint Energy announced the appointment of Christopher Foster to the position of Executive Vice President and Chief Financial Officer, effective May 5, 2023. On September 27, 2023, CenterPoint Energy appointed Kristie L. Colvin to the position of Senior Vice President, Chief Accounting Officer of CenterPoint Energy and its affiliated subsidiaries, effective October 5, 2023.

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 2022 Form 10-K.

Income available to common shareholders for the three and nine months ended September 30, 2023 and 2022 was as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
	(in millions)					
Electric	$ 290	$ 234	$ 56	$ 593	$ 489	$ 104
Natural Gas	27	(10)	37	296	416	(120)
Total Utility Operations	317	224	93	889	905	(16)
Corporate & Other (1)	(61)	(35)	(26)	(214)	(19)	(195)
Total CenterPoint Energy	$ 256	$ 189	$ 67	$ 675	$ 886	$ (211)

(1) Includes energy performance contracting and sustainable infrastructure services through Energy Systems Group through 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.

Three months ended September 30, 2023 compared to three months ended September 30, 2022

Income available to common shareholders increased $67 million primarily due to the following items:

- an increase in income available to common shareholders of $56 million for the Electric reportable segment, as further discussed below;
- an increase in income available to common shareholders of $37 million for the Natural Gas reportable segment, as further discussed below;
- a decrease in income available to common shareholders of $26 million for Corporate and Other, primarily due to approximately $17 million of costs related to redemption of the Series A Preferred Stock in September 2023 as discussed in Note 18 to the Interim Condensed Financial statements, partially offset by the termination of the associated dividend payment that would have been paid in September 2023 post-redemption. The remaining variance is primarily driven by an increase in borrowing costs.

Nine months ended September 30, 2023 compared to nine months ended September 30, 2022

Income available to common shareholders decreased $211 million primarily due to the following items:

- an increase in net income of $104 million for the Electric reportable segment, as further discussed below;
- a decrease in net income of $120 million for the Natural Gas reportable segment, as further discussed below;
- a decrease in income available to common shareholders of $195 million for Corporate and Other, primarily due to the pre-tax net gain of $86 million on the sale of Energy Transfer equity securities in 2022 further discussed in Note 10 to the Interim Condensed Financial Statements, partially offset by $45 million of costs associated with early redemption of long-term debt in first quarter 2022, a loss on sale of $12 million and current tax expense of $33 million related to the divestiture of Energy Systems Group further discussed in Note 3 to the Interim Condensed Financial Statements, as well as $19 million due to remeasurement of deferred income tax balances. The decrease in income is also due to approximately $17 million of costs related to redemption of the Series A Preferred Stock in September 2023 as discussed in Note 18 to the Interim Condensed Financial statements, partially offset by the termination of the associated dividend payment that would have been paid in September 2023 post-redemption. The remaining variance is due largely to 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 2022 Form 10-K.

The following table provides summary data of the Electric reportable segment:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues	$ 1,261	$ 1,146	$ 115	$ 3,250	$ 3,092	$ 158
Expenses:						
Utility natural gas, fuel and purchased power	51	65	14	130	162	32
Operation and maintenance	459	465	6	1,335	1,351	16
Depreciation and amortization	241	207	(34)	650	604	(46)
Taxes other than income taxes	73	67	(6)	208	207	(1)
Total expenses	824	804	(20)	2,323	2,324	1
Operating Income	437	342	95	927	768	159
Other Income (Expense):						
Interest expense and other finance charges	(81)	(58)	(23)	(213)	(174)	(39)
Other income, net	13	9	4	39	21	18
Income Before Income Taxes	369	293	76	753	615	138
Income tax expense	79	59	(20)	160	126	(34)
Net Income	$ 290	$ 234	$ 56	$ 593	$ 489	$ 104
Throughput (in GWh):						
Residential	13,851	11,970	16 %	28,855	28,319	2 %
Total	35,029	30,330	15 %	84,794	82,755	2 %
Weather (percentage of 10-year average for service area):						
Cooling degree days	123 %	105 %	18 %	117 %	110 %	7 %
Heating degree days	— %	200 %	(200)%	86 %	121 %	(35)%
Number of metered customers at end of period:						
Residential	2,578,969	2,527,383	2 %	2,578,969	2,527,383	2 %
Total	2,906,307	2,850,910	2 %	2,906,307	2,850,910	2 %

The following table provides variance explanations for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 as well as for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 by major income statement caption for the Electric reportable segment:

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2023 vs 2022	Nine Months Ended September 30, 2023 vs 2022
	(in millions)	
Revenues		
Transmission Revenues, including TCOS and TCRF, inclusive of costs billed by transmission providers, partially offset in operation and maintenance below	$ 24	$ 98
Customer rates	68	136
Cost of fuel and purchased power, offset in utility natural gas, fuel and purchased power below	(14)	(32)
Customer growth	8	20
Miscellaneous revenues, including service connections and off-system sales	3	(6)
Equity return, related to the annual true-up of transition charges for amounts over or under collected in prior periods	—	(4)
Energy efficiency, and other pass-through, offset in operation and maintenance below	(19)	(12)
Weather, efficiency improvements and other usage impacts	36	(12)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items below	9	(30)
Total	$ 115	$ 158
Utility natural gas, fuel and purchased power		
Cost of fuel, including coal, natural gas, and fuel oil, offset in revenues above	$ (2)	$ 5
Cost of purchased power, offset in revenues above	16	27
Total	$ 14	$ 32
Operation and maintenance		
All other operation and maintenance expense, including materials and supplies and insurance	$ (4)	$ 23
Energy efficiency, and other pass-through, offset in revenues above	19	12
Labor and benefits	(3)	10
Contract services	—	(2)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items	—	1
Support services, primarily information technology cost	(2)	(3)
Transmission costs billed by transmission providers, offset in revenues above	(4)	(25)
Total	$ 6	$ 16
Depreciation and amortization		
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items	$ (5)	$ 26
Ongoing additions to plant-in-service	(29)	(72)
Total	$ (34)	$ (46)
Taxes other than income taxes		
Franchise fees and other taxes	$ —	$ 3
Incremental capital projects placed in service, net of updated property tax rates	(6)	(4)
Total	$ (6)	$ (1)
Interest expense and other finance charges		
Changes in outstanding debt	$ (21)	$ (56)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items	(4)	—
Other, primarily AFUDC and impacts of regulatory deferrals	2	17
Total	$ (23)	$ (39)
Other income, net		
Other income, including AFUDC - Equity	$ 4	$ 15
Bond Companies and SIGECO Securitization Subsidiary interest income , offset in other line items	—	3
Total	$ 4	$ 18

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 2022 Form 10-K.

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues	$ 597	$ 692	$ (95)	$ 3,136	$ 3,334	$ (198)
Expenses:						
Utility natural gas, fuel and purchased power	141	284	143	1,420	1,698	278
Non-utility cost of revenues, including natural gas	1	1	—	2	3	1
Operation and maintenance	198	199	1	648	654	6
Depreciation and amortization	130	118	(12)	380	347	(33)
Taxes other than income taxes	53	51	(2)	182	189	7
Total expenses	523	653	130	2,632	2,891	259
Operating Income	74	39	35	504	443	61
Other Income (Expense):						
Gain on sale	—	—	—	—	303	(303)
Interest expense and other finance charges	(46)	(34)	(12)	(138)	(97)	(41)
Other income (expense), net	8	—	8	14	(10)	24
Income Before Income Taxes	36	5	31	380	639	(259)
Income tax expense	9	15	6	84	223	139
Net Income (Loss)	$ 27	$ (10)	$ 37	$ 296	$ 416	$ (120)
Throughput (in Bcf):						
Residential	14	15	(7)%	138	166	(17)%
Commercial and Industrial	84	81	4 %	308	307	— %
Total	98	96	2 %	446	473	(6)%
Weather (percentage of 10-year average for service area):						
Heating degree days	20 %	85 %	(65)%	87 %	108 %	(21)%
Number of metered customers at end of period:						
Residential	3,967,080	3,920,848	1 %	3,967,080	3,920,848	1 %
Commercial and Industrial	299,915	296,144	1 %	299,915	296,144	1 %
Total	4,266,995	4,216,992	1 %	4,266,995	4,216,992	1 %

The following table provides variance explanations for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 as well as for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 by major income statement caption for the Natural Gas reportable segment:

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2023 vs 2022	Nine Months Ended September 30, 2023 vs 2022
	(in millions)	
Revenues		
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	$ —	$ (38)
Weather and usage	(2)	(11)
Cost of natural gas, offset in utility natural gas, fuel and purchased power below	(143)	(255)
Gross receipts tax, offset in taxes other than income taxes below	—	(8)
Energy efficiency, offset in operation and maintenance below	—	(9)
Non-volumetric and miscellaneous revenue	13	16
Changes in non-utility revenues	6	14
Customer growth	3	16
Pass-through revenues, offset in operation and maintenance below	6	21
Customer rates and impact of the change in rate design	22	56
Total	$ (95)	$ (198)
Utility natural gas, fuel and purchased power		
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	$ —	$ 23
Cost of natural gas, offset in revenues above	143	255
Total	$ 143	$ 278
Non-utility costs of revenues, including natural gas		
Other, primarily non-utility cost of revenues	$ —	$ 1
Total	$ —	$ 1
Operation and maintenance		
Corporate support services	$ —	$ 6
Labor and benefits	(2)	1
Energy efficiency, offset in revenues above	—	9
Miscellaneous operations and maintenance expense, including bad debt expense	6	10
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	—	3
Contract services	3	(2)
Pass-through expense, offset in revenues above	(6)	(21)
Total	$ 1	$ 6
Depreciation and amortization		
Incremental capital projects placed in service	$ (12)	$ (35)
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	—	2
Total	$ (12)	$ (33)
Taxes other than income taxes		
Gross receipts tax, offset in revenues above	$ —	$ 8
Other, primarily property taxes	(2)	(2)
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	—	1
Total	$ (2)	$ 7
Gain on sale		
Net gain on sale of Arkansas and Oklahoma Natural Gas businesses	$ —	$ (303)
Total	$ —	$ (303)
Interest expense and other finance charges		
Changes in outstanding debt	$ (9)	$ (56)
Other, primarily AFUDC and impacts of regulatory deferrals	(3)	15
Total	$ (12)	$ (41)
Other income (expense), net		
AFUDC - Equity, primarily from increased capital spend	$ 3	$ 7
Decrease to non-service benefit cost	—	11
Other	5	6
Total	$ 8	$ 24

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'S MANAGEMENT'S NARRATIVE ANALYSIS OF 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 2022 Form 10-K.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues:						
TDU	$ 1,027	$ 879	$ 148	$ 2,655	$ 2,394	$ 261
Bond Companies	56	56	—	129	168	(39)
Total revenues	1,083	935	148	2,784	2,562	222
Expenses:						
Operation and maintenance, excluding Bond Companies	407	393	(14)	1,186	1,190	4
Depreciation and amortization, excluding Bond Companies	157	123	(34)	433	357	(76)
Taxes other than income taxes	70	65	(5)	201	196	(5)
Bond Companies	55	54	(1)	126	157	31
Total expenses	689	635	(54)	1,946	1,900	(46)
Operating Income	394	300	94	838	662	176
Other Income (Expense):						
Interest expense and other finance charges	(69)	(50)	(19)	(185)	(148)	(37)
Interest expense on Securitization Bonds	(2)	(3)	1	(6)	(11)	5
Other income, net	5	5	—	22	13	9
Income Before Income Taxes	328	252	76	669	516	153
Income tax expense	72	52	(20)	147	108	(39)
Net Income	$ 256	$ 200	$ 56	$ 522	$ 408	$ 114
Throughput (in GWh):						
Residential	13,410	11,525	16 %	27,803	27,223	2 %
Total	33,546	28,928	16 %	80,984	78,565	3 %
Weather (percentage of 10-year average for service area):						
Cooling degree days	123 %	105 %	18 %	117 %	111 %	6 %
Heating degree days	— %	— %	— %	87 %	124 %	(37)%
Number of metered customers at end of period:						
Residential	2,443,150	2,392,107	2 %	2,443,150	2,392,107	2 %
Total	2,751,218	2,696,366	2 %	2,751,218	2,696,366	2 %

The following table provides variance explanations for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 as well as for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 by major income statement caption for Houston Electric:

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2023 vs 2022	Nine Months Ended September 30, 2023 vs 2022
	(in millions)	
Revenues		
Transmission Revenues, including TCOS and TCRF, inclusive of costs billed by transmission providers	$ 23	$ 97
Customer rates	80	146
Customer growth	8	20
Equity return, related to the annual true-up of transition charges for amounts over or under collected in prior periods	—	(4)
Weather impacts and other usage	38	1
Energy efficiency, offset in operations and maintenance below	(1)	1
Bond Companies, offset in other line items below	—	(39)
Total	$ 148	$ 222
Operation and maintenance, excluding Bond Companies		
All other operation and maintenance expense, including materials and supplies and insurance	$ (4)	$ 24
Labor and benefits	(3)	9
Support services, primarily information technology cost	(1)	(1)
Contract services	(3)	(2)
Energy efficiency, offset in revenues above	1	(1)
Transmission costs billed by transmission providers, offset in revenues above	(4)	(25)
Total	$ (14)	$ 4
Depreciation and amortization, excluding Bond Companies		
Ongoing additions to plant-in-service	$ (34)	$ (76)
Total	$ (34)	$ (76)
Taxes other than income taxes		
Incremental capital projects placed in service, net of updated property tax rates	$ (5)	$ (5)
Total	$ (5)	$ (5)
Bond Companies expense		
Operations and maintenance and depreciation expense, offset in revenues above	$ (1)	$ 31
Total	$ (1)	$ 31
Interest expense and other finance charges		
Changes in outstanding debt	$ (18)	$ (47)
Other, primarily AFUDC, impacts of regulatory deferrals	(1)	10
Total	$ (19)	$ (37)
Interest expense on Securitization Bonds		
Lower outstanding principal balance, offset in revenues above	$ 1	$ 5
Total	$ 1	$ 5
Other income, net		
Other income, including AFUDC - Equity	$ —	$ 6
Bond Companies interest income, offset in other line items	—	3
Total	$ —	$ 9

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

CERC'S MANAGEMENT'S NARRATIVE ANALYSIS OF 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 2022 Form 10-K.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2023	2022	Favorable (Unfavorable)	2023	2022	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues	$ 583	$ 672	$ (89)	$ 3,045	$ 3,232	$ (187)
Expenses:						
Utility natural gas, fuel and purchased power	141	276	135	1,399	1,660	261
Non-utility cost of revenues, including natural gas	1	1	—	2	3	1
Operation and maintenance	187	190	3	616	630	14
Depreciation and amortization	125	113	(12)	365	333	(32)
Taxes other than income taxes	53	50	(3)	181	185	4
Total expenses	507	630	123	2,563	2,811	248
Operating Income	76	42	34	482	421	61
Other Income (Expense):						
Gain on sale	—	—	—	—	557	(557)
Interest expense and other finance charges	(44)	(32)	(12)	(131)	(91)	(40)
Other income (loss), net	6	—	6	12	(11)	23
Income Before Income Taxes	38	10	28	363	876	(513)
Income tax expense	10	17	7	80	220	140
Net Income (Loss)	$ 28	$ (7)	$ 35	$ 283	$ 656	$ (373)
Throughput (in Bcf):						
Residential	14	14	— %	135	161	(16)%
Commercial and Industrial	76	74	3 %	282	281	— %
Total	90	88	2 %	417	442	(6)%
Weather (percentage of 10-year average for service area):						
Heating degree days	21 %	85 %	(64)%	88 %	108 %	(20)%
Number of metered customers at end of period:						
Residential	3,863,739	3,817,553	1 %	3,863,739	3,817,553	1 %
Commercial and Industrial	289,376	285,576	1 %	289,376	285,576	1 %
Total	4,153,115	4,103,129	1 %	4,153,115	4,103,129	1 %

The following table provides variance explanations for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 as well as for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 by major income statement caption for CERC:

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2023 vs 2022	Nine Months Ended September 30, 2023 vs 2022
	(in millions)	
Revenues		
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	$ —	$ (38)
Weather and usage	(2)	(11)
Cost of natural gas, offset in utility natural gas, fuel and purchased power below	(135)	(238)
Gross receipts tax, offset in taxes other than income taxes below	—	(6)
Energy efficiency, offset in operation and maintenance below	—	(8)
Non-volumetric and miscellaneous revenue	14	16
Changes in non-utility revenues	6	14
Pass-through revenues, offset in operation and maintenance below	4	14
Customer growth	3	15
Customer rates and impact of the change in rate design	21	55
Total	$ (89)	$ (187)
Utility natural gas, fuel and purchased power		
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	$ —	$ 23
Cost of natural gas, offset in revenues above	135	238
Total	$ 135	$ 261
Non-utility costs of revenues, including natural gas		
Other, primarily non-utility cost of revenues	$ —	$ 1
Total	$ —	$ 1
Operation and maintenance		
Corporate support services	$ (1)	$ 6
Labor and benefits	(2)	1
Energy efficiency, offset in revenues above	—	8
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	—	3
Miscellaneous operations and maintenance expense, including bad debt expense	7	10
Contract services	3	—
Pass-through expense, offset in revenues above	(4)	(14)
Total	$ 3	$ 14
Depreciation and amortization		
Incremental capital projects placed in service	$ (12)	$ (34)
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	—	2
Total	$ (12)	$ (32)
Taxes other than income taxes		
Gross receipts tax, offset in revenues above	$ —	$ 6
Other, primarily property taxes	(3)	(3)
Nine days in January 2022 for Arkansas and Oklahoma Natural Gas businesses due to sale	—	1
Total	$ (3)	$ 4
Gain on sale		
Net gain on sale of Arkansas and Oklahoma Natural Gas businesses	$ —	$ (557)
Total	$ —	$ (557)
Interest expense and other finance charges		
Changes in outstanding debt	$ (9)	$ (54)
Other, primarily AFUDC and impacts of regulatory deferrals	(3)	14
Total	$ (12)	$ (40)
Other income (expense), net		
AFUDC - Equity, primarily from increased capital spend	$ 2	$ 6
Decrease to non-service benefit cost	1	11
Other	3	6
Total	$ 6	$ 23

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 2022 Form 10-K, and "Cautionary Statement Regarding Forward-Looking Information" 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 nine months ended September 30, 2023 and 2022:

	Nine Months Ended September 30,					
	2023			2022		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Cash provided by (used in):						
Operating activities	$ 3,069	$ 858	$ 2,270	$ 1,325	$ 545	$ 753
Investing activities	(3,190)	(2,132)	(1,320)	(229)	(2,053)	921
Financing activities	168	1,312	(949)	(1,220)	1,402	(1,688)

Operating Activities. The following items contributed to increased (decreased) net cash provided by operating activities for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Changes in net income after adjusting for non-cash items	$ 346	$ 231	$ (114)
Changes in working capital	506	113	624
Change in net regulatory assets and liabilities (1)	954	(73)	1,011
Higher pension contribution	(24)	—	—
Other	(38)	42	(4)
	$ 1,744	$ 313	$ 1,517

(1) This change is primarily related to the receipt of proceeds at CenterPoint Energy and CERC from the Texas securitization program. 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 nine months ended September 30, 2023 compared to the nine months ended September 30, 2022:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Proceeds from the sale of equity securities	$ (702)	$ —	$ —
Capital expenditures	(244)	3	(53)
Net change in notes receivable from affiliated companies	—	(40)	(86)
Proceeds from divestitures	(1,930)	—	(2,075)
Other	(85)	(42)	(27)
	$ (2,961)	$ (79)	$ (2,241)

Financing Activities. The following items contributed to (increased) decreased net cash used in financing activities for the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022:

	CenterPoint Energy	Houston Electric	CERC
		(in millions)	
Net changes in commercial paper outstanding	$ 124	$ —	$ (481)
Net changes in long-term debt and term loans outstanding, excluding commercial paper	2,391	176	(696)
Net changes in debt issuance costs	(24)	3	(2)
Net changes in short-term borrowings	(471)	—	(471)
Redemption of Series A Preferred Stock	(800)	—	—
Payment of obligation for finance lease	218	218	—
Increased payment of common stock dividends	(31)	—	—
Increased payment of preferred stock dividends	(1)	—	—
Net change in notes payable from affiliated companies	—	(130)	1,517
Contribution from parent	—	(258)	375
Dividend to parent	—	(98)	497
Other	(18)	(1)	—
	$ 1,388	$ (90)	$ 739

Future Sources and Uses of Cash

The liquidity and capital requirements of the Registrants are affected primarily by results of operations, capital expenditures, debt service requirements, tax payments, working capital needs and various regulatory actions. Capital expenditures are expected to be used for investment in infrastructure. These capital expenditures are anticipated to maintain reliability and safety, increase resiliency and expand our systems through value-added projects. 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 three months of 2023 include the following:

	CenterPoint Energy	Houston Electric	CERC
		(in millions)	
Estimated capital expenditures	$ 802	$ 379	$ 329
Scheduled principal payments on Securitization Bonds	79	79	—
Maturing senior notes	57	—	57
Expected contributions to pension plans and other post-retirement plans	4	1	1

The Registrants expect that anticipated cash needs for the remaining three months of 2023 will be met with borrowings under their credit facilities, proceeds from the issuance of long-term debt, term loans, anticipated cash flows from operations, and, with respect to CenterPoint Energy and CERC, proceeds from commercial paper. Discretionary financing or refinancing may result in the issuance of debt securities of the Registrants in the capital markets or the arrangement of additional credit facilities or term bank loans. Issuances of debt in the capital markets, funds raised in the commercial paper markets and additional credit facilities may not, however, be available on acceptable terms.

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

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 Planned 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 has filed an 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 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, approved the proposed levelized rate and associated ratemaking and accounting treatment. Due to inflationary pressures, the developer disclosed that costs have exceeded the agreed upon levels in the BTA. Once pricing is updated and parties determine whether to continue with the project, Indiana Electric may have to refile for approval of the project with the IURC, which could delay the in-service date from 2025 to 2026.

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. Indiana Electric has requested recovery 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, and 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. The amended PPA was approved by the IURC in the second quarter of 2023. The Clenera LLC solar array is expected to be placed in service in the second quarter of 2025.

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 October 19, 2022, Indiana Electric filed with the IURC seeking approval of the amended PPA with Origis and a hearing was held on January 4, 2023. On February 22, 2023, the IURC issued an order authorizing Indiana Electric to (i) enter into the amended PPA with Origis; (ii) recover the cost of the amended PPA over its full term as proposed; and (iii) use the proposed ratemaking treatment. 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 are requested to be recovered through the fuel adjustment clause proceedings over the term of the amended PPA with Oriden. The amended PPA with Oriden was approved by the IURC in the second quarter of 2023. The Oriden solar array is expected to be placed in service in the second quarter of 2025 and the Origis solar array is expected to be placed in service by the third quarter of 2024.

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 planned to be constructed at the current site of the A.B. Brown power plant in Posey County, Indiana and would 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 South’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. Indiana Electric entered into an agreement with Texas Gas Transmission, pending FERC approval of a necessary pipeline, to supply firm gas service to the new combustion turbines being constructed as part of the generation transition. On October 20, 2022, FERC granted Texas Gas Transmission a certificate to construct the pipeline. On November 21, 2022, the Citizens Action Coalition of Indiana, Inc. filed a request for rehearing which was denied on June 8, 2023 when FERC issued a Notice of Denial of Rehearing by Operation of Law. Separately, on February 21, 2023, Citizens Action Coalition of Indiana, Inc. filed a Petition for Review at the United States Court of Appeals for the District of Columbia. The appeal is pending with the briefing schedule recently being released. Finally, on July 7, 2023, FERC issued a Notice to Proceed with Full Construction and Modification Approvals, granting Texas Gas Transmission’s request to proceed, in full, with construction of the Henderson County Expansion Project. 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-2025. Recovery of the proposed natural gas combustion turbines and regulatory asset will be requested in the next Indiana Electric rate case expected in 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 October 23, 2023, Indiana Electric filed rebuttal testimony with the IURC. Indiana Electric expects a decision from the IURC in the first half of 2024.

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

On December 17, 2020, Houston Electric filed a certificate of convenience and necessity application 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. The actual capital costs of the project will depend on actual land acquisition costs, construction costs, and other factors. 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 expects construction to be substantially complete by the end of 2023 and the transmission line is expected to be energized shortly after the generation facility is complete.

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. 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 and have been estimated to be $60 million to $99 million. A decision on the approval of the project in the PUCT proceeding is expected in the first quarter of 2024.

Texas Legislation (CenterPoint Energy, Houston Electric and CERC)

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

- House Bill 1500 is effective 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 is effective June 12, 2023 and authorizes local distribution companies to offer programs to promote energy conservation and to recover costs prudently incurred to implement such programs under Railroad Commission authority;
- House Bill 2555 is effective June 13, 2023 and allows an electric utility to create a transmission and distribution system resiliency plan with the PUCT and associated cost recovery to enhance its system through hardening, undergrounding certain lines, flood mitigation measures, and vegetation management. We anticipate that the PUCT will open a rule making proceeding; the PUCT has until December 10, 2023 to adopt a rule;
- Senate Bill 947 is effective September 1, 2023 and creates severe criminal offenses for intentional damage to critical infrastructure facilities that create extended power outages;
- Senate Bill 1015 is effective 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 is effective 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 is effective June 2, 2023 and moves the timeline for the PUCT to approve certificates of convenience and necessity 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 greenhouse gas 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 greenhouse gas 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 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 closes November 3, 2023, reply comments are due January 12, 2024 and supplemental comments are due February 2, 2024; the MPUC indicated that unless warranted by comments received by September 15, 2023, it does not intend to hear this matter before the completion of the entire comment period.

Solar Panel Issues (CenterPoint Energy)

CenterPoint Energy's current and future solar projects have been impacted by delays and/or increased costs. The 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 a domestic solar manufacturer, (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 December 2, 2022, the DOC issued its preliminary determination, finding four of the eight companies being investigated are attempting to bypass U.S. duties. On August 18, 2023, the DOC announced its final determination and found that five of the eight companies investigated are attempting to bypass U.S. duties by doing minor processing in one of the Southeast Asian countries before shipment to the United States. Pursuant to President Biden's executive order issued in June 2022, duties will not be collected on any solar module and cell imports from these Southeast Asian countries until June 2024, as long as the imports are consumed in the U.S. market within six months of the termination of the executive order. The executive order could be subject to legal and legislative challenges and its effects remain uncertain. The resolution of these issues will determine what additional costs or delays our solar projects will be subject to. These impacts have resulted in cost increases for certain projects, and may result in cost increases in other projects, and such impacts have resulted in, or are expected to result in, the need for us to 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' 2022 Form 10-K.

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 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). The table below reflects significant applications pending or completed since the Registrants' combined 2022 Form 10-K was filed with the SEC through the date of the filing of this Form 10-Q.

Mechanism	Annual Increase (Decrease) (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
CenterPoint Energy and Houston Electric (PUCT)					
TCOS	44	August 2023	October 2023	October 2023	Based on net change in invested capital of $405 million for the period February 1, 2023 through June 30, 2023. Notice of Approval issued October 6, 2023.
EECRF (1)	16	June 2023	TBD	TBD	The requested $53 million is comprised primarily of the following: 2024 program costs of $38 million; a credit of $2 million related to the over-recovery of 2022 program costs; the 2022 earned bonus of $16 million and 2024 projected evaluation, measurement and verification costs of $1 million.
DCRF	70	April 2023	September 2023	September 2023	The net change in distribution invested capital since its last base rate proceeding of approximately $1.9 billion for the period January 1, 2019 through December 31, 2022 for a revenue increase of $85 million, adjusted for load growth. On July 14, 2023 a settlement was filed that results in a revenue increase of $70 million adjusted for load growth. Order approving the rates included in the settlement was issued September 14, 2023.
TEEEF (1)	149	April 2023	TBD	TBD	A total Rider TEEEF revenue requirement of $188 million for cost incurred through December 31, 2022. The revenue change between the rates resulting from the 2022 TEEEF and this application is $149 million. Interim rates effective September 1, 2023. Settlement in principle announced and motion to abate filed October 12, 2023.
TCOS	40	March 2023	May 2023	May 2023	Based on net change in invested capital of $367 million for the period August 1, 2022 through January 31, 2023.

Mechanism	Annual Increase (Decrease) (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
DCRF	117	April 2022	April 2023	April 2023	Original filing included both capital that has traditionally been recovered under DCRF and TEEEF capital; the filing was separated into traditional DCRF and TEEEF in June 2022. The traditional DCRF portion revenue requirement of $78 million was approved and was implemented September 1, 2022. A final order was issued on April 5, 2023 approving a TEEEF revenue requirement of $39 million with rates effective April 15, 2023. On April 28, 2023 and May 1, 2023 certain intervenors filed motions for rehearing of the PUCT's April 5, 2023 order. 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. On June 19, 2023 certain intervenors filed motions for rehearing of the May 25, 2023 order on rehearing. The PUCT denied the motions for rehearing in an order issued on August 3, 2023. See Note 6 to the Interim Condensed Financial Statements for further information.
CenterPoint Energy and CERC - Beaumont/East Texas, South Texas, Houston and Texas Coast (Railroad Commission)					
GRIP	60	March 2023	June 2023	June 2023	Based on net change in invested capital for calendar year 2022 of $390 million.
CenterPoint Energy and CERC - Minnesota (MPUC)					
CIP Financial Incentive (1)	8	May 2023	September 2023	October 2023	CIP Financial Incentive based on 2022 CIP program activity.
CenterPoint Energy and CERC - Mississippi					
RRA (1)	7	May 2023	October 2023	October 2023	Based ROE of 10.098% with 100 basis point (+/-) earnings band. Revenue increase of approximately $8 million based on 2022 test year adjusted earned ROE of 5.66%. Interim increase of approximately $1 million implemented May 31, 2023. Settled increase of approximately $7 million approved and implemented October 3, 2023. Order authorized recovery of regulatory assets due to COVID-19 in the amount of $0.3 million over the 2024 calendar year.
CenterPoint Energy and CERC - Louisiana (LPSC)					
RSP(1)	6	September 2022	May 2023	April 2023	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, is $3 million based on a test year ended June 2022 and adjusted ROE of 7.05%. The South Louisiana increase, net of TCJA effects considered outside of the earnings band, is $5 million based on a test year ended June 2022 and adjusted ROE of 4.19%. The TCJA refund impact to North Louisiana and South Louisiana was $1 million and $1 million, respectively. North Louisiana and South Louisiana also seek to recover regulatory assets due to COVID-19 bad debt expenses in the amounts of $0.7 million and $0.3 million, respectively. Interim rates implemented on December 28, 2022, subject to refund. On April 5, 2023 the LPSC issued an order approving a joint settlement for $2.7 million in North Louisiana and $4.6 million in South Louisiana in addition to the full impacts of TCJA and COVID-19 recoveries. Implementation occurred in May 2023 upon approval of compliance tariff.
RSP	10	September 2023	TBD	TBD	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 $5 million based on a test year ended June 2023 and adjusted ROE of 5.08%. 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. Interim rates may be implemented on December 28, 2023, subject to refund.

Mechanism	Annual Increase (Decrease) (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
CenterPoint Energy - Indiana South - Gas (IURC)					
CSIA	3	April 2023	July 2023	July 2023	Requested an increase of $33 million to rate base, which reflects approximately $3 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. Also included are unrecovered deferred Operations & Management expenses of $9 million. OUCC filed on June 2, 2023, recommending approval of the proposed CSIA rates and updated plan as filed, with non-cost recommendations. Rebuttal testimony filed June 16, 2023. A hearing was held June 28, 2023. The IURC issued an Order approving the CSIA on July 26, 2023.
CSIA	3	October 2023	TBD	TBD	Requested an increase of $31 million to rate base, which reflects approximately $3 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. OUCC files on December 8, 2023. Rebuttal testimony is due December 15, 2023. A hearing is scheduled for January 3, 2024.
CenterPoint Energy and CERC - Indiana North - Gas (IURC)					
CSIA	9	April 2023	July 2023	July 2023	Requested an increase of $95 million to rate base, which reflects approximately $9 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 $5 million annually. Also included are unrecovered deferred operations & management expenses of $20 million. OUCC filed on June 2, 2023, recommending approval of the proposed CSIA rates and updated plan as filed, with non-cost recommendations. Rebuttal testimony was filed on June 16, 2023. A hearing was held June 28, 2023. The IURC issued an Order approving the CSIA on July 26, 2023.
CSIA	9	October 2023	TBD	TBD	Requested an increase of $98 million to rate base, which reflects approximately $9 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. OUCC files on December 8, 2023. Rebuttal testimony is due December 15, 2023. A hearing is scheduled for January 3, 2024.
CenterPoint Energy and CERC - Ohio (PUCO)					
DRR (1)	6	May 2023	September 2023	August 2023	Requested an increase of $46 million to rate base for investments made in 2022, which reflects a $6 million annual increase in current revenues. A change in (over)/under-recovery variance of $0.3 million annually is also included in rates. PUCO staff review and recommendation filed June 29, 2023, recommending approval as proposed. VEDO statement of issues resolved in case filed July 14, 2023. PUCO issued a Finding & Order approving the DRR August 23, 2023, and revised rates effective September 1, 2023.
CenterPoint Energy - Indiana Electric (IURC)					
TDSIC	2	February 2023	June 2023	May 2023	Requested an increase of $31 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). OUCC filed on April 3, 2023, recommending approval of the proposed TDSIC rates and updated plan as filed. A hearing was held on May 3, 2023. On May 30, 2023, the IURC issued an order approving the TDSIC rates and updated plan as filed with rates effective June 1, 2023.
CECA	—	February 2023	June 2023	May 2023	Requested an increase of less than $1 million to rate base, which reflects an annual increase of less than $1 million in current revenues. The mechanism also includes a change in (over)/under-recovery variance of less than ($1 million). OUCC filed on March 31, 2023, recommending approval of the proposed CECA cost recovery with a reduction of approximately $0.3 million. Rebuttal testimony was filed on April 6, 2023. A hearing was held on May 3, 2023. On May 30, 2023, the IURC issued an order approving the CECA rates with a cost recovery reduction of approximately $0.3 million with rates effective June 6, 2023.
ECA (1)	1	May 2023	TBD	TBD	Requested an increase of $51 million to rate base, which reflects a $1 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 of less than $1 million. OUCC filed on July 7, 2023, recommending disallowance of up to $5.35 million in costs. Indiana Electric filed a rebuttal on July 14, 2023. Indiana Electric filed a Petition on August 16, 2023, to reopen record and file supplemental testimony. Indiana Electric filed supplemental testimony on August 31, 2023. OUCC filed supplemental testimony on September 21, 2023. Indiana Electric filed rebuttal supplemental testimony on September 28, 2023. A hearing is scheduled for October 24, 2023.

Mechanism	Annual Increase (Decrease) (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
DSMA (1)	16	July 2023	TBD	TBD	The requested $45 million is comprised primarily of the following: 2024 program costs of $11 million and $26 million of lost revenue, $3 million related to the over-recovery of 2022 program costs and $11 million under-recovery related to a prior period variance adjustment; the requested $45 million is an increase of $16 million compared to the prior DSMA. A settlement between Indiana Electric and the OUCC was reached concerning the $11 million under-recovery which resolves all issues related to the DSMA for January through December 2024 including the $11 million under-recovery. The settlement provides that the IURC should approve the DSMA and that Indiana Electric will arrange for educational training on demand side management offerings. A settlement hearing is scheduled for October 24, 2023.
TDSIC (1)	3	August 2023	TBD	TBD	Requested an increase of $27 million to rate base, which reflects a $3 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 ($0.2 million). OUCC filed on October 2, 2023 recommending approval of the proposed TDSIC rates. A hearing is scheduled for October 31, 2023.

(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% corporate alternative minimum tax based on the AFSI of those corporations with an average AFSI of $1 billion over the most recent three-year period (i.e., the CAMT). The IRA did not have a material impact on the Registrants' 2022 financial results and no material impact is expected for 2023 financial results. The Registrants may be currently subject to the CAMT, pending future guidance relating to comments requested in response to Notice 2023-64. If the Registrants are subject to the CAMT for 2023, the calculation of regular tax will exceed minimum tax for 2023; therefore, no minimum tax is expected to be paid. Further guidance on the tax provisions of the IRA is expected and the Registrants continue to evaluate the IRA provisions for the effect on their future financial results.

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. We are currently reviewing the proposal for applicability to existing and new gas-fired generating units, 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 can be expected to drive a renewed regulatory push to require further GHG emission reductions from the energy sector and proceeded to lead 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, 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 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. 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. 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. 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 fossil 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 awareness 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 become a 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 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 756 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 clean 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. Indiana Electric plans to convert its last remaining coal unit to natural gas by 2027 and to add a significant amount of additional renewable resources through 2033.

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. Since many of the Registrants' facilities are located along or near the Texas gulf coast, increased or more severe hurricanes or tornadoes could increase costs to repair damaged facilities and restore service to customers. CenterPoint Energy's current 10-year capital plan includes capital expenditures to maintain 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. 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.

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 September 30, 2023. As of October 18, 2023, the Registrants had the following revolving credit facilities and utilization of such facilities:

		Amount Utilized as of October 18, 2023				
Registrant	**Size of Facility**	**Loans**	**Letters of Credit**	**Commercial Paper**	**Weighted Average Interest Rate**	**Termination Date**
		(in millions)				
CenterPoint Energy	$ 2,400	$ —	$ 8	$ 550	5.50%	December 6, 2027
CenterPoint Energy (1)	250	—	—	—	—%	December 6, 2027
Houston Electric	300	—	—	—	—%	December 6, 2027
CERC	1,050	—	1	58	5.43%	December 6, 2027
Total	$ 4,000	$ —	$ 9	$ 608		

(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 2023, 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, depositary 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 2023, see Note 11 to the Interim Condensed Financial Statements.

Temporary Investments

As of October 18, 2023, 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 October 18, 2023:

	Weighted Average Interest Rate	Houston Electric	CERC
		(in millions)	
Money pool investments	5.56%	$ 339	$ —

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 October 18, 2023, Moody's, S&P and Fitch had assigned the following credit ratings to the borrowers:

		Moody's		S&P		Fitch	
Registrant	Borrower/Instrument	Rating	Outlook (1)	Rating	Outlook (2)	Rating	Outlook (3)
CenterPoint Energy	CenterPoint Energy Senior Unsecured Debt	Baa2	Stable	BBB	Stable	BBB	Stable
CenterPoint Energy	Vectren Corp. Issuer Rating	n/a	n/a	BBB+	Stable	n/a	n/a
CenterPoint Energy	SIGECO Senior Secured Debt	A1	Stable	A	Stable	n/a	n/a
Houston Electric	Houston Electric Senior Secured Debt	A2	Stable	A	Stable	A	Stable
CERC	CERC Corp. Senior Unsecured Debt	A3	Stable	BBB+	Stable	A-	Stable
CERC	Indiana Gas Senior Unsecured Debt	n/a	n/a	BBB+	Stable	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 September 30, 2023, the impact on the borrowing costs under the three 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 unrecouped 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 $253 million as of September 30, 2023. 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 its 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 September 30, 2023, deferred taxes of approximately $705 million would have been payable in 2023. If all the ZENS-Related Securities had been sold on September 30, 2023, capital gains taxes of approximately $87 million would have been payable in 2023 based on 2023 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 and CERC's term loan agreement, 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. 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.

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 on capital and other financial markets;
- various legislative or regulatory actions;
- 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 (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;
- contributions to pension and postretirement benefit plans;
- disruptions in the banking industry, including bank failures and uncertainty regarding bank stability;
- restoration costs and revenue losses resulting from future natural disasters such as hurricanes 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 2022 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. 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.

Impairment of Long-Lived Assets, Including Identifiable Intangibles and Goodwill

The Registrants review the carrying value of long-lived assets, including identifiable intangibles and goodwill, whenever events or changes in circumstances indicate that such carrying values may not be recoverable, and at least annually, goodwill is tested for impairment as required by accounting guidance for goodwill and other intangible assets. Unforeseen events, changes in market conditions, and probable regulatory disallowances, where applicable, could have a material effect on the value of long-lived assets, including intangibles and goodwill, future cash flows, interest rate, and regulatory matters, and could result in an impairment charge.

CenterPoint Energy and CERC completed their 2023 annual goodwill impairment test during the third quarter of 2023 and determined, based on an income approach or a weighted combination of income and market approaches, that no goodwill impairment charge was required for any reporting unit. The fair values of each reporting unit significantly exceeded the carrying value of the reporting unit as of the last annual test.

From time to time, the Registrants consider the acquisition or the disposition of assets or businesses, and market information obtained through these exploratory activities is considered during the preparation of the financial statements to determine if an interim impairment test is required. The Registrants did not identify triggering events in connection with their preparation of the financial statements for the three and nine months ended September 30, 2023. See discussion below for goodwill attributable to disposed businesses, including assets held for sale.

Divestitures, including 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.

As described further in Note 3 to the Interim Condensed Financial Statements, certain assets and liabilities of Energy Systems Group representing a business were disposed of on June 30, 2023. As a result of the held for sale criteria being met during the same period as the completion of the sale, goodwill attributable to Energy Systems Group of $134 million was reflected in the pre-tax loss on sale of $12 million based on the actual sale proceeds received at closing on June 30, 2023.

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.

Accounting for Securitization of Generation Retirements

Accounting guidance for rate regulated long-lived asset abandonment requires that the carrying value of an operating asset or an asset under construction is removed from property, plant and equipment when it becomes probable that the asset will be abandoned. The Registrants recognize either a loss on abandonment or regulatory asset when they concluded it is probable the cost will be recovered in future rates. The portion of property, plant and equipment that will remain used and useful until abandonment and recovered through depreciation expense in rates will continue to be classified as property, plant and equipment until the asset is abandoned. The Registrants evaluate if an adjustment to the estimated life of the asset and, accordingly, the rate of depreciation, is required to recover the asset while it is still providing service. Determining probability of abandonment or probability of recovery requires significant judgment on the part of management and includes, but is not limited to, consideration of testimony presented in regulatory hearings, proposed regulatory decisions, final regulatory orders and the strength or status of applications for rehearing or state court appeals.

In connection with the securitization financing of qualified costs in the second quarter of 2023 associated with the retirement of SIGECO's A.B. Brown coal generation facilities, CenterPoint Energy evaluated the VIE consisting of the SIGECO Securitization Subsidiary, a wholly-owned, bankruptcy-remote, special purpose entity, for possible consolidation, including review of qualitative factors such as the power to direct the activities of the VIE and the obligation to absorb losses of the VIE. CenterPoint Energy has the power to direct the significant activities of the VIE and is most closely associated with the VIE as compared to other interests held by the holders of the SIGECO Securitization Bonds. CenterPoint Energy is, therefore, considered the primary beneficiary and consolidated the VIE.

For purposes of reporting cash flows, the Registrants consider cash equivalents to be short-term, highly-liquid investments with maturities of three months or less from the date of purchase. Cash and cash equivalents held by the SIGECO Securitization Subsidiary solely to support servicing the SIGECO Securitization Bonds as of September 30, 2023 are reflected on CenterPoint Energy's Consolidated Balance Sheet.

In connection with the issuance of the SIGECO Securitization Bonds, CenterPoint Energy was required to establish a restricted cash account to collateralize the SIGECO Securitization Bonds that were issued in the financing transaction. The restricted cash account is not available for withdrawal until the maturity of the SIGECO Securitization Bonds and is not included in cash and cash equivalents.

For further information, see Notes 1 and 6 to the Interim Condensed Financial Statements.

Other than the interim goodwill impairment review and securitization transaction discussed above, there have been no significant changes in our critical accounting policies during the nine months ended September 30, 2023, 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 2022 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 September 30, 2023, CenterPoint Energy had outstanding long-term debt, lease obligations and obligations under its ZENS that subject it to the risk of loss associated with movements in market interest rates.

CenterPoint Energy's floating rate obligations aggregated $1.8 billion and $4.5 billion as of September 30, 2023 and December 31, 2022, respectively. If the floating interest rates were to increase by 100 basis points from September 30, 2023 rates, CenterPoint Energy's combined interest expense would increase by approximately $18 million annually. In September 2023, SIGECO closed on the remarketing of two series of tax-exempt debt of approximately $38 million. For further information, see Note 11 to the Interim Condensed Financial Statements.

As of September 30, 2023 and December 31, 2022, CenterPoint Energy had outstanding fixed-rate debt (excluding indexed debt securities) aggregating $16.6 billion and $12.5 billion, respectively, in principal amount and having a fair value of $14.6 billion and $11.1 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 $670 million if interest rates were to decline by 10% from levels at September 30, 2023. 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. On an unconsolidated basis, CenterPoint Energy has no fixed-rate senior notes maturing in 2023; however, CERC has $57 million of fixed-rate senior notes maturing in 2023 that it expects to refinance at current rates.

The ZENS obligation is bifurcated into a debt component and a derivative component. The debt component of $5 million as of September 30, 2023 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 approximately $1 million if interest rates were to decline by 10% from levels at September 30, 2023. Changes in the fair value of the derivative component, a $630 million recorded liability at September 30, 2023, 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 September 30, 2023 levels, the fair value of the derivative component liability would decrease by $1 million, which would be recorded as an unrealized gain 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 September 30, 2023 aggregate market value of these shares would result in a net loss of less than $1 million, which would be recorded as a loss in CenterPoint Energy's Condensed Statements of Consolidated Income.

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

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 September 30, 2023, the recorded fair value of non-trading energy derivative assets was $1 million and $1 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 September 30, 2023 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 September 30, 2023 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 certain 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 2022 Form 10-K.

Item 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in the Registrants' combined 2022 Form 10-K.

Item 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

During the three months ended September 30, 2023, 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.

IBEW 66 Negotiations

The collective bargaining agreement with IBEW 66 related to Houston Electric employees would have expired in May 2023, but Houston Electric and IBEW 66 agreed to renew the agreement on a monthly basis while active negotiations continued on a new collective bargaining agreement. On October 18, 2023, IBEW 66 members voted to ratify the new collective bargaining agreement with Houston Electric. The new collective bargaining agreement will expire in May 2026.

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. 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 no such agreement should 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*	Securities Purchase Agreement, dated as of February 3, 2020, by and among Vectren Utility Services, Inc., PowerTeam Services, LLC and, solely for purposes of Section 10.17 of the Securities Purchase Agreement, Vectren Corporation	CenterPoint Energy's Form 8-K dated February 3, 2020	1-31447	2.1	x		
2.3*	Equity Purchase Agreement, dated as of February 24, 2020, by and between CERC Corp. and Athena Energy Services Buyer, LLC	CenterPoint Energy's Form 8-K dated February 24, 2020	1-31447	2.1	x		x
2.4*	Asset Purchase Agreement, by and between CenterPoint Energy Resources Corp. and Southern Col Midco, LLC, dated as of April 29, 2021	CenterPoint Energy's Form 10-Q for the quarter ended March 31, 2021	1-31447	2.4	x		x
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

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference	CenterPoint Energy	Houston Electric	CERC
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	Third Amended and Restated Bylaws of CenterPoint Energy	CenterPoint Energy's Form 8-K dated February 21, 2017	1-31447	3.1	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		
3.11	Statement of Resolution Establishing Series of Shares Designated Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock of CenterPoint Energy	CenterPoint Energy's Form 8-K dated August 22, 2018	1-31447	3.1	x		
3.12	Statement of Resolution Establishing Series of Shares designated 7.00% Series B Mandatory Convertible Preferred Stock of CenterPoint Energy	CenterPoint Energy's Form 8-K dated September 25, 2018	1-31447	3.1	x		
3.13	Statement of Resolution Establishing Series of Shares designated Series C Mandatory Convertible Preferred Stock of CenterPoint Energy, Inc., filed with the Secretary of State of the State of Texas and effective May 7, 2020	CenterPoint Energy's Form 8-K dated May 6, 2020	1-31447	3.1	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 August 4, 2023, between CenterPoint Energy and The Bank of New York Mellon Trust Company, National Association, as trustee	CenterPoint Energy's Form 8-K dated August 4, 2023	1-31447	4.1	x		
4.3	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		
†4.4	Supplemental Indenture No. 14, dated as of August 10, 2023, to Exhibit 4.3				x		
4.5	General Mortgage Indenture, dated as of October 10, 2002, between Houston Electric and The Bank of New York Mellon Trust Company, National Association (successor in trust to JPMorgan Chase Bank)	CenterPoint Energy's Form 10-Q for the quarter ended September 30, 2002	1-31447	4(j)(1)		x	
4.6	Ninth Supplemental Indenture, dated as of November 12, 2002, to Exhibit 4.5	CenterPoint Energy's Form 10-K for the year ended December 31, 2002	1-31447	4(k)(10)		x	
4.7	Twentieth Supplemental Indenture, dated as of December 9, 2008, to Exhibit 4.5	Houston Electric's Form 8-K dated January 6, 2009	1-3187	4.2		x	
4.8	Thirty-Fourth Supplemental Indenture, dated as of September 18, 2023, to Exhibit 4.5	Houston Electric's Form 8-K dated September 13, 2023	1-3187	4.4		x	
†4.9	Officer's Certificate, dated as of September 18, 2023					x	

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference	CenterPoint Energy	Houston Electric	CERC
†10.1	Third Amendment effective October 1, 2023 to CenterPoint Energy 2005 Deferred Compensation Plan				x		
†10.2	Third Amendment effective October 1, 2023 to CenterPoint Energy Benefit Restoration Plan				x		
†10.3	Fourth Amendment effective October 1, 2023 to CenterPoint Energy Savings Restoration Plan				x		
†10.4	Third Amendment dated July 24, 2023 to CenterPoint Energy Savings Plan				x		
10.5	Form of Award Agreement for Performance Share Units for Officer and Director Employees	CenterPoint Energy's Form 8-K dated September 27, 2023	1-31447	10.1	x		
10.6	Form of Award Agreement for Restricted Stock Units for Officer and Director Employees	CenterPoint Energy's Form 8-K dated September 27, 2023	1-31447	10.2	x		
10.7	First Amendment to Second Amended and Restated Credit Agreement, dated as of July 26, 2023	CenterPoint Energy's Form 10-Q for the quarter ended June 30, 2023	1-31447	10.1	x		
†31.1.1	Rule 13a-14(a)/15d-14(a) Certification of David J. Lesar				x		
†31.1.2	Rule 13a-14(a)/15d-14(a) Certification of Jason P. Wells					x	
†31.1.3	Rule 13a-14(a)/15d-14(a) Certification of Jason P. Wells						x
†31.2.1	Rule 13a-14(a)/15d-14(a) Certification of Christopher A. Foster				x		
†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 David J. Lesar				x		
†32.1.2	Section 1350 Certification of Jason P. Wells					x	
†32.1.3	Section 1350 Certification of Jason P. Wells						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: October 26, 2023

Exhibit 4.4

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. 14

Dated as of August 10, 2023

$400,000,000 5.25% Senior Notes due 2026

CENTERPOINT ENERGY, INC.
SUPPLEMENTAL INDENTURE NO. 14

$400,000,000 5.25% Senior Notes due 2026

SUPPLEMENTAL INDENTURE No. 14, dated as of August 10, 2023, 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 "5.25% Senior Notes due 2026" (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. 14.

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. 14 constitutes an integral part of the Original Indenture.

Section 102 *Additional Definitions.* For all purposes of this Supplemental Indenture No. 14:

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. 14 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;

"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. 14; and

The terms "herein," "hereof," "hereunder" and other words of similar import refer to this Supplemental Indenture No. 14.

Article II

The Series of Securities

Section 101 *Title of the Securities.* The Notes shall be designated as the "5.25% Senior Notes due 2026."

Section 102 *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 the 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 103 *Stated Maturity*. The Stated Maturity of the Notes shall be August 10, 2026 (the "Maturity Date").

Section 104 *Interest and Interest Rates.*

(a) The Notes shall bear interest at a rate of 5.25% per year, from and including August 10, 2023 (the "Issue Date") to, but excluding, the Maturity Date. Such interest shall be payable semiannually in arrears on February 10 and August 10 of each year (each an "Interest Payment Date"), beginning February 10, 2024, to the persons in whose names the Notes (or one or more Predecessor Securities) are registered at the close of business on January 25 and July 25 (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 5.25% 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 105 *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 106 *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 107 *Percentage of Principal Amount*. The Notes shall be initially issued at 99.816% of their principal amount, plus accrued interest, if any, from the Issue Date.

Section 108 *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 Depositary 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 109 *Form of Securities*. The Notes shall be substantially in the form attached as Exhibit A hereto.

Section 110 *Securities Registrar*. The Trustee shall initially serve as the Security Registrar for the Notes.

Section 111 *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 112 *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 101 *Redemption Price*. 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 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.

Section 102 *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

Maturity 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 Maturity 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 Maturity Date, as applicable. If there is no United States Treasury security maturing on the Maturity Date but there are two or more United States Treasury securities with a maturity date equally distant from the Maturity Date, one with a maturity date preceding the Maturity Date and one with a maturity date following the Maturity Date, the Company shall select the United States Treasury security with a maturity date preceding the Maturity Date. If there are two or more United States Treasury securities maturing on the Maturity 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 103 *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 104 *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 101 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 102 *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 101 The Indenture, as supplemented and amended by this Supplemental Indenture No. 14, is in all respects hereby adopted, ratified and confirmed.

Section 102 This Supplemental Indenture No. 14 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. 14 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. 14 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. 14 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 103 THIS SUPPLEMENTAL INDENTURE NO. 14 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 104 If any provision in this Supplemental Indenture No. 14 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 105 In case any provision in this Supplemental Indenture No. 14 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. 14 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/ Terence Rawlins
Name: Terence Rawlins
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 DEPOSITORY TRUST COMPANY IT SHALL BEAR THE FOLLOWING LEGEND.] UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY 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.
5.25% Senior Notes due 2026

Original Interest Accrual Date: August 10, 2023 Stated Maturity: August 10, 2026 Interest Rate: 5.25% Interest Payment Dates: February 10 and August 10 Initial Interest Payment Date: February 10, 2024 Regular Record Dates: January 25 and July 25 immediately preceding the respective Interest Payment Date	Redeemable: Yes [X] No [ ] Redemption Date: At any time. Redemption Price: 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 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.

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

Principal Amount Registered No. T-1
$ [1] CUSIP 15189TBF3

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 February 10, 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 5.25% 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 January 25 and July 25 (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

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

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: August 10, 2023   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: August 10, 2023

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

[FORM OF REVERSE SIDE OF SECURITY]

CENTERPOINT ENERGY, INC.

5.25% SENIOR NOTES DUE 2026

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 $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.

This Security 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 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.

“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 maturity date of the Notes (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 maturity date of the Notes 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 maturity date of the Notes, as applicable. If there is no United States Treasury security maturing on the maturity date of the Notes but there are two or more United States Treasury securities with a maturity date equally distant from the maturity date of the Notes, one with a maturity date preceding the maturity date of the Notes and one with a maturity date following the maturity date of the Notes, the Company shall select the United States Treasury security with a maturity date preceding the maturity date of the Notes. If there are two or more United States Treasury securities maturing on the maturity date of the Notes 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 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 HOUSTON ELECTRIC, LLC

OFFICER'S CERTIFICATE

September 18, 2023

I, the undersigned officer of CenterPoint Energy Houston Electric, LLC, a Texas limited liability company (the "Company"), do hereby certify that I am an Authorized Officer of the Company as such term is defined in the Indenture (as defined herein). I am delivering this certificate pursuant to the authority granted in the Resolutions adopted by written consent of the sole Manager of the Company dated September 8, 2023, and Sections 105, 201, 301, 401(1), 401(5) and 1403 of the General Mortgage Indenture, dated as of October 10, 2002, as heretofore supplemented to the date hereof (as heretofore supplemented, the "Indenture"), between the Company and The Bank of New York Mellon Trust Company, National Association (successor in trust to JPMorgan Chase Bank), as Trustee (the "Trustee"). Terms used herein and not otherwise defined herein shall have the meanings assigned to them in the Indenture, unless the context clearly requires otherwise. Based upon the foregoing, I hereby certify on behalf of the Company as follows:

1. The terms and conditions of the Securities of the series described in this Officer's Certificate are as follows (the numbered subdivisions set forth in this Paragraph 1 corresponding to the numbered subdivisions of Section 301 of the Indenture):

(1) The Securities of the thirty-ninth series to be issued under the Indenture shall be designated as the "5.20% General Mortgage Bonds, Series AM, due 2028" (the "Bonds"), as set forth in the Thirty-Fourth Supplemental Indenture, dated as of the date hereof, between the Company and the Trustee.

(2) The Trustee shall authenticate and deliver the Bonds for original issue on September 18, 2023 (the "Issue Date") in the aggregate principal amount of $500,000,000, upon a Company Order for the authentication and delivery thereof and satisfaction of Section 401 of the Indenture; provided, however, that, as contemplated in the second paragraph of Section 301 of the Indenture and the definition of "Tranche" in Section 101 of the Indenture, additional Securities of a series or Tranche may be subsequently issued from time to time, without any consent of Holders of the Securities of such series, pursuant to Section 1401(4) of the Indenture.

(3) Interest on the Bonds shall be payable to the Persons in whose names such Securities are registered at the close of business on the Regular Record Date for such interest (as specified in (5) below), except as otherwise expressly provided in the form of such Securities attached hereto as Exhibit A.

(4) The Bonds shall mature and the principal thereof shall be due and payable together with all accrued and unpaid interest thereon on October 1, 2028.

(5) The Bonds shall bear interest at the rate of 5.20% per annum. Interest shall accrue on the Bonds from the Issue Date, or the most recent date to which interest has been paid or duly provided for. The Interest Payment Dates for the Bonds shall be April 1 and October 1 in each year commencing April 1, 2024, and the Regular Record Dates with respect to the Interest Payment Dates for the Bonds shall be the March 15 and September 15, respectively, immediately preceding each Interest Payment Date (whether or not a Business Day); provided however that interest payable at maturity, upon redemption or when principal is otherwise due will be payable to the Holder to whom principal is payable.

(6) The Corporate Trust Office of The Bank of New York Mellon Trust Company, National Association in New York, New York shall be the place at which (i) the principal of and premium, if any, and interest on the Bonds shall be payable, (ii) registration of transfer of the Bonds may be effected, (iii) exchanges of the Bonds may be effected, and (iv) notices and demands to or upon the Company in respect of the Bonds and the Indenture may be served; and The Bank of New York Mellon Trust Company, National Association shall be the Security Registrar and Paying Agent for the Bonds; provided, however, that the Company reserves the right to change, by one or more Officer's Certificates, any such place or the Security Registrar; and provided, further, that the Company reserves the right to designate, by one or more Officer's Certificates, its principal office in Houston, Texas as any such place or itself as the Security Registrar; provided, however, that there shall be only a single Security Registrar for the Bonds.

(7) Prior to September 1, 2028 (the "Par Call Date"), the Company may redeem the Bonds 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 Bonds of such series to be redeemed discounted to the Redemption Date (assuming the Bonds 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 15 basis points; less (b) interest accrued to the Redemption Date; and

- (2) 100% of the principal amount of the Bonds to be redeemed;

plus, in each case, accrued and unpaid interest thereon to, but excluding, the Redemption Date.

On or after the Par Call Date, the Company may redeem the Bonds 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 Bonds being redeemed plus, in each case, accrued and unpaid interest thereon 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 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, at the written direction of the Company, will send a notice of redemption to each holder of Bonds to be redeemed by first-class mail (or in accordance with the procedures of The Depository Trust Company with respect to Bonds registered in the name of Cede & Co.) at least 10 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 Bonds or portions thereof called for redemption on the Redemption Date. If fewer than all of the Bonds are to be redeemed, not more than 60 days prior to the Redemption Date, the particular Bonds or portions thereof called for redemption will be selected from the outstanding Bonds not previously called by lot by the Trustee. The Trustee may select for redemption Bonds and portions of Bonds in amounts of $2,000 or whole multiples of $1,000. In the case of a partial redemption of Bonds registered in the name of Cede & Co., the Bonds to be redeemed will be determined in accordance with the procedures of The Depository Trust Company.

(8) Not applicable.

(9) The Bonds will be issued in minimum denominations of $2,000 and integral multiples of $1,000 in excess thereof.

(10) Not applicable.

(11) Not applicable.

(12) Not applicable.

(13) See subsection (7) above.

(14) Not applicable.

(15) Not applicable.

(16) Not applicable.

(17) The Bonds shall be issuable in whole or in part in the form of one or more Global Securities (as defined below). The Depository Trust Company shall initially serve as Depositary (as defined below) with respect to the Global Securities. "Depositary" means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as depositary for such Securities. "Global Security" means a Security that evidences all or part of the Securities of a series and bears a legend in substantially the following form:

> THIS SECURITY IS IN GLOBAL FORM 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.

The provisions of Clauses (1), (2), (3) and (4) below shall apply only to Global Securities:

(1) Each Global Security authenticated under the Indenture shall be registered in the name of the Depositary designated for such Global Security or a nominee thereof and delivered to such Depositary or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of the Indenture.

(2) Notwithstanding any other provision in the Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (A) the Company has notified the Trustee that the Depositary is unwilling or unable to continue as Depositary for such Global Security, the Depositary defaults in the performance of its duties as Depositary, or the Depositary has ceased to be a clearing agency registered under the Exchange Act, in each case, unless the Company has approved a successor Depositary within 90 days, (B) the Company in its sole discretion determines that such Global Security will be so exchangeable or transferable or (C) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by the Indenture.

(3) Subject to Clause (2) above, any exchange of a Global Security for other Securities may be made in whole or in part, and all Securities issued in exchange for a

Global Security or any portion thereof shall be registered in such names as the Depositary for such Global Security shall direct.

(4) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to Sections 304, 305, 306, 507 or 1406 of the Indenture or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof.

(18) Not applicable.

(19) Not applicable.

(20) For purposes of the Bonds, "Business Day" shall mean any day, other than Saturday or Sunday, on which commercial banks and foreign exchange markets are open for business, including dealings in deposits in U.S. dollars, in New York, New York.

(21) Not applicable.

(22) The Bonds shall have such other terms and provisions as are provided in the forms thereof attached hereto as Exhibit A and shall be issued in substantially such forms.

2. The undersigned has read all of the covenants and conditions contained in the Indenture, and the definitions in the Indenture relating thereto, relating to the authentication, delivery and issuance of the Bonds and the execution and delivery of the Thirty-Fourth Supplemental Indenture and in respect of compliance with which this certificate is made.

3. The statements contained in this certificate are based upon the familiarity of the undersigned with the Indenture, the documents accompanying this certificate, and upon discussions by the undersigned with officers and employees of the Company familiar with the matters set forth herein.

4. In the opinion of the undersigned, she has made such examination or investigation as is necessary to enable her to express an informed opinion as to whether or not such covenants and conditions have been complied with.

5. In the opinion of the undersigned, such conditions and covenants have been complied with.

6. To my knowledge, no Event of Default has occurred and is continuing.

7. The execution of the Thirty-Fourth Supplemental Indenture, dated as of the date hereof, between the Company and the Trustee, is authorized or permitted by the Indenture.

8. With respect to Section 402(2)(B) of the Indenture, Property Additions of $6,661,612,020.84 are the basis for authentication and delivery of $500,000,000 aggregate principal amount of the Bonds

9. The First Mortgage Collateralization Date has not occurred.

10. No certificate of an Independent Accountant pursuant to Section 104 of the Indenture is required in connection with the authentication and delivery of the Bonds because (i) the Net Earnings Certificate covers a period different from that required to be covered by annual reports

required to be filed by the Company and (ii) an Independent Accountant has provided the Company with a letter addressed to the Company containing the results of procedures on financial information included in the Net Earnings Certificate that are agreed upon by the Authorized Officer signing the Net Earnings Certificate.

11. Pursuant to the resolutions adopted by the Sole Manager of the Company by written consent on September 8, 2023, Jacqueline M. Richert, Vice President, Investor Relations & Treasurer, has been named an Authorized Officer, as defined under the Indenture, including for purposes of executing the Net Earnings Certificate.

IN WITNESS WHEREOF, the undersigned has executed this Officer's Certificate as of the date first written above.

/s/ Jacqueline M. Richert
Jacqueline M. Richert
Vice President, Investor Relations & Treasurer

Acknowledged and Received as
of the date first written above

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

/s/ Michele R. Shrum
Michele R. Shrum
Senior Vice President

Signature Page to Officer's Certificate Under the Indenture

EXHIBIT A

FORM OF BONDS

THIS SECURITY IS IN GLOBAL FORM 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.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to CenterPoint Energy Houston Electric, LLC 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 HOUSTON ELECTRIC, LLC
5.20% General Mortgage Bonds, Series AM, due 2028

Original Interest Accrual Date: September 18, 2023
Stated Maturity: October 1, 2028
Interest Rate: 5.20%
Interest Payment Dates: April 1 and October 1
Regular Record Dates: March 15 and September 15 immediately preceding the respective Interest Payment Date

Redeemable: Yes [X] No [ ]
Redemption Date: At any time.
Redemption Price: Prior to September 1, 2028 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 discounted to the Redemption Date (assuming this Security matured on the Par Call Date) on a semiannual basis at the 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 such portion to be redeemed); plus, in each case, accrued and unpaid interest thereon to, but excluding, the Redemption Date; or on or after September 1, 2028, 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 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
$500,000,000[1] CUSIP 15189X BD9

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, a limited liability company duly organized and existing under the laws of the State of Texas (herein called the "Company," which term includes any successor under the Indenture referred to below), for value received, hereby promises to pay to

CEDE & Co.

, or its registered assigns, the principal sum of FIVE HUNDRED MILLION 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 April 1, 2024, and at Maturity, at the Interest Rate per annum specified above, until the principal hereof is paid or duly provided for. The interest so payable, and paid or duly provided for, on any Interest Payment Date shall, 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 specified above (whether or not a Business Day) next preceding such Interest Payment Date. Notwithstanding the foregoing, interest payable at Maturity shall be paid to the Person to whom principal shall be paid. Except as otherwise provided in said Indenture, any such interest not so paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may 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 of which 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 on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

Payment of the principal of and premium, if any, on this Security and interest hereon at Maturity shall be made upon presentation of this Security at the office of the Corporate Trust Administration of The Bank of New York Mellon Trust Company, National Association, located in New York, New York or at such other office or agency as may be designated for such purpose by the Company from time to time. Payment of interest on this Security (other than interest at Maturity) shall be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register, except that if such Person shall be a securities depositary, such payment may be made by such other means in lieu of check, as shall be agreed upon by the Company, the Trustee and such Person. Payment of the principal of and premium, if any, and interest on this Security, as aforesaid, shall be made in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts.

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

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and issuable in one or more series under and equally secured by a General Mortgage Indenture, dated as of October 10, 2002, as supplemented and amended (such Indenture as originally executed and delivered and as supplemented or amended from time to time thereafter, together with any constituent instruments establishing the terms of particular Securities, being herein called the "Indenture"), between the Company and The Bank of New York Mellon Trust Company, National Association (successor in trust to JPMorgan Chase Bank), 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 description of the property mortgaged, pledged and held in trust, the nature and extent of the security and the respective rights, limitations of rights, duties and immunities of the Company, the Trustee and the Holders of the Securities thereunder and of the terms and conditions upon which the Securities are, and are to be, authenticated and delivered and secured. The acceptance of this Security shall be deemed to constitute the consent and agreement by the Holder hereof to all of the terms and provisions of the Indenture. This Security is one of the series designated above.

If any Interest Payment Date, any Redemption Date or the Stated Maturity shall not be a Business Day (as hereinafter defined), payment of the amounts due on this Security on such date may be made on the next succeeding Business Day; and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on such amounts for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to such Business Day. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

Prior to September 1, 2028 (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 (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 this Security (or such portion to be redeemed) discounted to the Redemption Date (assuming this Security 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 15 basis points; less (b) interest accrued to the Redemption Date; and

- (2) 100% of the principal amount of this Security (or such portion to be redeemed);

plus, in each case, accrued and unpaid interest thereon 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 thereon 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 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, at the written direction of the Company, will send a notice of redemption to each Holder of Securities to be redeemed by first-class mail (or in accordance with the procedures of The Depository Trust Company with respect to Securities registered in the name of Cede & Co.) at least 10 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 Securities or portions thereof called for redemption on the Redemption Date. If fewer than all of the Securities of this series are to be redeemed, not more than 60 days prior to the Redemption Date, the particular Securities of this series or portions thereof for redemption will be selected from the outstanding Securities of this series not previously called by lot by the Trustee. The Trustee may select for redemption Securities of this series and portions of Securities of this series in amounts of $2,000 or whole multiples of $1,000. In the case of a partial redemption of Securities registered in the name of Cede & Co, the Securities to be redeemed will be determined in accordance with the procedures of The Depository Trust Company.

The Indenture permits, with certain exceptions as therein provided, the Trustee to enter into one or more supplemental indentures for the purpose of adding any provisions to, or changing in any manner or eliminating any of the provisions of, the Indenture with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities of all series then Outstanding under the Indenture, considered as one class; *provided*, *however*, that if there shall be Securities of more than one series Outstanding under the Indenture and if a proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series so directly affected, considered as one class, shall be required; and *provided*, *further*, that if the Securities of any series shall have been issued in more than one Tranche and if the proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all Tranches so directly affected, considered as one class, shall be required; and *provided*, *further*, that the Indenture permits the Trustee to enter into one or more supplemental indentures for limited purposes without the consent of any Holders of Securities. The Indenture also contains provisions permitting the Holders of a majority in principal amount of the Securities then Outstanding, on behalf of the Holders of all Securities, 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 therefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in the Indenture and subject to certain limitations therein set forth, this Security or any portion of the principal amount hereof will be deemed to have been paid for all purposes of the Indenture and to be no longer Outstanding thereunder, and, at the election of the Company, the Company's entire indebtedness in respect thereof will be satisfied and discharged, if there has been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust, money in an amount which will be sufficient and/or Eligible Obligations, the principal of and interest on which when due, without regard to any reinvestment thereof, will provide moneys which, together with moneys so deposited, will be sufficient to pay when due the principal of and interest on this Security when due.

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 Corporate Trust Office of The Bank of New York Mellon Trust Company, National Association in New York, New York, or such other office or agency as may be designated by the Company from time to time, 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 of authorized denominations and of like tenor and aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only as registered Securities, without coupons, and 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 the same series and Tranche, of any authorized denominations, as requested by the Holder surrendering the same, and of like tenor upon surrender of the Security or Securities to be exchanged at the office of The Bank of New York Mellon Trust Company, National Association in New York, New York, or such other office or agency as may be designated by the Company from time to time.

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 absolute 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 are not entitled to the benefit of any sinking fund.

As used herein, "Business Day" shall mean any day, other than Saturday or Sunday, on which commercial banks and foreign exchange markets are open for business, including dealings in deposits in U.S. dollars, in New York, New York. All other terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

As provided in the Indenture, no recourse shall be had for the payment of the principal of or premium, if any, or interest on any Securities, or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under the Indenture, against, and no personal liability whatsoever shall attach to, or be incurred by, any incorporator, member, manager, stockholder, officer, director or employee, as such, past, present or future of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that the Indenture and all the Securities are solely corporate obligations and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of the Indenture and the issuance of the Securities.

Unless the certificate of authentication hereon has been executed by the Trustee or an Authenticating Agent by manual or electronic signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[The remainder of this page is intentionally left blank.]

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

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

By: ___________________________________
Russell K. Wright
Vice President, Financial Planning and Analysis & Interim Chief Accounting Officer

Attest: __
Vincent A. Mercaldi
Secretary

(SEAL)

CERTIFICATE OF AUTHENTICATION

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

Date of Authentication: September 18, 2023

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

By: ____

SCHEDULE A

The initial aggregate principal amount of Securities evidenced by the Certificate to which this Schedule is attached is $500,000,000. 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

CENTERPOINT ENERGY 2005 DEFERRED COMPENSATION PLAN
(As Amended and Restated Effective January 1, 2009)

Third Amendment

WHEREAS, CenterPoint Energy, Inc., a Texas corporation (the "Company"), maintains the CenterPoint Energy 2005 Deferred Compensation Plan, as amended and restated effective January 1, 2009 (the "Plan");

WHEREAS, the Company desires to amend the Plan in certain respects;

NOW, THEREFORE, the Company, having reserved the right under Section 7.1 thereof to amend the Plan, does hereby amend the Plan, effective as of October 1, 2023, as follows:

1. A new Section 7.8 shall be added to the Plan to read as follows:

"7.8 Clawback or Recoupment. Notwithstanding any other provision in this Plan, Compensation deferred under the Plan, including any interest credited thereon, shall be subject to clawback, recovery or recoupment by the Company under any clawback or recoupment policy adopted by the Company, whether before or after distribution under the Plan."

IN WITNESS WHEREOF, CenterPoint Energy, Inc. has executed these presents as evidenced by the signature of its officer affixed hereto, this 28th day of September, 2023, but effective as set forth above.

CENTERPOINT ENERGY, INC.

By: /s/ David J. Lesar
David J. Lesar
Chief Executive Officer

ATTEST:

/s/ Vincent A. Mercaldi
Vincent A. Mercaldi
Assistant Corporate Secretary

CENTERPOINT ENERGY BENEFIT RESTORATION PLAN
(Effective as of January 1, 2008)

Third Amendment

WHEREAS, CenterPoint Energy, Inc. (the "Company") maintains the CenterPoint Energy Benefit Restoration Plan, effective as of January 1, 2008 (the "Plan") for the benefit of its eligible employees; and

WHEREAS, the Company desires to amend the Plan in certain respects;

NOW, THEREFORE, the Company, having reserved the right under Section 18 thereof to amend the Plan, does hereby amend the Plan, effective as of October 1, 2023, as follows:

1. A new Section 22 shall be added to the Plan to read as follows:

"22. Clawback or Recoupment. Notwithstanding any other provision in this Plan, a Participant's Plan Benefit shall be subject to clawback, recovery or recoupment by the Company under any clawback or recoupment policy adopted by the Company, whether before or after payment of the Plan Benefit."

IN WITNESS WHEREOF, CenterPoint Energy, Inc. has executed these presents as evidenced by the signature of its officer affixed hereto, which may be sufficiently evidenced by any executed copy hereof, this 28th day of September, 2023, but effective as set forth above.

CENTERPOINT ENERGY, INC.

By: /s/ David J. Lesar
David J. Lesar
Chief Executive Officer

ATTEST:

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

CENTERPOINT ENERGY SAVINGS RESTORATION PLAN
(Effective as of January 1, 2008)

Fourth Amendment

WHEREAS, CenterPoint Energy, Inc. (the "Company") maintains the CenterPoint Energy Savings Restoration Plan, effective as of January 1, 2008 (the "Plan") for the benefit of its eligible employees; and

WHEREAS, the Company desires to amend the Plan in certain respects;

NOW, THEREFORE, the Company, having reserved the right under Section 6.2 thereof to amend the Plan, does hereby amend the Plan, effective as of October 1, 2023, as follows:

1. A new Section 4.10 shall be added to the Plan to read as follows:

"4.10 Clawback or Recoupment. Notwithstanding any other provision in this Plan, a Participant's Total Plan Benefit shall be subject to clawback, recovery or recoupment by the Company under any clawback or recoupment policy adopted by the Company, whether before or after payment of the Total Plan Benefit."

IN WITNESS WHEREOF, CenterPoint Energy, Inc. has executed these presents as evidenced by the signature of its officer affixed hereto, which may be sufficiently evidenced by any executed copy hereof, this 28th day of September, 2023, but effective as set forth above.

CENTERPOINT ENERGY, INC.

By: /s/ David J. Lesar
David J. Lesar
Chief Executive Officer

ATTEST:

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

CENTERPOINT ENERGY SAVINGS PLAN
(As Amended and Restated Effective January 1, 2021)

Third Amendment

CenterPoint Energy, Inc., a Texas corporation, having reserved the right under Section 11.3 of the CenterPoint Energy Savings Plan, as amended and restated effective January 1, 2021, and as thereafter amended (the "Plan"), to amend the Plan, does hereby amend the Plan as follows:

I. To reflect the ineligibility of Energy Systems Group, LLC and its subsidiaries to participate in the Plan upon the closing (the "Closing") of the transactions set forth under that certain Equity Purchase Agreement by and between Vectren Energy Services Corporation and ESG Holdings Group, LLC dated May 21, 2023 and their withdrawals as participating Employers upon the Closing pursuant to Section 11.1 of the Plan, Exhibit A to the Plan is amended as follows:

1. Reference in Exhibit A to "January 1, 2022" shall be deleted and reference to the date of the Closing shall be substituted therefor.

2. References in Exhibit A to "Energy Systems Group, LLC" and "Mountain Home Energy Center, LLC" shall be deleted.

IN WITNESS WHEREOF, CenterPoint Energy, Inc. has executed these presents as evidenced by the signature of its officer affixed hereto, this 24th day of July, 2023.

CENTERPOINT ENERGY, INC.

By: /s/ David J. Lesar
David J. Lesar
President and Chief Executive Officer

ATTEST:

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

Exhibit 31.1.1

CERTIFICATIONS

I, David J. Lesar, 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: October 26, 2023

/s/ David J. Lesar

David J. Lesar
Chief Executive Officer

Exhibit 31.1.2

CERTIFICATIONS

I, Jason P. Wells, 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: October 26, 2023

/s/ JASON P. WELLS

Jason P. Wells

President and Chief Executive Officer

Exhibit 31.1.3

CERTIFICATIONS

I, Jason P. Wells, 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: October 26, 2023

/s/ JASON P. WELLS
Jason P. Wells
President and Chief Executive Officer

Exhibit 31.2.1

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: October 26, 2023

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

Exhibit 31.2.2

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: October 26, 2023

/s/ Christopher A. Foster

Christopher A. Foster
Executive Vice President and Chief Financial Officer

Exhibit 31.2.3

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: October 26, 2023

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

Exhibit 32.1.1

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 September 30, 2023 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, David J. Lesar, 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/ David J. Lesar
David J. Lesar
Chief Executive Officer
October 26, 2023

Exhibit 32.1.2

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 September 30, 2023 (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
President and Chief Executive Officer
October 26, 2023

Exhibit 32.1.3

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 September 30, 2023 (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
President and Chief Executive Officer
October 26, 2023

Exhibit 32.2.1

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 September 30, 2023 (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
October 26, 2023

Exhibit 32.2.2

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 September 30, 2023 (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
October 26, 2023

Exhibit 32.2.3

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 September 30, 2023 (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
October 26, 2023