

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): NOVEMBER 3, 2005

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CENTERPOINT ENERGY, INC.

(Exact name of registrant as specified in its charter)

|  |                                     |  |
|--|-------------------------------------|--|
| TEXAS<br>(State or other jurisdiction<br>of incorporation) | 1-31447<br>(Commission File Number) | 74-0694415<br>(IRS Employer<br>Identification No.) |
|--|-------------------------------------|--|

|  |                     |
|--|---------------------|
| 1111 LOUISIANA<br>HOUSTON, TEXAS<br>(Address of principal executive offices) | 77002<br>(Zip Code) |
|--|---------------------|

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

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

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On November 3, 2005, CenterPoint Energy, Inc. ("CenterPoint Energy") reported third quarter 2005 earnings. For additional information regarding CenterPoint Energy's third quarter 2005 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.

- (c) Exhibits.
- 99.1 Press Release issued November 3, 2005 regarding CenterPoint Energy, Inc.'s third quarter 2005 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: November 3, 2005

By: /s/ James S. Brian

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James S. Brian  
Senior Vice President and  
Chief Accounting Officer

EXHIBIT INDEX

EXHIBIT  
NUMBER  
EXHIBIT  
DESCRIPTION

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99.1 Press  
Release  
issued  
November  
3, 2005  
regarding  
CenterPoint  
Energy,  
Inc.'s  
third  
quarter  
2005  
earnings

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CENTERPOINT ENERGY REPORTS THIRD QUARTER 2005 EARNINGS

HOUSTON, TX -- NOVEMBER 3, 2005 - CenterPoint Energy, Inc. (NYSE: CNP) today reported net income of \$50 million, or \$0.15 per diluted share, for the third quarter of 2005 compared to a net loss of \$1.1 billion, or \$3.66 per diluted share, for the same period of 2004.

The net loss for the third quarter of 2004 included an \$894 million extraordinary charge to earnings for the write-down of generation-related regulatory assets resulting from the Public Utility Commission of Texas' (Texas PUC) deliberations in the company's stranded cost proceeding, and a \$259 million net loss from discontinued operations related to the sale of Texas Genco Holdings, Inc.

Income from continuing operations before extraordinary item for the third quarter of 2005 was \$50 million, or \$0.15 per diluted share, compared to \$17 million, or \$0.05 per diluted share, for the third quarter of 2004. The third quarter of 2005 included after-tax income of \$23 million, or \$0.07 per diluted share, related to interest on the company's authorized true-up balance.

"I am pleased with the company's overall performance in the quarter despite the challenges brought on by two major hurricanes along our Gulf Coast service territories," said David M. McClanahan, president and chief executive officer of CenterPoint Energy. "We were fortunate to have avoided significant damage to our natural gas or electric delivery systems. And I'm extremely proud of our employees' extraordinary efforts in working to secure our systems and restoring power and natural gas service to our customers, as well as assisting other neighboring utilities.

"Additionally, I am pleased that we've started to recover a portion of our stranded cost true-up balance through a competition transition charge, and we expect to recover the remainder of our authorized true-up balance by the end of the year through the issuance of transition bonds."

For the nine months ended September 30, 2005, net income was \$171 million, or \$0.51 per diluted share, compared to a net loss of \$1 billion, or \$3.25 per diluted share, for the same period of 2004. Net income for the nine months ended September 30, 2005, included an extraordinary gain of \$30 million related to an adjustment to the extraordinary loss recorded in the second half of 2004 as a result of actions taken by the Texas PUC. The net loss for the nine months ended September 30, 2004, included the \$894 million extraordinary charge to earnings discussed above and a \$154 million net loss from discontinued operations related to the sale of Texas Genco Holdings, Inc.

- more -

[CENTERPOINT  
ENERGY LOGO]

For more information contact  
MEDIA:  
LETICIA LOWE  
Phone 713.207.7702  
INVESTORS:  
MARIANNE PAULSEN  
Phone 713.207.6500

FOR IMMEDIATE RELEASE

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Income from continuing operations before extraordinary item for the nine months ended September 30, 2005, was \$144 million, or \$0.43 per diluted share, compared to \$43 million, or \$0.14 per diluted share, for the same period of 2004. The nine months ended September 30, 2005, included after-tax income of \$68 million, or \$0.19 per diluted share, related to interest on the company's authorized true-up balance.

#### OPERATING INCOME BY SEGMENT DETAILED

##### ELECTRIC TRANSMISSION & DISTRIBUTION

The electric transmission & distribution segment reported operating income of \$183 million in the third quarter of 2005, consisting of \$174 million for the regulated electric transmission & distribution utility (TDU) and \$9 million for the transition bond company, which is an amount sufficient to pay interest on the transition bonds. Operating income for the third quarter of 2004 totaled \$178 million, consisting of \$169 million for the TDU and \$9 million for the transition bond company.

The TDU's revenues continued to benefit from solid customer growth, with nearly 53,000 metered customers added since September 30, 2004. Revenues also increased due to favorable weather, the implementation of a competition transition charge (CTC) to begin recovery of a portion of the company's true-up balance and higher transmission cost recovery. Operation and maintenance expenses increased primarily due to higher transmission costs and the absence of a gain on a land sale recorded in the third quarter of 2004. Depreciation and amortization expense increased primarily as a result of the amortization of the regulatory asset and rate case expenses being recovered through the CTC.

In September, the TDU's service area in Texas felt the impact of hurricane Rita. Although damage to its electric facilities was limited, over 700,000 customers lost power at the height of the storm. The utility restored power to over a half million customers within 36 hours and all power was restored in less than five days. Revenues lost as a result of the storm were more than offset by warmer than normal weather during the quarter. Restoration costs in the TDU's service area are estimated to be in the range of \$20 - \$30 million and will be deferred for future recovery.

Operating income for the nine months ended September 30, 2005, was \$385 million, consisting of \$358 million for the TDU and \$27 million for the transition bond company. Operating income for the same period of 2004 totaled \$390 million, consisting of \$361 million for the TDU and \$29 million for the transition bond company.

- more -

[CENTERPOINT  
ENERGY LOGO]

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NATURAL GAS DISTRIBUTION

The natural gas distribution segment reported an operating loss of \$12 million for the third quarter of 2005, compared to an operating loss of \$2 million for the same period of 2004. Due to seasonal impacts, the third quarter for this segment is typically one of the weakest of the year. Higher margins in the company's natural gas distribution business from rate increases and customer growth were more than offset by increased bad debt expense associated with high natural gas prices, an increase in depreciation and amortization expense and higher taxes other than income taxes. Increased margins from our non-rate regulated natural gas sales business were substantially offset by the effects of mark-to-market accounting related to non-trading financial derivatives used to lock in economic margins of certain forward gas sales.

During the quarter, the company's east Texas, Louisiana and Mississippi natural gas service areas were affected by hurricanes Katrina and Rita. Damage to the company's facilities was limited, but approximately 10,000 homes and businesses were damaged to such an extent that they will not be taking service for some time. The storm restoration costs and the impact on the company's operating income are expected to be limited.

Operating income for the nine months ended September 30, 2005, was \$146 million compared to \$137 million for the same period of 2004.

PIPELINES AND GATHERING

The pipelines and gathering segment reported operating income of \$52 million for the third quarter of 2005 compared to \$35 million for the same period of 2004. The pipeline business achieved higher operating income driven by increased demand for transportation and ancillary services. The gas gathering operations benefited from increased throughput and demand for its services.

Operating income for the nine months ended September 30, 2005, was \$168 million compared to \$123 million for the same period of 2004.

OTHER OPERATIONS

The company's other operations reported operating income of \$2 million for the third quarter of 2005 compared to an operating loss of \$4 million for the same period of 2004.

The operating loss for the nine months ended September 30, 2005, was \$12 million compared to an operating loss of \$17 million for the same period of 2004.

- more -

[CENTERPOINT  
ENERGY LOGO]

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RECOVERY OF TRUE-UP BALANCE

On September 13, 2005, the company started recovering a portion of its true-up balance approved by the Texas PUC when it implemented a CTC to collect \$600 million over 14 years, plus interest at an annual rate of 11.075 percent. The company has also begun to collect approximately \$24 million of approved rate case expenses over three years. In addition, the company expects to issue over \$1.8 billion in transition bonds before the end of the year to recover the remaining authorized true-up balance.

WEBCAST OF EARNINGS CONFERENCE CALL

CenterPoint Energy's management will host an earnings conference call on Thursday, November 3, 2005, at 10:30 a.m. Central time or 11:30 a.m. Eastern time. Interested parties may listen to a live, audio broadcast of the conference call at [www.CenterPointEnergy.com/investors/events](http://www.CenterPointEnergy.com/investors/events). A replay of the call can be accessed approximately two hours after the completion of the call, and will be archived on the web site for at least one year.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and sales, and interstate pipeline and gathering operations. The company serves nearly five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total approximately \$16 billion. With more than 9,000 employees, CenterPoint Energy and its predecessor companies have been in business for more than 130 years. For more information, visit the Web site at [www.CenterPointEnergy.com](http://www.CenterPointEnergy.com).

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This news release includes forward-looking statements. Actual events and results may differ materially from those projected. The statements in this news release regarding future financial performance and results of operations and other statements that are not historical facts are forward-looking statements. Factors that could affect actual results include the timing and outcome of the true-up proceeding and any legal proceedings related thereto, the timing and impact of future regulatory and legislative 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, 2004, Form 10-Qs for the periods ended March 31, 2005, June 30, 2005 and September 30, 2005, and other filings with the Securities and Exchange Commission.

###



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

Quarter  
 Ended  
 September  
 30, Nine  
 Months Ended  
 September  
 30, -----  
 -----  
 -----  
 -----  
 -----  
 ----- 2004  
 2005 2004  
 2005 -----  
 -----  
 -----

Revenues:  
 Electric  
 Transmission  
 &  
 Distribution  
 \$ 447 \$ 484  
 \$ 1,153 \$  
 1,243  
 Natural Gas  
 Distribution  
 1,149 1,651  
 4,525 5,411  
 Pipelines  
 and  
 Gathering  
 108 116 324  
 362 Other  
 Operations 2  
 4 8 15  
 Eliminations  
 (37) (37)  
 (113) (119)  
 -----  
 -----  
 -----

Total 1,669  
 2,218 5,897  
 6,912 -----  
 -----  
 -----

Expenses:  
 Natural gas  
 928 1,422  
 3,701 4,563  
 Operation  
 and  
 maintenance  
 319 336 932  
 974  
 Depreciation  
 and  
 amortization  
 126 145 362  
 411 Taxes  
 other than  
 income taxes  
 89 90 269  
 277 -----  
 -----  
 -----  
 -----

Total 1,462  
1,993 5,264  
6,225 -----  
-----  
-----  
-----

Operating  
Income 207  
225 633 687  
-----  
-----  
-----

Other Income  
(Expense):  
Gain (loss)  
on Time  
Warner  
investment  
(31) 30 (40)  
(29) Gain  
(loss) on  
indexed debt  
securities  
34 (29) 43  
34 Interest  
and other  
finance  
charges  
(183) (168)  
(554) (521)  
Interest on  
transition  
bonds (9)  
(9) (29)  
(27) Return  
on true-up  
balance --  
35 -- 104  
Other - net  
1 7 15 18 --  
-----  
-----  
-----  
-----

Total (188)  
(134) (565)  
(421) -----  
-----  
-----  
-----

Income from  
Continuing  
Operations  
Before  
Income Taxes  
and  
Extraordinary  
Item 19 91  
68 266  
Income Tax  
Expense (2)  
(41) (25)  
(122) -----  
-----  
-----  
-----

Income from  
Continuing  
Operations  
Before  
Extraordinary  
Item 17 50  
43 144 -----  
-----  
-----  
-----

Discontinued  
 Operations:  
 Income from  
 Texas Genco,  
 net of tax  
 109 -- 241  
 11 Minority  
 Interest  
 related to  
 Texas Genco,  
 net of tax  
 (22) -- (49)  
 -- Loss on  
 Disposal of  
 Texas Genco,  
 net of tax  
 (346) --  
 (346) (14) -  
 -----  
 -----  
 -----  
 Total (259)  
 -- (154) (3)  
 -----  
 -----  
 -----  
 Income  
 (Loss)  
 Before  
 Extraordinary  
 Item (242)  
 50 (111) 141  
 -----  
 -----  
 -----  
 Extraordinary  
 Item, net of  
 tax (894) --  
 (894) 30 ---  
 -----  
 -----  
 -----  
 Net Income  
 (Loss) \$  
 (1,136) \$ 50  
 \$ (1,005) \$  
 171  
 =====  
 =====  
 =====  
 =====

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

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

Quarter  
 Ended Nine  
 Months Ended  
 September  
 30,  
 September  
 30, -----  
 -----  
 -----  
 -----  
 -----  
 ----- 2004  
 2005 2004  
 2005 -----  
 -----  
 -----  
 -----

-----  
 Basic  
 Earnings Per  
 Common  
 Share:  
 Income from  
 Continuing  
 Operations \$  
 0.05 \$ 0.16  
 \$ 0.14 \$  
 0.46 Loss  
 from  
 Discontinued  
 Operations  
 (0.84) --  
 (0.50)  
 (0.01)  
 Extraordinary  
 Item, net of  
 tax (2.90) -  
 - (2.91)  
 0.10 -----  
 -----  
 -----  
 -----

----- Net  
 Income  
 (Loss) \$  
 (3.69) \$  
 0.16 \$  
 (3.27) \$  
 0.55

=====  
 =====  
 =====  
 =====  
 =====

Diluted  
 Earnings Per  
 Common  
 Share:  
 Income from  
 Continuing  
 Operations \$  
 0.05 \$ 0.15  
 \$ 0.14 \$  
 0.43 Loss  
 from  
 Discontinued  
 Operations  
 (0.83) --  
 (0.50)  
 (0.01)  
 Extraordinary  
 Item, net of  
 tax (2.88) -

- (2.89)  
0.09 -----  
-----  
-----  
-----  
----- Net  
Income  
(Loss) \$  
(3.66) \$  
0.15 \$  
(3.25) \$  
0.51

=====  
=====  
=====  
=====

Dividends  
Declared per  
Common Share  
\$ 0.10 \$  
0.07(1) \$  
0.30 \$  
0.34(1)  
Weighted  
Average  
Common  
Shares  
Outstanding  
(000): -  
Basic  
307,592  
309,657  
306,954  
309,080 -  
Diluted  
310,165  
346,503  
309,482  
355,022

OPERATING  
INCOME  
(LOSS) BY  
SEGMENT  
Electric  
Transmission  
&  
Distribution:  
Transmission  
&  
Distribution  
Operations \$  
169 \$ 174 \$  
361 \$ 358  
Transition  
Bond Company  
9 9 29 27 --  
-----  
-----  
-----

Total  
Electric  
Transmission  
&  
Distribution  
178 183 390  
385 Natural  
Gas  
Distribution  
(2) (12) 137  
146  
Pipelines  
and  
Gathering 35  
52 123 168  
Other  
Operations  
(4) 2 (17)  
(12) -----  
-----  
-----

-----  
-----  
Total \$ 207  
\$ 225 \$ 633  
\$ 687  
=====

(1) On January 26, 2005, the Company's board of directors declared a dividend of \$0.10 per share of common stock payable on March 10, 2005 to shareholders of record as of the close of business on February 16, 2005. On March 3, 2005, the Company's board of directors declared a dividend of \$0.10 per share of common stock payable on March 31, 2005 to shareholders of record as of the close of business on March 16, 2005. This additional first quarter dividend was declared in lieu of the regular second quarter dividend to address technical restrictions that might limit the Company's ability to pay a regular dividend during the second quarter of this year. On June 2, 2005, the Company's board of directors declared a dividend of \$0.07 per share of common stock payable on June 30, 2005 to shareholders of record as of the close of business on June 15, 2005. On August 31, 2005, the Company's board of directors declared a dividend of \$0.07 per common share of common stock payable on September 30, 2005 to shareholders of record as of the close of business on September 12, 2005.

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

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

ELECTRIC  
 TRANSMISSION  
 &  
 DISTRIBUTION

-----  
 -----  
 -----  
 -----  
 -----  
 -----

- Quarter  
 Ended Nine  
 Months  
 Ended  
 September  
 30,  
 September  
 30, -----

----- %  
 Diff -----

----- %  
 Diff 2004  
 2005

Fav/(Unfav)  
 2004 2005  
 Fav/(Unfav)

-----  
 -----  
 -----  
 -----  
 -----

RESULTS OF  
 OPERATIONS:

Electric  
 transmission  
 and  
 distribution  
 revenues \$  
 427 \$ 453  
 6% \$ 1,099  
 \$ 1,164 6%

-----  
 -----  
 -----

Electric  
 transmission  
 and  
 distribution  
 expenses:  
 Operation  
 and  
 maintenance

136 155  
 (14%) 394  
 446 (13%)

Depreciation  
 and  
 amortization

63 69 (10%)  
 186 197  
 (6%) Taxes

other than  
 income  
 taxes 59 55

7% 158 163  
 (3%) -----  
 -----

-----  
 -----  
 ---- Total  
 electric  
 transmission  
 and  
 distribution  
 expenses  
 258 279  
 (8%) 738  
 806 (9%) --  
 -----  
 -----  
 -----

-----  
 Operating  
 Income -  
 Electric  
 transmission  
 and  
 distribution  
 utility 169  
 174 3% 361  
 358 (1%)  
 Operating  
 Income -  
 Transition  
 bond  
 company 9 9  
 -- 29 27  
 (7%) -----  
 -----  
 -----  
 -----

-----  
 ---- Total  
 Segment  
 Operating  
 Income \$  
 178 \$ 183  
 3% \$ 390 \$  
 385 (1%)  
 =====  
 =====  
 =====  
 =====

ELECTRIC  
 TRANSMISSION  
 &  
 DISTRIBUTION  
 Quarter  
 Ended Nine  
 Months  
 Ended  
 OPERATING  
 DATA:  
 September  
 30,  
 September  
 30, -----  
 -----  
 -----  
 -----

-----  
 ACTUAL MWH  
 DELIVERED  
 2004 2005  
 2004 2005 -  
 -----  
 -----  
 -----  
 -----

Residential  
 8,511,639  
 8,871,356  
 4%  
 18,714,422  
 19,606,915  
 5% Total  
 22,568,431



22,351,407  
 (1%)  
 56,633,719  
 57,134,034  
 1% WEATHER  
 (AVERAGE  
 FOR SERVICE  
 AREA):  
 Percentage  
 of normal:  
 Cooling  
 degree days  
 103% 113%  
 10% 102%  
 110% 8%  
 Heating  
 degree days  
 -- -- --  
 86% 76%  
 (10%)  
 AVERAGE  
 NUMBER OF  
 METERED  
 CUSTOMERS:  
 Residential  
 1,645,523  
 1,690,819  
 3%  
 1,633,890  
 1,675,904  
 3% Total  
 1,870,128  
 1,921,594  
 3%  
 1,856,551  
 1,904,235  
 3%

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



5,265 (20%)

-----  
-----  
-----

Operating  
Income  
(Loss) \$  
(2) \$ (12)  
(500%) \$  
137 \$ 146  
7%

=====  
=====  
=====  
=====

NATURAL GAS  
DISTRIBUTION

OPERATING  
DATA:

THROUGHPUT  
DATA IN BCF

Residential  
15 9 (40%)  
121 107  
(12%)

Commercial  
and  
Industrial  
39 38 (3%)  
171 158

(8%) Non-  
rate  
regulated  
113 160 42%

419 491 17%  
Elimination  
(32) (26)  
19% (105)  
(104) 1% --

-----  
-----  
-----

Total  
Throughput  
135 181 34%  
606 652 8%

=====  
=====  
=====  
=====

WEATHER  
(AVERAGE  
FOR SERVICE  
AREA)

Percentage  
of normal:  
Heating  
degree days  
61% 34%  
(27%) 95%  
89% (6%)

AVERAGE  
NUMBER OF  
CUSTOMERS:

Residential  
2,777,212  
2,820,629  
2%

2,791,722  
2,835,306  
2%

Commercial  
and  
Industrial  
242,111

244,249 1%  
245,895  
246,370 --  
Non-rate



```

-----
-----
Operating
Income $ 35 $
52 49% $ 123
$ 168 37%
=====
=====
=====
=====
PIPELINES AND
GATHERING
OPERATING
DATA:
THROUGHPUT
DATA IN BCF
Natural Gas
Sales 1 --
(100%) 8 4
(50%)
Transportation
181 199 10%
658 700 6%
Gathering 79
92 16% 233
262 12%
Elimination -
- (1) -- (5)
(4) 20% -----
-----
-----
-----
Total
Throughput
261 290 11%
894 962 8%
=====
=====
=====
=====

```

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



|                                      | 2004          | 2005          |
|--------------------------------------|---------------|---------------|
| Electric Transmission & Distribution | \$ 79         | \$ 57         |
| Natural Gas Distribution             | 173           | 199           |
| Pipelines and Gathering Operations   | 108           | 117           |
| <b>Total</b>                         | <b>\$ 149</b> | <b>\$ 196</b> |
|                                      | \$ 359        | \$ 497        |

Interest Expense Detail  
(Millions of Dollars)  
(Unaudited)

| Quarter Ended                           | 2004          | 2005  |
|---|---------------|-------|
| Nine Months Ended                       | 2004          | 2005  |
| September 30,                           | September 30, |       |
| Amortization of Deferred Financing Cost | \$ 19         | \$ 59 |
| Capitalization of Interest Cost         | (1)           | (3)   |
| Bond Interest Expense                   | 9             | 8     |
| Other                                   | 28            | 26    |

```

Interest
Expense 165
150 495 466 -
-----
-----
-----
-----
-----
Total
Interest
Expense 192
177 583 548 -
-----
-----
-----
-----
-----
Amortization
of Deferred
Financing
Cost
Reclassified
to
Discontinued
Operations 1
-- 3 -- Other
Interest
Reclassified
to
Discontinued
Operations 13
-- 35 -- -----
-----
-----
-----
-----
-----
Total
Interest
Reclassified
to
Discontinued
Operations
(1) 14 -- 38
-- Interest
Expense
Incurred by
Discontinued
Operations --
-- -- 1 -----
-----
-----
-----
-----
-----
Total
Expense in
Discontinued
Operations 14
-- 38 1 -----
-----
-----
-----
-----
-----
Total
Interest
Expense
Incurred $
206 $ 177 $
621 $ 549
=====
=====
=====
=====
=====

```

(1) In accordance with Emerging Issues Task Force Issue No. 87-24 "Allocation of Interest to Discontinued Operations", in 2004, we have reclassified interest to discontinued operations of Texas Genco based on net proceeds received from the sale of Texas Genco of \$2.5 billion, and have applied the proceeds to the amount of debt assumed to be paid down in 2004 according to the terms of the respective credit facilities in effect for that period. In periods where only the term loan was assumed to be repaid, the actual interest paid was reclassified. In periods where a portion of the revolver was assumed to be repaid, the percentage of that portion of the revolver to the total outstanding balance was calculated, and that percentage was applied to the actual interest paid in those periods to compute the amount of interest reclassified.



Total interest expense was \$206 million and \$177 million for the three months ended September 30, 2004 and 2005, respectively, and \$621 million and \$549 million for the nine months ended September 30, 2004 and 2005, respectively. Interest expense of \$14 million for the three months ended September 30, 2004, and \$38 million for the nine months ended September 30, 2004, was reclassified to discontinued operations of Texas Genco.

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

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

December 31,  
September  
30, 2004  
2005 -----  
-----

ASSETS  
CURRENT

ASSETS: Cash  
and cash  
equivalents  
\$ 165 \$ 162  
Other  
current  
assets 2,158  
2,300  
Current  
assets of  
discontinued  
operations  
514 -- -----  
-----

Total  
current  
assets 2,837  
2,462 -----  
-----

PROPERTY,  
PLANT AND  
EQUIPMENT,  
NET 8,186  
8,361 -----  
-----

OTHER  
ASSETS:  
Goodwill,  
net 1,741  
1,744  
Regulatory  
assets 3,350  
2,943 Other  
non-current  
assets 997  
1,002 Non-  
current  
assets of  
discontinued  
operations  
1,051 -- ---  
-----

Total other  
assets 7,139  
5,689 -----  
-----

TOTAL ASSETS  
\$ 18,162 \$  
16,512

=====

LIABILITIES  
AND  
SHAREHOLDERS'  
EQUITY  
CURRENT  
LIABILITIES:  
Current  
portion of

transition  
bond long-  
term debt \$  
47 \$ 54  
Current  
portion of  
other long-  
term debt  
1,789 2,004  
Other  
current  
liabilities  
2,902 2,616  
Current  
liabilities  
of  
discontinued  
operations  
449 -- -----  
-----

Total  
current  
liabilities  
5,187 4,674  
-----  
-----

OTHER  
LIABILITIES:  
Accumulated  
deferred  
income  
taxes, net  
and  
investment  
tax credit  
2,469 2,528  
Regulatory  
liabilities  
1,082 749  
Other non-  
current  
liabilities  
705 849 Non-  
current  
liabilities  
of  
discontinued  
operations  
420 -- -----  
-----

Total other  
liabilities  
4,676 4,126  
-----  
-----

LONG-TERM  
DEBT:  
Transition  
bond 629 575  
Other 6,564  
5,919 -----  
-----

Total long-  
term debt  
7,193 6,494  
-----  
-----

SHAREHOLDERS'  
EQUITY 1,106  
1,218 -----  
-----

TOTAL  
LIABILITIES  
AND  
SHAREHOLDERS'  
EQUITY \$  
18,162 \$

16,512

=====  
=====

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

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

| Nine Months<br>Ended<br>September<br>30, -----<br>-----<br>2004 2005 --<br>----- |  |
|--|--|
|  | CASH FLOWS<br>FROM<br>OPERATING<br>ACTIVITIES:   |
|  | Net income<br>(loss) \$  |
|  | (1,005) \$   |
|  | 171  |
|  | Discontinued<br>operations,<br>net of tax  |
|  | 154 3  |
|  | Extraordinary<br>item, net of<br>tax 894 (30)  |
|  | -----  |
|  | Income from<br>continuing<br>operations  |
|  | 43 144   |
|  | Adjustments<br>to reconcile<br>income from<br>continuing<br>operations<br>to net cash<br>provided by<br>operating<br>activities: |
|  | Depreciation<br>and<br>amortization  |
|  | 425 470  |
|  | Deferred<br>income taxes<br>and<br>investment<br>tax credit  |
|  | 99 156   |
|  | Changes in<br>net<br>regulatory<br>assets and<br>liabilities   |
|  | (253) (166)  |
|  | Changes in<br>other assets<br>and<br>liabilities   |
|  | 21 (247)   |
|  | Other, net   |
|  | 19 7 -----<br>-----  |
|  | ----- NET<br>CASH<br>PROVIDED BY<br>OPERATING<br>ACTIVITIES  |
|  | 354 364 NET<br>CASH<br>PROVIDED BY<br>(USED IN)  |

INVESTING  
 ACTIVITIES  
 (304) 204  
 NET CASH  
 USED IN  
 FINANCING  
 ACTIVITIES  
 (117) (571)  
 -----  
 -----  
 NET DECREASE  
 IN CASH AND  
 CASH  
 EQUIVALENTS  
 (67) (3)  
 CASH AND  
 CASH  
 EQUIVALENTS  
 AT BEGINNING  
 OF PERIOD 87  
 165 -----  
 -----  
 ----- CASH  
 AND CASH  
 EQUIVALENTS  
 AT END OF  
 PERIOD \$ 20  
 \$ 162  
 =====  
 =====

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