

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 3, 2006

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CENTERPOINT ENERGY, INC.  
(Exact name of registrant as specified in its charter)

TEXAS (State or other jurisdiction of incorporation)	1-31447 (Commission File Number)	74-0694415 (IRS Employer Identification No.)
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1111 LOUISIANA HOUSTON, TEXAS (Address of principal executive offices)	77002 (Zip Code)
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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 August 3, 2006, CenterPoint Energy, Inc. ("CenterPoint Energy") reported second quarter 2006 earnings. For additional information regarding CenterPoint Energy's second quarter 2006 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 3, 2006 regarding CenterPoint Energy, Inc.'s second quarter 2006 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 3, 2006

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 -----
99.1	Press Release issued August 3, 2006 regarding CenterPoint Energy, Inc.'s second quarter 2006 earnings

(CENTERPOINT ENERGY LOGO)

For more information contact  
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 LETICIA LOWE  
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 INVESTORS:  
 MARIANNE PAULSEN  
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CENTERPOINT ENERGY REPORTS SECOND QUARTER 2006 EARNINGS

HOUSTON, TX -- AUGUST 3, 2006 - CenterPoint Energy, Inc. (NYSE: CNP) today reported net income of \$194 million, or \$0.61 per diluted share, for the second quarter of 2006 compared to \$54 million, or \$0.16 per diluted share, for the same period of 2005. Income from continuing operations before extraordinary item for the second quarter of 2006 was also \$194 million, or \$0.61 per diluted share, compared to \$27 million, or \$0.09 per diluted share, for the second quarter of 2005.

Agreements have been reached on the terms of two settlements that had an impact on net income for the second quarter of 2006. The first was an agreement with the Internal Revenue Service (IRS) on terms of a settlement regarding the tax treatment of the company's Zero Premium Exchangeable Subordinated Notes (ZENS) and its former Automatic Common Exchange Securities (ACES). This agreement, which is subject to approval by the Joint Committee on Taxation of the U. S. Congress, resulted in a reduction to the company's previously accrued tax and related interest reserves, adding \$119 million (\$0.38 per diluted share) to income. The second was an agreement settling all issues related to the remand to the Texas Public Utility Commission (PUC) of the company's 2001 unbundled cost of service order (UCOS) which reduced income by \$21 million after-tax, or \$0.07 per diluted share.

Net income for the second quarter of 2005 included an extraordinary gain of \$30 million, or \$0.08 per diluted share, reflecting an adjustment to the extraordinary loss recorded in the second half of 2004 to write down generation-related regulatory assets. In addition, net income for the second quarter of 2005 included a loss of \$3 million, or \$0.01 per diluted share, from discontinued operations.

For the six months ended June 30, 2006, net income was \$282 million, or \$0.89 per diluted share, compared to \$121 million, or \$0.35 per diluted share, for the same period of 2005. Income from continuing operations before extraordinary item for the six months ended June 30, 2006, was \$282 million, or \$0.89 per diluted share, compared to \$94 million, or \$0.28 per diluted share, for the same period of 2005. The same factors described above for the second quarter periods impacted the six-month periods for 2006 and 2005.

"I'm very pleased with the overall performance of our business and the progress we are achieving," said David M. McClanahan, president and chief executive officer of CenterPoint Energy. "This continued strong performance, combined with the resolution of a number of legacy issues, including our recent settlements of certain tax and regulatory matters, positions the company well for the future."

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OPERATING INCOME BY SEGMENT DETAILED

ELECTRIC TRANSMISSION & DISTRIBUTION

The electric transmission & distribution segment reported operating income of \$151 million in the second quarter of 2006, consisting of \$119 million for the regulated electric transmission & distribution utility (TDU) and \$32 million related to transition bonds, which is an amount sufficient to pay interest on the bonds. Operating income for the second quarter of 2005 totaled \$122 million, consisting of \$113 million for the TDU and \$9 million related to transition bonds.

The TDU's revenues continued to benefit from solid customer growth, with nearly 60,000 metered customers added since June 2005. Revenues also increased due to the competition transition charge (CTC) implemented in September of 2005, and favorable weather. More than offsetting the TDU's revenue growth was the impact related to the resolution of the 2001 UCOS order, which was recorded as a reduction to revenues of \$32 million. Operation and maintenance expenses decreased primarily due to lower employee benefit expenses.

Operating income for the six months ended June 30, 2006, was \$261 million, consisting of \$197 million for the TDU, which includes the \$32 million adverse impact related to the resolution of the 2001 UCOS order, and \$64 million related to transition bonds. Operating income for the same period of 2005 totaled \$202 million, consisting of \$184 million for the TDU and \$18 million related to transition bonds.

NATURAL GAS DISTRIBUTION

The natural gas distribution segment reported an operating loss of \$2 million for the second quarter of 2006 compared to operating income of \$9 million for the same period of 2005. Higher revenues from rate increases and rate design changes, along with the addition of nearly 32,000 customers since June 2005, were partially offset by decreased customer usage. Operation and maintenance expenses increased primarily due to costs associated with staff reductions, increased bad debt expense due to high natural gas prices, and a write-off of certain rate case expenses.

Operating income for the six months ended June 30, 2006, was \$101 million compared to \$132 million for the same period of 2005. In addition to the factors noted above, operating income for the six months ended June 30, 2006, was adversely affected by unfavorable weather.

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COMPETITIVE NATURAL GAS SALES AND SERVICES

The competitive natural gas sales and services segment reported operating income of \$7 million for the second quarter of 2006 compared to \$10 million for the same period of 2005. Operating income from higher sales to utilities and favorable basis differentials across the pipeline capacity that the company controls was more than offset by a charge of \$17 million to reflect the write-down of natural gas inventory to the lower of average cost or market. The company purchases and stores natural gas to meet certain future sales requirements and enters into derivative contracts to hedge the economic value of the future sales. Therefore, operating income in the future periods, when these sales occur, is expected to be higher as a result of the inventory write-downs taken in the first two quarters of this year.

Operating income for the six months ended June 30, 2006, was \$32 million compared to \$26 million for the same period of 2005.

PIPELINES AND FIELD SERVICES

The pipelines and field services segment reported operating income of \$61 million for the second quarter of 2006 compared to \$52 million for the same period of 2005. This segment's businesses continue to benefit from favorable dynamics in the markets for natural gas gathering and transportation services along the Gulf Coast and Mid-Continent regions where they operate. Within this segment, the pipeline business achieved higher operating income (\$40 million vs. \$35 million) resulting from increased demand for transportation due to favorable basis differentials across the system and higher demand for ancillary services. The field services business achieved higher operating income (\$21 million vs. \$17 million) driven by increased throughput, greater demand for ancillary services and higher commodity prices. In addition, this business recorded equity income of \$2 million in the second quarter of 2006 (\$1 million for the same period in 2005) 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, 2006, was \$134 million compared to \$116 million for the same period of 2005. The pipeline business achieved operating income of \$89 million for the six months ended June 30, 2006, compared to \$83 million for the same period of 2005. The field services business achieved operating income of \$45 million for the six months ended June 30, 2006, compared to \$33 million for the same period of 2005. Equity income from the jointly-owned gas processing plant was \$5 million for the six months ended June 30, 2006, compared to \$3 million for the same period of 2005.

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OTHER OPERATIONS

The company's other operations reported operating income of \$3 million for the second quarter of 2006 compared to an operating loss of \$7 million for the same period of 2005.

For the six months ended June 30, 2006, other operations reported an operating loss of \$2 million compared to an operating loss of \$14 million for the same period of 2005.

OTHER SECOND QUARTER 2006 EVENTS

SETTLEMENT OF ZENS AND ACES

During the second quarter of 2006, the company reached agreement with the IRS on a settlement regarding the ZENS and ACES issues and signed a Closing Agreement on July 17, 2006, for the tax years 1999 through 2029 with respect to the ZENS. The settlement and Closing Agreement are subject to approval by the Joint Committee on Taxation of the U.S. Congress. Under the terms of the settlement, the company will pay approximately \$64 million in previously accrued taxes associated with the ACES and the ZENS and will reduce its future interest deductions associated with the ZENS.

As a result of the agreement, the company reduced its previously accrued tax and related interest reserves by \$119 million in the second quarter of 2006, and will no longer accrue a quarterly reserve.

SETTLEMENT OF CENTERPOINT ENERGY HOUSTON ELECTRIC (CEHE) RATE CASE AND 2001 UCOS REMAND

On July 31, 2006, CEHE entered into a settlement agreement with parties to its pending rate case. Under the terms of the settlement, which must be approved by the PUC, CEHE's base rate revenues will be reduced by approximately \$58 million per year. In addition, CEHE will increase its spending on energy efficiency programs by \$10 million per year and will fund \$10 million per year for programs providing financial assistance to qualified low-income customers in its service territory. The settlement includes a base rate freeze through June of 2010.

The settlement also resolved all issues related to the remand of the PUC's order in CEHE's 2001 UCOS case. Under the terms of the settlement, CEHE agreed to provide rate credits of approximately \$8 million per year to retail and wholesale customers until a total of \$32 million has been credited. This impact was recorded in the second quarter of 2006.

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DIVIDEND DECLARATION

On July 27, 2006, CenterPoint Energy's board of directors declared a regular quarterly cash dividend of \$0.15 per share of common stock payable on September 8, 2006, to shareholders of record as of the close of business on August 16, 2006.

OUTLOOK FOR 2006

CenterPoint Energy continues to expect diluted earnings per share for 2006 to be in the range of \$0.90 to \$1.00. This guidance includes an estimated impact of the settlement of CEHE's rate case but excludes the one-time impact of \$0.38 per diluted share related to the company's settlement regarding the tax treatment of the ZENS and ACES and the one-time impact of \$0.07 per diluted share related to the settlement of the 2001 UCOS order. This guidance takes into consideration various economic and operational assumptions related to the business segments in which the company operates. In particular, the company has made certain assumptions regarding the impact to earnings of various other 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 potential changes in accounting standards, any impact from acquisitions or divestitures, or the outcomes of pending legal proceedings related to CEHE's true-up appeal.

WEBCAST OF EARNINGS CONFERENCE CALL

CenterPoint Energy's management will host an earnings conference call on Thursday, August 3, 2006, at 10:30 a.m. Central time or 11:30 a.m. Eastern time. Interested parties may listen to a live audio broadcast of the conference call at [www.CenterPointEnergy.com/investors/events](http://www.CenterPointEnergy.com/investors/events). A replay of the call can be accessed approximately two hours after the completion of the call and will be archived on the web site for at least one year.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution, competitive natural gas sales and services, and 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 approximately \$16 billion. With about 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 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, 2005, Form 10-Qs for the periods ended March 31, 2006, and June 30, 2006, 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,	
	2005	2006	2005	2006
<b>Revenues:</b>				
Electric Transmission & Distribution	\$ 414	\$ 456	\$ 759	\$ 841
Natural Gas Distribution	541	549	1,870	2,029
Competitive Natural Gas Sales and Services	845	750	1,770	1,913
Pipelines and Field Services	125	135	246	260
Other Operations	4	5	11	9
Eliminations	(87)	(52)	(219)	(132)
Total	1,842	1,843	4,437	4,920
<b>Expenses:</b>				
Natural gas	1,103	1,035	2,884	3,228
Operation and maintenance	325	340	638	671
Depreciation and amortization	136	153	266	293
Taxes other than income taxes	92	95	187	202
Total	1,656	1,623	3,975	4,394
Operating Income	186	220	462	526
<b>Other Income (Expense):</b>				
Gain (Loss) on Time Warner investment	(18)	11	(59)	(3)
Gain (Loss) on indexed debt securities	24	(11)	63	(1)
Interest and other finance charges	(180)	(118)	(353)	(233)
Interest on transition bonds	(9)	(33)	(18)	(66)
Return on true-up balance	35	--	69	--
Other - net	7	9	11	15
Total	(141)	(142)	(287)	(288)
Income from Continuing Operations Before Income Taxes and Extraordinary Item	45	78	175	238
Income Tax (Expense) Benefit	(18)	116	(81)	44
Income from Continuing Operations Before Extraordinary Item	27	194	94	282
<b>Discontinued Operations:</b>				
Income (Loss) from Texas Genco, net of tax	(3)	--	11	--
Loss on Disposal of Texas Genco, net of tax	--	--	(14)	--
Total	(3)	--	(3)	--
Income Before Extraordinary Item	24	194	91	282
Extraordinary Item, net of tax	30	--	30	--
Net Income	\$ 54	\$ 194	\$ 121	\$ 282

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 Income  
(Millions of Dollars, Except Share and Per Share Amounts)  
(Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Basic Earnings Per Common Share:				
Income from Continuing Operations	\$ 0.09	\$ 0.62	\$ 0.30	\$ 0.91
Loss from Discontinued Operations	(0.01)	--	(0.01)	--
Extraordinary item, net of tax	0.10	--	0.10	--
Net Income	\$ 0.18	\$ 0.62	\$ 0.39	\$ 0.91
	=====	=====	=====	=====
Diluted Earnings Per Common Share:				
Income from Continuing Operations	\$ 0.09	\$ 0.61	\$ 0.28	\$ 0.89
Loss from Discontinued Operations	(0.01)	--	(0.01)	--
Extraordinary item, net of tax	0.08	--	0.08	--
Net Income	\$ 0.16	\$ 0.61	\$ 0.35	\$ 0.89
	=====	=====	=====	=====
Dividends Declared per Common Share	\$ 0.07	\$ 0.15	\$ 0.27	\$ 0.30
Weighted Average Common Shares Outstanding (000):				
- Basic	309,098	311,440	308,786	311,145
- Diluted	361,436	316,816	361,076	317,744
 OPERATING INCOME (LOSS) BY SEGMENT				
-----				
Electric Transmission & Distribution:				
Transmission & Distribution Operations	\$ 113	\$ 119	\$ 184	\$ 197
Transition Bond Companies	9	32	18	64
	-----	-----	-----	-----
Total Electric Transmission & Distribution	122	151	202	261
Natural Gas Distribution	9	(2)	132	101
Competitive Natural Gas Sales and Services	10	7	26	32
Pipelines and Field Services	52	61	116	134
Other Operations	(7)	3	(14)	(2)
	-----	-----	-----	-----
Total	\$ 186	\$ 220	\$ 462	\$ 526
	=====	=====	=====	=====

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 June 30,		% Diff Fav/ (Unfav)	Six Months Ended June 30,		% Diff Fav/ (Unfav)
	2005	2006		2005	2006	
	<b>RESULTS OF OPERATIONS:</b>					
<b>Revenues:</b>						
Electric transmission and distribution utility	\$ 388	\$ 386	(1%)	\$ 711	\$ 717	1%
Transition bond companies	26	70	169%	48	124	158%
<b>Total</b>	<b>414</b>	<b>456</b>	<b>10%</b>	<b>759</b>	<b>841</b>	<b>11%</b>
<b>Expenses:</b>						
Operation and maintenance	153	147	4%	291	281	3%
Depreciation and amortization	64	61	5%	128	124	3%
Taxes other than income taxes	58	59	(2%)	108	115	(6%)
Transition bond companies	17	38	(124%)	30	60	(100%)
<b>Total</b>	<b>292</b>	<b>305</b>	<b>(4%)</b>	<b>557</b>	<b>580</b>	<b>(4%)</b>
<b>Operating Income</b>	<b>\$ 122</b>	<b>\$ 151</b>	<b>24%</b>	<b>\$ 202</b>	<b>\$ 261</b>	<b>29%</b>
<b>Operating Income - Electric transmission and distribution utility</b>						
	113	119	5%	184	197	7%
<b>Operating Income - Transition bond companies</b>						
	9	32	256%	18	64	256%
<b>Total Segment Operating Income</b>	<b>\$ 122</b>	<b>\$ 151</b>	<b>24%</b>	<b>\$ 202</b>	<b>\$ 261</b>	<b>29%</b>
<b>ELECTRIC TRANSMISSION &amp; DISTRIBUTION OPERATING DATA:</b>						
<b>ACTUAL MWH DELIVERED</b>						
Residential	6,593,895	6,807,984	3%	10,735,559	10,794,374	1%
<b>Total</b>	<b>18,956,313</b>	<b>20,422,341</b>	<b>8%</b>	<b>34,782,627</b>	<b>36,409,221</b>	<b>5%</b>
<b>WEATHER (AVERAGE FOR SERVICE AREA):</b>						
<b>Percentage of normal:</b>						
Cooling degree days	103%	111%	8%	105%	114%	9%
Heating degree days	47%	--	--	76%	60%	(16%)
<b>AVERAGE NUMBER OF METERED CUSTOMERS:</b>						
Residential	1,675,573	1,703,130	2%	1,668,447	1,723,983	3%
<b>Total</b>	<b>1,904,090</b>	<b>1,965,180</b>	<b>3%</b>	<b>1,895,556</b>	<b>1,958,005</b>	<b>3%</b>

NATURAL GAS DISTRIBUTION

	Quarter Ended June 30,		% Diff Fav/ (Unfav)	Six Months Ended June 30,		% Diff Fav/ (Unfav)
	2005	2006		2005	2006	
	<b>RESULTS OF OPERATIONS:</b>					
<b>Revenues</b>	<b>\$ 541</b>	<b>\$ 549</b>	<b>1%</b>	<b>\$ 1,870</b>	<b>\$ 2,029</b>	<b>9%</b>
<b>Expenses:</b>						
Natural gas	341	343	(1%)	1,338	1,489	(11%)
Operation and maintenance	126	142	(13%)	261	292	(12%)
Depreciation and amortization	39	37	5%	76	75	1%
Taxes other than income taxes	26	29	(12%)	63	72	(14%)
<b>Total</b>	<b>532</b>	<b>551</b>	<b>(4%)</b>	<b>1,738</b>	<b>1,928</b>	<b>(11%)</b>
<b>Operating Income (Loss)</b>	<b>\$ 9</b>	<b>\$ (2)</b>	<b>(122%)</b>	<b>\$ 132</b>	<b>\$ 101</b>	<b>(23%)</b>
<b>NATURAL GAS DISTRIBUTION OPERATING DATA:</b>						
<b>THROUGHPUT DATA IN BCF</b>						
Residential	21	17	(19%)	98	84	(14%)
Commercial and Industrial	43	44	2%	120	116	(3%)
<b>Total Throughput</b>	<b>64</b>	<b>61</b>	<b>(5%)</b>	<b>218</b>	<b>200</b>	<b>(8%)</b>
<b>WEATHER (AVERAGE FOR SERVICE AREA)</b>						
<b>Percentage of normal:</b>						
Heating degree days	86%	60%	(26%)	91%	81%	(10%)
<b>AVERAGE NUMBER OF CUSTOMERS:</b>						
Residential	2,833,773	2,860,802	1%	2,842,645	2,872,978	1%
Commercial and Industrial	246,032	253,725	3%	247,429	253,505	2%
<b>Total</b>	<b>3,079,805</b>	<b>3,114,527</b>	<b>1%</b>	<b>3,090,074</b>	<b>3,126,483</b>	<b>1%</b>

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)

COMPETITIVE NATURAL GAS SALES AND SERVICES

	Quarter Ended		% Diff Fav/(Unfav)	Six Months Ended		% Diff Fav/(Unfav)
	June 30,			June 30,		
	2005	2006		2005	2006	
RESULTS OF OPERATIONS:						
Revenues	\$ 845	\$ 750	(11%)	\$ 1,770	\$ 1,913	8%
Expenses:						
Natural gas	828	735	11%	1,730	1,864	(8%)
Operation and maintenance	7	7	--	12	15	(25%)
Depreciation and amortization	--	1	--	1	1	--
Taxes other than income taxes	--	--	--	1	1	--
Total	835	743	11%	1,744	1,881	(8%)
Operating Income	\$ 10	\$ 7	(30%)	\$ 26	\$ 32	23%

COMPETITIVE NATURAL GAS SALES AND SERVICES

OPERATING DATA:

THROUGHPUT DATA IN BCF

Wholesale - third parties	72	72	--	154	161	5%
Wholesale - affiliates	21	8	(62%)	35	19	(46%)
Retail	34	31	(9%)	81	79	(2%)
Pipeline	12	10	(17%)	31	20	(35%)
Total Throughput	139	121	(13%)	301	279	(7%)

AVERAGE NUMBER OF CUSTOMERS:

Wholesale	135	132	(2%)	130	138	6%
Retail	6,237	6,468	4%	6,207	6,501	5%
Pipeline	145	136	(6%)	151	138	(9%)
Total	6,517	6,736	3%	6,488	6,777	4%

PIPELINES AND FIELD SERVICES

	Quarter Ended		% Diff Fav/(Unfav)	Six Months Ended		% Diff Fav/(Unfav)
	June 30,			June 30,		
	2005	2006		2005	2006	
RESULTS OF OPERATIONS:						
Revenues	\$ 125	\$ 135	8%	\$ 246	\$ 260	6%
Expenses:						
Natural gas	18	7	61%	25	3	88%
Operation and maintenance	40	50	(25%)	74	89	(20%)
Depreciation and amortization	11	12	(9%)	22	24	(9%)
Taxes other than income taxes	4	5	(25%)	9	10	(11%)
Total	73	74	(1%)	130	126	3%
Operating Income	\$ 52	\$ 61	17%	\$ 116	\$ 134	16%
Operating Income - Pipeline business	35	40	14%	83	89	7%
Operating Income - Field Services business	17	21	24%	33	45	36%
Total Segment Operating Income	\$ 52	\$ 61	17%	\$ 116	\$ 134	16%

PIPELINES AND FIELD SERVICES OPERATING DATA:

THROUGHPUT DATA IN BCF

Natural Gas Sales	3	2	(33%)	4	2	(50%)
Transportation	230	240	4%	501	514	3%
Gathering	87	94	8%	170	182	7%
Elimination	(2)	(1)	50%	(3)	(1)	67%
Total Throughput	318	335	5%	672	697	4%

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)

OTHER OPERATIONS

	Quarter Ended June 30,		% Diff Fav/ (Unfav)	Six Months Ended June 30,		% Diff Fav/ (Unfav)
	2005	2006		2005	2006	
	RESULTS OF OPERATIONS:					
Revenues	\$ 4	\$ 5	25%	\$ 11	\$ 9	(18%)
Expenses	11	2	82%	25	11	56%
Operating Income (Loss)	\$ (7)	\$ 3	143%	\$ (14)	\$ (2)	86%

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

	Quarter Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
	CAPITAL EXPENDITURES BY SEGMENT			
Electric Transmission & Distribution	\$ 87	\$ 111	\$ 142	\$ 190
Natural Gas Distribution	56	45	96	85
Competitive Natural Gas Sales and Services	--	4	--	10
Pipelines and Field Services	31	54	53	84
Other Operations	5	4	10	14
Total	\$ 179	\$ 218	\$ 301	\$ 383

Interest Expense Detail  
(Millions of Dollars)  
(Unaudited)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
	INTEREST EXPENSE DETAIL			
Amortization of Deferred Financing Cost	\$ 19	\$ 14	\$ 39	\$ 28
Capitalization of Interest Cost	(1)	(2)	(2)	(3)
Transition Bond Interest Expense	9	32	18	64
Other Interest Expense	162	107	316	210
Total Interest Expense	\$ 189	\$ 151	\$ 371	\$ 299

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, 2005 -----	June 30, 2006 -----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 74	\$ 397
Other current assets	2,817	2,000
	-----	-----
Total current assets	2,891	2,397
	-----	-----
PROPERTY, PLANT AND EQUIPMENT, NET	8,492	8,675
	-----	-----
OTHER ASSETS:		
Goodwill	1,709	1,709
Regulatory assets	2,955	2,890
Other non-current assets	1,069	1,038
	-----	-----
Total other assets	5,733	5,637
	-----	-----
TOTAL ASSETS	\$17,116	\$16,709
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of transition bond long-term debt	\$ 73	\$ 126
Current portion of other long-term debt	266	519
Other current liabilities	2,675	1,931
	-----	-----
Total current liabilities	3,014	2,576
	-----	-----
OTHER LIABILITIES:		
Accumulated deferred income taxes, net and investment tax credit	2,520	2,442
Regulatory liabilities	728	822
Other non-current liabilities	990	810
	-----	-----
Total other liabilities	4,238	4,074
	-----	-----
LONG-TERM DEBT:		
Transition bond	2,407	2,335
Other	6,161	6,220
	-----	-----
Total long-term debt	8,568	8,555
	-----	-----
SHAREHOLDERS' EQUITY	1,296	1,504
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$17,116	\$16,709
	=====	=====

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)

	Six Months Ended June 30,	
	2005	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 121	\$ 282
Discontinued operations, net of tax	3	--
Extraordinary item, net of tax	(30)	--
	-----	-----
Income from continuing operations	94	282
Adjustments to reconcile income from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	306	321
Deferred income taxes and investment tax credit	44	(109)
Tax and interest reserves reductions related to ZENS and ACES	--	(119)
Changes in net regulatory assets and liabilities	(133)	54
Changes in other assets and liabilities	(262)	73
Other, net	5	15
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES OF CONTINUING OPERATIONS	54	517
NET CASH USED IN OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	(38)	--
	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES	16	517
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	412	(396)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(185)	202
	-----	-----
NET INCREASE IN CASH AND CASH EQUIVALENTS	243	323
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	165	74
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 408	\$ 397
	=====	=====

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