

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): August 2, 2007

CENTERPOINT ENERGY, INC.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation)

1-31447
(Commission File Number)

74-0694415
(IRS Employer
Identification No.)

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

77002
(Zip Code)

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

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

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

On August 2, 2007, CenterPoint Energy, Inc. (“CenterPoint Energy”) reported second quarter 2007 earnings. For additional information regarding CenterPoint Energy’s second quarter 2007 earnings, please refer to CenterPoint Energy’s press release attached to this report as Exhibit 99.1 (the “Press Release”), which Press Release is incorporated by reference herein. The information in the Press Release is being furnished, not filed, pursuant to Item 2.02. Accordingly, the information in the Press Release will not be incorporated by reference into any registration statement filed by CenterPoint Energy under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

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

(d) Exhibits.

99.1 Press Release issued August 2, 2007 regarding CenterPoint Energy, Inc.’s second quarter 2007 earnings.

SIGNATURE

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

CENTERPOINT ENERGY, INC.

Date: August 2, 2007

By: /s/James S. Brian

James S. Brian
Senior Vice President and
Chief Accounting Officer

EXHIBIT INDEX

| EXHIBIT NUMBER | EXHIBIT DESCRIPTION |
|-------------------|---|
| 99.1 | Press Release issued August 2, 2007 regarding CenterPoint Energy, Inc.'s second quarter 2007 earnings |



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CENTERPOINT ENERGY REPORTS SECOND QUARTER 2007 EARNINGS

Houston, TX – August 2, 2007 - CenterPoint Energy, Inc. (NYSE: CNP) today reported net income of \$70 million, or \$0.20 per diluted share, for the second quarter of 2007 compared to \$194 million, or \$0.61 per diluted share, for the same period of 2006.

The second quarter 2006 results were favorably impacted by \$140 million, or \$0.44 per diluted share, due to an agreement reached on a settlement of a tax dispute with the Internal Revenue Service and the resolution of certain other legacy tax issues, but were negatively impacted by \$21 million after-tax, or \$0.07 per diluted share, from a settlement related to the company's 2001 unbundled cost of service order (UCOS) issued by the Texas Public Utility Commission. Excluding the net effect of these items, net income for the second quarter of 2006 would have been \$75 million, or \$0.24 per diluted share.

For the six months ended June 30, 2007, net income was \$200 million, or \$0.58 per diluted share, compared to \$282 million, or \$0.89 per diluted share, for the same period of 2006. Excluding the impacts of the items discussed above and a related charge recorded in the first quarter of 2006 (\$14 million, or \$0.04 per diluted share), net income for the six months ended June 30, 2006, would have been \$177 million, or \$0.56 per diluted share.

"Our interstate pipeline and field services businesses turned in strong performances this quarter primarily due to the completion of Phase I of our Carthage to Perryville pipeline and strong demand for gas gathering and ancillary services," said David M. McClanahan, president and chief executive officer of CenterPoint Energy. "Our gas distribution business continued its improved performance from a year ago. Despite the impacts of mild weather on our electric utility and the timing of expenses in our energy services business, we still had a very solid quarter overall. I believe these results demonstrate the value of our balanced portfolio of gas and electric businesses."

OPERATING INCOME BY SEGMENT

Electric Transmission & Distribution

The electric transmission & distribution segment reported operating income of \$157 million in the second quarter of 2007, consisting of \$118 million from the core regulated electric transmission & distribution utility (TDU), exclusive of an additional \$10 million from the competition transition charge (CTC), and \$29 million related to transition bonds. Operating income for the second quarter of 2006 was \$151 million, consisting of \$104 million from the TDU, exclusive of an additional \$15 million from the CTC, and \$32 million related to transition bonds.

- more -



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Operating income for the second quarter of 2007 included a \$17 million favorable settlement related to the final fuel reconciliation of the formerly integrated electric utility. Operating income for the second quarter of 2006 included a \$32 million charge related to the UCOS settlement. Operating income for the TDU for the second quarter of 2007 was negatively impacted by lower usage primarily due to milder weather, a rate settlement implemented in October of 2006 and higher transmission costs. These impacts were partially offset by customer growth of over 43,000 metered customers since June 2006.

Operating income for the six months ended June 30, 2007, was \$261 million, consisting of \$180 million from the TDU, exclusive of an additional \$21 million from the CTC, and \$60 million related to transition bonds. Operating income for the same period of 2006 was also \$261 million, consisting of \$166 million from the TDU, exclusive of an additional \$31 million from the CTC, and \$64 million related to transition bonds.

Natural Gas Distribution

The natural gas distribution segment reported operating income of \$8 million for the second quarter of 2007 compared to an operating loss of \$2 million for the same period of 2006. The increase in operating income was driven primarily by labor and benefit savings associated with staff reductions in 2006, customer growth of nearly 60,000 customers since June 2006 and a prior year write-off of certain rate case expenses. The increase in operating income was partially offset by higher expenses principally associated with initiatives undertaken to improve customer service.

Operating income for the six months ended June 30, 2007, was \$137 million compared to \$101 million for the same period of 2006.

Competitive Natural Gas Sales and Services

The competitive natural gas sales and services segment reported an operating loss of \$4 million for the second quarter of 2007 compared to operating income of \$7 million for the same period of 2006. The decrease in operating income was primarily due to a reduction in locational and seasonal natural gas price differentials. In addition, the second quarter of 2007 included a \$6 million charge resulting from mark-to-market accounting for non-trading financial derivatives and a \$5 million write-down of natural gas inventory to the lower of average cost or market, compared to an \$8 million gain resulting from mark-to-market accounting and a \$17 million inventory write-down for the same period of 2006.

Operating income for the six months ended June 30, 2007, was \$52 million compared to \$32 million for the same period of 2006.

- more -



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Interstate Pipelines

The interstate pipelines segment reported operating income of \$52 million for the second quarter of 2007 compared to \$40 million for the same period of 2006. The increase in operating income was driven primarily by the new Carthage to Perryville pipeline, which went into commercial service in May 2007, and by increased ancillary services.

Operating income for the six months ended June 30, 2007, was \$96 million compared to \$89 million for the same period of 2006.

Field Services

The field services segment reported operating income of \$27 million for the second quarter of 2007 compared to \$21 million for the same period of 2006. Operating income increased from higher throughput and increased ancillary services. In addition, this business recorded equity income of \$2 million in each of the second quarters of 2007 and 2006 from its 50 percent interest in a jointly-owned gas processing plant. These amounts are included in Other – net under the Other Income (Expense) caption.

Operating income for the six months ended June 30, 2007, was \$49 million compared to \$45 million for the same period of 2006. Equity income from the jointly-owned gas processing plant was \$4 million for the six months ended June 30, 2007, compared to \$5 million for the same period of 2006.

DIVIDEND DECLARATION

On July 26, 2007, CenterPoint Energy's board of directors declared a regular quarterly cash dividend of \$0.17 per share of common stock payable on September 10, 2007, to shareholders of record as of the close of business on August 16, 2007.

OUTLOOK FOR 2007

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

- more -



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

Today, CenterPoint Energy, Inc. filed with the Securities and Exchange Commission (SEC) its Quarterly Report on Form 10-Q for the period ended June 30, 2007. A copy of that report is available on the company's web site, www.CenterPointEnergy.com, under the "Investors" section. Other filings the company makes at the SEC and other documents relating to its corporate governance can also be found on that site.

WEBCAST OF EARNINGS CONFERENCE CALL

CenterPoint Energy's management will host an earnings conference call on Thursday, August 2, 2007, at 10:30 a.m. Central time or 11:30 a.m. Eastern time. Interested parties may listen to a live audio broadcast of the conference call at www.CenterPointEnergy.com/investors/events. A replay of the call can be accessed approximately two hours after the completion of the call and will be archived on the web site for at least one year.

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

This news release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this news release regarding future financial performance and results of operations and other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the timing and outcome of appeals from the true-up proceedings, the timing and impact of future regulatory, legislative and IRS decisions, effects of competition, weather variations, changes in CenterPoint Energy's or its subsidiaries' business plans, financial market conditions, the timing and extent of changes in commodity prices, particularly natural gas, the impact of unplanned facility outages, and other factors discussed in CenterPoint Energy's and its subsidiaries' Form 10-Ks for the period ended December 31, 2006, CenterPoint Energy's and its subsidiaries' Form 10-Qs for the period ended March 31, 2007, CenterPoint Energy's Form 10-Q for the period ended June 30, 2007, and other filings with the Securities and Exchange Commission.

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

| | Quarter Ended June 30, | | Six Months Ended June 30, | |
|--|------------------------|--------------|---------------------------|---------------|
| | 2006 | 2007 | 2006 | 2007 |
| Revenues: | | | | |
| Electric Transmission & Distribution | \$ 456 | \$ 465 | \$ 841 | \$ 871 |
| Natural Gas Distribution | 549 | 576 | 2,029 | 2,143 |
| Competitive Natural Gas Sales and Services | 750 | 881 | 1,913 | 1,945 |
| Interstate Pipelines | 104 | 121 | 193 | 211 |
| Field Services | 34 | 42 | 75 | 81 |
| Other Operations | 5 | 3 | 9 | 5 |
| Eliminations | (55) | (55) | (140) | (117) |
| Total | 1,843 | 2,033 | 4,920 | 5,139 |
| Expenses: | | | | |
| Natural gas | 1,035 | 1,208 | 3,228 | 3,358 |
| Operation and maintenance | 340 | 330 | 671 | 682 |
| Depreciation and amortization | 153 | 160 | 293 | 305 |
| Taxes other than income taxes | 95 | 93 | 202 | 199 |
| Total | 1,623 | 1,791 | 4,394 | 4,544 |
| Operating Income | 220 | 242 | 526 | 595 |
| Other Income (Expense) : | | | | |
| Gain (Loss) on Time Warner investment | 11 | 28 | (3) | (16) |
| Gain (Loss) on indexed debt securities | (11) | (27) | (1) | 14 |
| Interest and other finance charges | (118) | (119) | (233) | (242) |
| Interest on transition bonds | (33) | (32) | (66) | (63) |
| Other — net | 9 | 6 | 15 | 12 |
| Total | (142) | (144) | (288) | (295) |
| Income from Before Income Taxes | 78 | 98 | 238 | 300 |
| Income Tax (Expense) Benefit | 116 | (28) | 44 | (100) |
| Net Income | <u>\$ 194</u> | <u>\$ 70</u> | <u>\$ 282</u> | <u>\$ 200</u> |

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

CenterPoint Energy, Inc. and Subsidiaries
Selected Data From Statements of Consolidated Income
(Millions of Dollars, Except Share and Per Share Amounts)
(Unaudited)

| | Quarter Ended June 30, | | Six Months Ended June 30, | |
|---|---------------------------|---------------|------------------------------|---------------|
| | 2006 | 2007 | 2006 | 2007 |
| Basic Earnings Per Common Share: | | | | |
| Net Income | \$ 0.62 | \$ 0.22 | \$ 0.91 | \$ 0.62 |
| Diluted Earnings Per Common Share: | | | | |
| Net Income | \$ 0.61 | \$ 0.20 | \$ 0.89 | \$ 0.58 |
| Dividends Declared per Common Share | \$ 0.15 | \$ 0.17 | \$ 0.30 | \$ 0.34 |
| Weighted Average Common Shares Outstanding (000): | | | | |
| - Basic | 311,440 | 320,927 | 311,145 | 319,501 |
| - Diluted | 316,816 | 343,770 | 317,744 | 342,024 |
| Operating Income (Loss) by Segment | | | | |
| Electric Transmission & Distribution: | | | | |
| Transmission & Distribution Utility | \$ 119 | \$ 128 | \$ 197 | \$ 201 |
| Transition Bond Companies | 32 | 29 | 64 | 60 |
| Total Electric Transmission & Distribution | 151 | 157 | 261 | 261 |
| Natural Gas Distribution | (2) | 8 | 101 | 137 |
| Competitive Natural Gas Sales and Services | 7 | (4) | 32 | 52 |
| Interstate Pipelines | 40 | 52 | 89 | 96 |
| Field Services | 21 | 27 | 45 | 49 |
| Other Operations | 3 | 2 | (2) | — |
| Total | \$ 220 | \$ 242 | \$ 526 | \$ 595 |

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

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

| | Electric Transmission & Distribution | | | | | |
|---|---|---------------|-----------------------|------------------------------|---------------|-----------------------|
| | Quarter Ended June 30, | | % Diff Fav/(Unfav) | Six Months Ended June 30, | | % Diff Fav/(Unfav) |
| | 2006 | 2007 | | 2006 | 2007 | |
| Results of Operations: | | | | | | |
| Revenues: | | | | | | |
| Electric transmission and distribution utility | \$ 386 | \$ 395 | 2% | \$ 717 | \$ 742 | 3% |
| Transition bond companies | 70 | 70 | — | 124 | 129 | 4% |
| Total | 456 | 465 | 2% | 841 | 871 | 4% |
| Expenses: | | | | | | |
| Operation and maintenance | 147 | 150 | (2%) | 281 | 304 | (8%) |
| Depreciation and amortization | 61 | 61 | — | 124 | 124 | — |
| Taxes other than income taxes | 59 | 56 | 5% | 115 | 113 | 2% |
| Transition bond companies | 38 | 41 | (8%) | 60 | 69 | (15%) |
| Total | 305 | 308 | (1%) | 580 | 610 | (5%) |
| Operating Income | \$ 151 | \$ 157 | 4% | \$ 261 | \$ 261 | — |
| Operating Income — Electric transmission and distribution utility | 119 | 128 | 8% | 197 | 201 | 2% |
| Operating Income — Transition bond companies | 32 | 29 | (9%) | 64 | 60 | (6%) |
| Total Segment Operating Income | \$ 151 | \$ 157 | 4% | \$ 261 | \$ 261 | — |

Electric Transmission & Distribution Operating Data:

| Actual MWH Delivered | | | | | | |
|-----------------------------|-------------------|-------------------|-------------|-------------------|-------------------|-------------|
| | 2006 | 2007 | % Diff | 2006 | 2007 | % Diff |
| Residential | 6,807,984 | 6,020,714 | (12%) | 10,794,374 | 10,678,773 | (1%) |
| Total | 20,422,341 | 19,175,278 | (6%) | 36,409,221 | 35,835,191 | (2%) |

Weather (average for service area):

| Percentage of normal: | | | | | | |
|------------------------------|------|------|--------|------|------|--------|
| | 2006 | 2007 | % Diff | 2006 | 2007 | % Diff |
| Cooling degree days | 111% | 94% | (17%) | 114% | 96% | (18%) |
| Heating degree days | 0% | 197% | 197% | 60% | 114% | 54% |

Average number of metered customers:

| | 2006 | 2007 | % Diff | 2006 | 2007 | % Diff |
|--------------|------------------|------------------|-----------|------------------|------------------|-----------|
| Residential | 1,730,130 | 1,767,749 | 2% | 1,723,983 | 1,760,006 | 2% |
| Total | 1,965,180 | 2,006,840 | 2% | 1,958,005 | 1,998,291 | 2% |

| | Natural Gas Distribution | | | | | |
|--------------------------------|---------------------------------|-------------|-----------------------|------------------------------|---------------|-----------------------|
| | Quarter Ended June 30, | | % Diff Fav/(Unfav) | Six Months Ended June 30, | | % Diff Fav/(Unfav) |
| | 2006 | 2007 | | 2006 | 2007 | |
| Results of Operations: | | | | | | |
| Revenues | \$ 549 | \$ 576 | 5% | \$ 2,029 | \$ 2,143 | 6% |
| Expenses: | | | | | | |
| Natural gas | 343 | 366 | (7%) | 1,489 | 1,578 | (6%) |
| Operation and maintenance | 142 | 135 | 5% | 292 | 282 | 3% |
| Depreciation and amortization | 37 | 38 | (3%) | 75 | 76 | (1%) |
| Taxes other than income taxes | 29 | 29 | — | 72 | 70 | 3% |
| Total | 551 | 568 | (3%) | 1,928 | 2,006 | (4%) |
| Operating Income (Loss) | \$ (2) | \$ 8 | 500% | \$ 101 | \$ 137 | 36% |

Natural Gas Distribution Operating Data:

| Throughput data in BCF | | | | | | |
|-------------------------------|-----------|-----------|-----------|------------|------------|------------|
| | 2006 | 2007 | % Diff | 2006 | 2007 | % Diff |
| Residential | 17 | 20 | 18% | 84 | 106 | 26% |
| Commercial and Industrial | 44 | 44 | — | 116 | 126 | 9% |
| Total Throughput | 61 | 64 | 5% | 200 | 232 | 16% |

Weather (average for service area)

Percentage of normal:

| | | | | | | |
|-------------------------------------|------------------|------------------|-----|------------------|------------------|-----|
| Heating degree days | 60% | 95% | 35% | 81% | 99% | 18% |
| Average number of customers: | | | | | | |
| Residential | 2,871,107 | 2,925,120 | 2% | 2,882,008 | 2,935,661 | 2% |
| Commercial and Industrial | 243,420 | 247,550 | 2% | 244,475 | 246,564 | 1% |
| Total | <u>3,114,527</u> | <u>3,172,670</u> | 2% | <u>3,126,483</u> | <u>3,182,225</u> | 2% |

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

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

| | Competitive Natural Gas Sales and Services | | | | | |
|-------------------------------|---|---------------|-----------------------|------------------------------|--------------|-----------------------|
| | Quarter Ended June 30, | | % Diff Fav/(Unfav) | Six Months Ended June 30, | | % Diff Fav/(Unfav) |
| | 2006 | 2007 | | 2006 | 2007 | |
| Results of Operations: | | | | | | |
| Revenues | \$ 750 | \$ 881 | 17% | \$ 1,913 | \$ 1,945 | 2% |
| Expenses: | | | | | | |
| Natural gas | 735 | 877 | (19%) | 1,864 | 1,875 | (1%) |
| Operation and maintenance | 7 | 7 | — | 15 | 16 | (7%) |
| Depreciation and amortization | 1 | 1 | — | 1 | 1 | — |
| Taxes other than income taxes | — | — | — | 1 | 1 | — |
| Total | <u>743</u> | <u>885</u> | (19%) | <u>1,881</u> | <u>1,893</u> | (1%) |
| Operating Income(Loss) | <u>\$ 7</u> | <u>\$ (4)</u> | (157%) | <u>\$ 32</u> | <u>\$ 52</u> | 63% |

Competitive Natural Gas Sales and Services Operating Data:

Throughput data in BCF

| | | | | | | |
|---------------------------|------------|------------|-------|------------|------------|-------|
| Wholesale — third parties | 72 | 74 | 3% | 161 | 168 | 4% |
| Wholesale — affiliates | 8 | 2 | (75%) | 19 | 5 | (74%) |
| Retail & Pipeline | 41 | 44 | 7% | 99 | 102 | 3% |
| Total Throughput | <u>121</u> | <u>120</u> | (1%) | <u>279</u> | <u>275</u> | (1%) |

Average number of customers:

| | | | | | | |
|-------------------|--------------|--------------|-----|--------------|--------------|-----|
| Wholesale | 132 | 248 | 88% | 138 | 235 | 70% |
| Retail & Pipeline | 6,604 | 6,829 | 3% | 6,639 | 6,797 | 2% |
| Total | <u>6,736</u> | <u>7,077</u> | 5% | <u>6,777</u> | <u>7,032</u> | 4% |

Interstate Pipelines

| | Quarter Ended June 30, | | % Diff Fav/(Unfav) | Six Months Ended June 30, | | % Diff Fav/(Unfav) |
|-------------------------------|-------------------------------|--------------|-----------------------|------------------------------|--------------|-----------------------|
| | 2006 | 2007 | | 2006 | 2007 | |
| | Results of Operations: | | | | | |
| Revenues | \$ 104 | \$ 121 | 16% | \$ 193 | \$ 211 | 9% |
| Expenses: | | | | | | |
| Natural gas | 14 | 24 | (71%) | 12 | 28 | (133%) |
| Operation and maintenance | 38 | 29 | 24% | 65 | 56 | 14% |
| Depreciation and amortization | 8 | 11 | (38%) | 18 | 21 | (17%) |
| Taxes other than income taxes | 4 | 5 | (25%) | 9 | 10 | (11%) |
| Total | <u>64</u> | <u>69</u> | (8%) | <u>104</u> | <u>115</u> | (11%) |
| Operating Income | <u>\$ 40</u> | <u>\$ 52</u> | 30% | <u>\$ 89</u> | <u>\$ 96</u> | 8% |

Pipelines Operating Data:

Throughput data in BCF

| | | | | | | |
|------------------|------------|------------|-----|------------|------------|-----|
| Transportation | 240 | 274 | 14% | 514 | 568 | 11% |
| Total Throughput | <u>240</u> | <u>274</u> | 14% | <u>514</u> | <u>568</u> | 11% |

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

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

| | Field Services | | | | | |
|-------------------------------|---------------------------|--------------|-----------------------|------------------------------|--------------|-----------------------|
| | Quarter Ended June 30, | | % Diff Fav/(Unfav) | Six Months Ended June 30, | | % Diff Fav/(Unfav) |
| | 2006 | 2007 | | 2006 | 2007 | |
| Results of Operations: | | | | | | |
| Revenues | \$ 34 | \$ 42 | 24% | \$ 75 | \$ 81 | 8% |
| Expenses: | | | | | | |
| Natural gas | (4) | (4) | — | (3) | (7) | 133% |
| Operation and maintenance | 14 | 16 | (14%) | 27 | 32 | (19%) |
| Depreciation and amortization | 2 | 3 | (50%) | 5 | 6 | (20%) |
| Taxes other than income taxes | 1 | — | 100% | 1 | 1 | — |
| Total | 13 | 15 | (15%) | 30 | 32 | (7%) |
| Operating Income | <u>\$ 21</u> | <u>\$ 27</u> | 29% | <u>\$ 45</u> | <u>\$ 49</u> | 9% |

Field Services Operating Data:

Throughput data in BCF

| | 2006 | 2007 | % Diff Fav/(Unfav) | 2006 | 2007 | % Diff Fav/(Unfav) |
|------------------|-----------|------------|-----------------------|------------|------------|-----------------------|
| Gathering | 94 | 100 | 6% | 182 | 193 | 6% |
| Total Throughput | <u>94</u> | <u>100</u> | 6% | <u>182</u> | <u>193</u> | 6% |

| | Other Operations | | | | | |
|-------------------------------|---------------------------|-------------|-----------------------|------------------------------|-------------|-----------------------|
| | Quarter Ended June 30, | | % Diff Fav/(Unfav) | Six Months Ended June 30, | | % Diff Fav/(Unfav) |
| | 2006 | 2007 | | 2006 | 2007 | |
| Results of Operations: | | | | | | |
| Revenues | \$ 5 | \$ 3 | (40%) | \$ 9 | \$ 5 | (44%) |
| Expenses | 2 | 1 | 50% | 11 | 5 | 55% |
| Operating Income(Loss) | <u>\$ 3</u> | <u>\$ 2</u> | (33%) | <u>\$ (2)</u> | <u>\$ —</u> | 100% |

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

| | Quarter Ended June 30, | | Six Months Ended June 30, | |
|--|--|---------------|------------------------------|---------------|
| | 2006 | 2007 | 2006 | 2007 |
| | Capital Expenditures by Segment | | | |
| Electric Transmission & Distribution | \$ 111 | \$ 111 | \$ 190 | \$ 221 |
| Natural Gas Distribution | 45 | 44 | 85 | 77 |
| Competitive Natural Gas Sales and Services | 4 | 2 | 10 | 4 |
| Interstate Pipelines | 42 | 60 | 61 | 214 |
| Field Services | 12 | 13 | 23 | 40 |
| Other Operations | 4 | 6 | 14 | 17 |
| Total | <u>\$ 218</u> | <u>\$ 236</u> | <u>\$ 383</u> | <u>\$ 573</u> |

Interest Expense Detail
(Millions of Dollars)
(Unaudited)

| | Quarter Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|---------------|------------------------------|---------------|
| | 2006 | 2007 | 2006 | 2007 |
| | Interest Expense Detail | | | |
| Amortization of Deferred Financing Cost | \$ 13 | \$ 12 | \$ 26 | \$ 31 |
| Capitalization of Interest Cost | (2) | (7) | (3) | (15) |
| Transition Bond Interest Expense | 33 | 32 | 66 | 63 |
| Other Interest Expense | 107 | 114 | 210 | 226 |
| Total Interest Expense | <u>\$ 151</u> | <u>\$ 151</u> | <u>\$ 299</u> | <u>\$ 305</u> |

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

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

| | December 31, 2006 | June 30, 2007 |
|--|----------------------|------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 127 | \$ 112 |
| Other current assets | 2,868 | 2,285 |
| Total current assets | 2,995 | 2,397 |
| Property, Plant and Equipment, net | 9,204 | 9,549 |
| Other Assets: | | |
| Goodwill | 1,709 | 1,709 |
| Regulatory assets | 3,290 | 3,209 |
| Other non-current assets | 435 | 411 |
| Total other assets | 5,434 | 5,329 |
| Total Assets | \$ 17,633 | \$ 17,275 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Short-term borrowings | \$ 187 | \$ 225 |
| Current portion of transition bond long-term debt | 147 | 152 |
| Current portion of other long-term debt | 1,051 | 994 |
| Other current liabilities | 2,836 | 2,090 |
| Total current liabilities | 4,221 | 3,461 |
| Other Liabilities: | | |
| Accumulated deferred income taxes, net and investment tax credit | 2,362 | 2,295 |
| Regulatory liabilities | 792 | 822 |
| Other non-current liabilities | 900 | 840 |
| Total other liabilities | 4,054 | 3,957 |
| Long-term Debt: | | |
| Transition bond | 2,260 | 2,183 |
| Other | 5,542 | 5,988 |
| Total long-term debt | 7,802 | 8,171 |
| Shareholders' Equity | 1,556 | 1,686 |
| Total Liabilities and Shareholders' Equity | \$ 17,633 | \$ 17,275 |

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

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

| | <u>Six Months Ended June 30,</u> | |
|---|----------------------------------|---------------|
| | <u>2006</u> | <u>2007</u> |
| Cash Flows from Operating Activities: | | |
| Net income | \$ 282 | \$ 200 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 321 | 338 |
| Deferred income taxes and investment tax credit | (109) | 12 |
| Tax and interest reserves reductions related to ZENS and ACES | (119) | — |
| Changes in net regulatory assets | 54 | 31 |
| Changes in other assets and liabilities | 73 | (164) |
| Other, net | 15 | 10 |
| Net Cash Provided by Operating Activities | <u>517</u> | <u>427</u> |
| Net Cash Used in Investing Activities | (396) | (709) |
| Net Cash Provided by Financing Activities | <u>202</u> | <u>267</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 323 | (15) |
| Cash and Cash Equivalents at Beginning of Period | 74 | 127 |
| Cash and Cash Equivalents at End of Period | <u>\$ 397</u> | <u>\$ 112</u> |

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