

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): APRIL 22, 2004

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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.)

1111 LOUISIANA  
HOUSTON, TEXAS  
(Address of principal executive offices)

77002  
(Zip Code)

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

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ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE.

FIRST QUARTER 2004 RESULTS

On April 22, 2004, CenterPoint Energy, Inc. ("CenterPoint Energy") reported first quarter 2004 earnings. Net income was \$74 million, or \$0.24 per diluted share, for the first quarter of 2004 compared to \$81 million, or \$0.27 per diluted share, for the first quarter of 2003 before discontinued operations and the effect of an accounting change in that period.

Net income for the first quarter of 2003 was \$168 million, or \$0.56 per diluted share, including a gain of \$80 million (\$0.27 per diluted share) relating to the implementation of Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations", and a \$7 million (\$0.02 per diluted share) gain from discontinued operations, primarily as a result of the sale of a cogeneration facility in Argentina.

CenterPoint Energy's results for the first quarter of 2004 compared to the same period of 2003 benefited from improved operating income from Texas Genco Holdings, Inc. of \$107 million, continued customer growth, with the addition of almost 87,000 metered electric and gas customers, and a decrease in interest expense of \$33 million. CenterPoint Energy's results for the first quarter of 2004 compared to the same period of 2003 were negatively impacted by the termination of revenues related to Excess Cost Over Market (ECOM) as of January 1, 2004 compared to ECOM revenues of \$132 million recorded in the first quarter of 2003, milder weather in 2004, impacting the quarter by \$16 million, and a charge of \$8 million related to staff reductions in the natural gas distribution business.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits.

The following exhibit is filed herewith:

99.1 Press Release issued April 22, 2004 regarding CenterPoint Energy's first quarter 2004 earnings.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

For additional information regarding CenterPoint Energy's first quarter 2004 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 12. 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.

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: April 22, 2004

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 April 22, 2004 regarding<br>CenterPoint Energy's first quarter 2004 earnings |
|------|---|

[CENTERPOINT ENERGY LOGO]

For more information contact  
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CENTERPOINT ENERGY REPORTS SOLID FIRST QUARTER 2004 EARNINGS

HOUSTON, TX - APRIL 22, 2004 - CenterPoint Energy, Inc. (NYSE: CNP) today reported net income of \$74 million, or \$0.24 per diluted share, for the first quarter of 2004 compared to \$81 million, or \$0.27 per diluted share, for the first quarter of 2003 before discontinued operations and the effect of an accounting change in that period.

Net income for the first quarter of 2003 was \$168 million, or \$0.56 per diluted share including a gain of \$80 million (\$0.27 per diluted share) relating to the implementation of Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations", and a \$7 million (\$0.02 per diluted share) gain from discontinued operations, primarily as a result of the sale of a cogeneration facility in Argentina.

"I'm pleased to report solid financial results for our first quarter of 2004. These results reflect continued improvements in our core operating units combined with a significant profit contribution from Texas Genco," said David McClanahan, president and chief executive officer of CenterPoint Energy. "Our businesses continue to focus on implementing their strategies and enhancing productivity, while we seek a buyer for our 81 percent interest in Texas Genco and complete the process of determining and recovering stranded investment and other true-up amounts."

FIRST QUARTER 2004 HIGHLIGHTS

The company's results for the first quarter of 2004 compared to the same period of 2003 benefited from:

- o improved operating income from Texas Genco of \$107 million
- o continued customer growth, with the addition of almost 87,000 metered electric and gas customers
- o a decrease in interest expense of \$33 million

The company's results for the first quarter of 2004 compared to the same period of 2003 were negatively impacted by:

- o the termination of revenues related to Excess Cost Over Market (ECOM) as of January 1, 2004 compared to ECOM revenues of \$132 million recorded in the first quarter of 2003
- o milder weather in 2004, impacting the quarter by \$16 million
- o a charge of \$8 million related to staff reductions in the natural gas distribution business

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In addition, cash flow from operations improved substantially in the first quarter of 2004 compared to the same period of 2003.

In the first quarter of 2004, CenterPoint Energy reduced its borrowing costs and enhanced financial flexibility and liquidity by:

- o redeeming \$250 million of higher cost trust preferred securities with proceeds from securities sold in late 2003
- o refinancing higher cost pollution control bonds totaling approximately \$229 million
- o replacing a \$100 million receivables facility with a \$250 million receivables facility at the company's natural gas and pipeline and gathering subsidiary, CenterPoint Energy Resources Corp. (CERC)
- o replacing a one-year \$200 million revolving credit facility at CERC with a three-year \$250 million facility

On March 31, 2004, the company filed its true-up application with the Public Utility Commission of Texas (PUC) for \$3.8 billion, excluding interest, marking one of the final steps in the implementation of the Texas electric restructuring law. In this application the company is seeking to recover its stranded investment and other true-up amounts in accordance with the statute that was enacted in 1999.

OPERATING INCOME BY SEGMENT DETAILED

ELECTRIC TRANSMISSION & DISTRIBUTION

The electric transmission & distribution segment reported operating income of \$85 million in the first quarter of 2004, consisting of \$75 million for the regulated transmission and distribution utility (TDU) and \$10 million for the transition bond company, which is an amount sufficient to pay interest on the transition bonds. Operating income for the same period of 2003 totaled \$206 million, consisting of \$64 million for the TDU, \$10 million for the transition bond company and \$132 million of non-cash income associated with ECOM. ECOM is recoverable under the Texas electric restructuring law and is included in the company's recently filed true-up application. ECOM is the difference between the market prices received in 2002 and 2003 by its affiliated power generation company in the PUC mandated auctions and the projections for the same periods made previously by the PUC. Beginning in 2004, there is no ECOM contribution to earnings.

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The TDU continues to benefit from solid customer growth. Revenues increased in the first quarter of 2004 compared to the same period of 2003 from the addition of 48,000 metered customers since March 2003. This revenue increase was partially offset by milder weather. Higher transmission payments to transmission providers were more than offset by reductions in other operation and maintenance expenses.

ELECTRIC GENERATION

Texas Genco reported operating income of \$90 million for the first quarter of 2004, compared to an operating loss of \$17 million for the same period of 2003. Revenues continued to benefit from increased prices for baseload products due primarily to strong wholesale electricity prices. Operation and maintenance expenses for the first quarter of 2004 were lower than the prior year. The first quarter of 2004 had lower expenses associated with planned and unplanned outages compared with the same quarter of 2003.

NATURAL GAS DISTRIBUTION

The natural gas distribution segment reported operating income of \$117 million for the first quarter of 2004 compared to \$129 million for the same period of 2003. Continued customer growth, with the addition of over 38,000 customers since March 2003, and higher revenues of \$3 million from rate increases were more than offset by milder weather (\$10 million) and reduced contribution from the company's competitive commercial and industrial sales business. The quarter also included an \$8 million charge for staff reductions related to process improvements, which will benefit future periods. Excluding this charge, operation and maintenance expenses were down by \$7 million.

PIPELINES AND GATHERING

The pipelines and gathering segment reported operating income of \$45 million for the first quarter of 2004 compared to \$43 million for the same period of 2003. The improvement is primarily due to an increase in throughput and enhanced services related to our gas gathering operations. Operation and maintenance expenses increased primarily due to spending related to pipeline integrity and higher employee-related costs.

OTHER OPERATIONS

The company's other operations reported an operating loss of \$2 million for the first quarter of 2004. Operating income for the same period of 2003 was zero.

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[CENTERPOINT ENERGY LOGO]

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FOR IMMEDIATE RELEASE

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WEBCAST OF EARNINGS CONFERENCE CALL

CenterPoint Energy's management will host an earnings conference call on Thursday, April 22, 2004, at 10:30 a.m. Central 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.

The management of Texas Genco, the company's 81 percent-owned subsidiary, will host an earnings conference call on Thursday, April 22, 2004, at 9 a.m. Central time. Interested parties may listen to a live, audio broadcast of the conference call at [www.txgenco.com/investor.html](http://www.txgenco.com/investor.html). 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, interstate pipeline and gathering operations, and more than 14,000 megawatts of power generation in Texas, of which nearly 3,000 megawatts are currently in mothball status. The company serves nearly five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. Assets total over \$21 billion. With more than 11,000 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 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, 2003 and other filings with the Securities and Exchange Commission.

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

|   | Quarter Ended March 31, |            |
|---|-------------------------|------------|
|   | 2004                    | 2003       |
| <b>Revenues:</b>  |                         |            |
| Electric Transmission & Distribution  | \$ 329,150              | \$ 447,403 |
| Electric Generation   | 439,129                 | 358,587    |
| Natural Gas Distribution  | 2,131,332               | 2,044,751  |
| Pipelines and Gathering   | 102,403                 | 109,108    |
| Other Operations  | 2,889                   | 8,930      |
| Eliminations  | (45,716)                | (68,611)   |
|   | -----                   | -----      |
| Total   | 2,959,187               | 2,900,168  |
|   | -----                   | -----      |
| <b>Expenses:</b>  |                         |            |
| Fuel and cost of gas sold   | 1,942,258               | 1,859,145  |
| Purchased power   | 8,270                   | 11,994     |
| Operation and maintenance   | 410,612                 | 412,876    |
| Depreciation and amortization   | 156,587                 | 152,282    |
| Taxes other than income taxes   | 106,245                 | 102,844    |
|   | -----                   | -----      |
| Total   | 2,623,972               | 2,539,141  |
|   | -----                   | -----      |
| Operating Income  | 335,215                 | 361,027    |
|   | -----                   | -----      |
| <b>Other Income (Expense) :</b>   |                         |            |
| Loss on Time Warner investment  | (24,453)                | (48,474)   |
| Gain on indexed debt securities   | 27,014                  | 42,703     |
| Interest and other finance charges  | (194,752)               | (228,044)  |
| Interest on transition bonds  | (9,674)                 | (9,848)    |
| Other - net   | 1,824                   | 3,159      |
|   | -----                   | -----      |
| Total   | (200,041)               | (240,504)  |
|   | -----                   | -----      |
| Income from Continuing Operations Before<br>Income Taxes, Minority Interest and<br>Cumulative Effect of Accounting Change | 135,174                 | 120,523    |
| Income Tax Expense  | (49,997)                | (41,109)   |
| Minority Interest   | (11,590)                | 2,066      |
|   | -----                   | -----      |
| Income from Continuing Operations Before<br>Cumulative Effect of Accounting Change  | 73,587                  | 81,480     |
| <b>Discontinued Operations:</b>   |                         |            |
| Loss from Other Operations, net of tax  | -                       | (462)      |
| Gain on disposal of Other Operations, net of tax  | -                       | 7,342      |
|   | -----                   | -----      |
| Total   | -                       | 6,880      |
|   | -----                   | -----      |
| Cumulative Effect of Accounting Change, net of<br>minority interest and tax   | -                       | 80,072     |
|   | -----                   | -----      |
| Net Income Attributable to Common Shareholders  | \$ 73,587               | \$ 168,432 |
|   | =====                   | =====      |

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  
(Thousands of Dollars, Except Per Share Amounts)  
(Unaudited)

|   | Quarter Ended<br>March 31, |            |
|---|----------------------------|------------|
|   | 2004                       | 2003       |
|   | -----                      | -----      |
| Basic Earnings Per Common Share:  |                            |            |
| Income from Continuing Operations before<br>Cumulative Effect of Accounting Change        | \$ 0.24                    | \$ 0.27    |
| Discontinued Operations:  |                            |            |
| Loss from Other Operations, net of tax  | --                         | --         |
| Gain on Disposal of Other Operations, net of tax  | --                         | 0.02       |
| Cumulative Effect of Accounting Change, net of<br>minority interest and tax               | --                         | 0.27       |
|   | -----                      | -----      |
| Net Income Attributable to Common Shareholders  | \$ 0.24                    | \$ 0.56    |
|   | =====                      | =====      |
| Diluted Earnings Per Common Share:  |                            |            |
| Income from Continuing Operations before<br>before Cumulative Effect of Accounting Change | \$ 0.24                    | \$ 0.27    |
| Discontinued Operations:  |                            |            |
| Loss from Other Operations, net of tax  | --                         | --         |
| Gain on Disposal of Other Operations, net of tax  | --                         | 0.02       |
| Cumulative Effect of Accounting Change, net of<br>minority interest and tax               | --                         | 0.27       |
|   | -----                      | -----      |
| Net Income Attributable to Common Shareholders  | \$ 0.24                    | \$ 0.56    |
|   | =====                      | =====      |
| Dividends Declared per Common Share   | \$ 0.10                    | \$ 0.10    |
| Weighted Average Common Shares Outstanding (000):   |                            |            |
| - Basic   | 306,012                    | 301,664    |
| - Diluted   | 308,151                    | 303,278    |
| OPERATING INCOME (LOSS) BY SEGMENT  |                            |            |
| Electric Transmission & Distribution:   |                            |            |
| Transmission & Distribution Operations  | \$ 75,285                  | \$ 63,894  |
| Transition Bond Company   | 9,608                      | 9,744      |
| ECOM True-up  | --                         | 131,963    |
|   | -----                      | -----      |
| Total Electric Transmission & Distribution  | 84,893                     | 205,601    |
| Electric Generation   | 90,592                     | (17,116)   |
| Natural Gas Distribution  | 116,611                    | 129,561    |
| Pipelines and Gathering   | 44,856                     | 42,893     |
| Other Operations  | (1,737)                    | 88         |
|   | -----                      | -----      |
| Total   | \$ 335,215                 | \$ 361,027 |
|   | =====                      | =====      |

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<br>March 31,           |        |        |                        |
|                                      | 2004   | 2003   | % Diff<br>Fav/ (Unfav) |
| <b>RESULTS OF OPERATIONS:</b>        |        |        |                        |
| <b>Revenues:</b>                     |        |        |                        |
| Electric revenues                    | \$ 314 | \$ 303 | 4%                     |
| ECOM revenues                        | -      | 132    | -                      |
| Transition bond revenues             | 15     | 13     | 15%                    |
|                                      | 329    | 448    | (27%)                  |
| <b>Expenses:</b>                     |        |        |                        |
| Operation and maintenance            | 132    | 133    | 1%                     |
| Depreciation and amortization        | 60     | 62     | 3%                     |
| Taxes other than income taxes        | 47     | 44     | (7%)                   |
| Transition bond expenses             | 5      | 3      | (67%)                  |
|                                      | 244    | 242    | (1%)                   |
| Operating Income                     | \$ 85  | \$ 206 | (59%)                  |

| ELECTRIC TRANSMISSION & DISTRIBUTION<br>OPERATING DATA: |            |            |       |
|---|------------|------------|-------|
| Quarter Ended<br>March 31,                              |            |            |       |
|   | 2004       | 2003       |       |
| <b>ACTUAL MWH DELIVERED</b>                             |            |            |       |
| Residential   | 4,401,825  | 4,558,195  | (3%)  |
| Total   | 15,520,086 | 14,787,976 | 5%    |
| <b>WEATHER (AVERAGE FOR SERVICE AREA):</b>              |            |            |       |
| <b>Percentage of normal:</b>                            |            |            |       |
| Heating degree days                                     | 85%        | 112%       | (27%) |
| <b>AVERAGE NUMBER OF METERED CUSTOMERS:</b>             |            |            |       |
| Residential   | 1,621,945  | 1,577,114  | 3%    |
| Commercial and Industrial                               | 220,731    | 221,109    | -     |
|   | 1,842,676  | 1,798,223  | 2%    |

| ELECTRIC GENERATION           |        |         |                        |
|-------------------------------|--------|---------|------------------------|
| Quarter Ended<br>March 31,    |        |         |                        |
|                               | 2004   | 2003    | % Diff<br>Fav/ (Unfav) |
| <b>RESULTS OF OPERATIONS:</b> |        |         |                        |
| Revenues                      | \$ 439 | \$ 359  | 22%                    |
| <b>Expenses:</b>              |        |         |                        |
| Fuel                          | 187    | 208     | 10%                    |
| Purchased power               | 8      | 12      | 33%                    |
| Operation and maintenance     | 102    | 106     | 4%                     |
| Depreciation and amortization | 40     | 39      | (3%)                   |
| Taxes other than income taxes | 12     | 11      | (9%)                   |
|                               | 349    | 376     | 7%                     |
| Operating Income (Loss)       | \$ 90  | \$ (17) | 629%                   |

ELECTRIC GENERATION OPERATING DATA:

|                  | =====      | =====     |     |
|------------------|------------|-----------|-----|
| Sales (MWH)      | 10,720,778 | 9,276,344 | 16% |
| Generation (MWH) | 10,149,190 | 8,994,753 | 13% |

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)

NATURAL GAS DISTRIBUTION

|                               | Quarter Ended<br>March 31, |          | % Diff<br>Fav/ (Unfav) |
|-------------------------------|----------------------------|----------|------------------------|
|                               | 2004                       | 2003     |                        |
| RESULTS OF OPERATIONS:        |                            |          |                        |
| Revenues                      | \$ 2,131                   | \$ 2,045 | 4%                     |
| Expenses:                     |                            |          |                        |
| Natural gas                   | 1,790                      | 1,694    | (6%)                   |
| Operation and maintenance     | 149                        | 148      | (1%)                   |
| Depreciation and amortization | 35                         | 33       | (6%)                   |
| Taxes other than income taxes | 40                         | 41       | 2%                     |
| Total                         | 2,014                      | 1,916    | (5%)                   |
| Operating Income              | \$ 117                     | \$ 129   | (9%)                   |

NATURAL GAS DISTRIBUTION OPERATING DATA:

THROUGHPUT DATA IN BCF

|  |      |      |       |
|--|------|------|-------|
| Residential                                  | 85   | 94   | (10%) |
| Commercial and Industrial                    | 83   | 89   | (7%)  |
| Non-rate regulated Commercial and Industrial | 139  | 129  | 8%    |
| Elimination                                  | (10) | (15) | 33%   |
| Total Throughput                             | 297  | 297  | -     |

WEATHER (AVERAGE FOR SERVICE AREA)

Percentage of normal:

|                     |     |      |       |
|---------------------|-----|------|-------|
| Heating degree days | 96% | 106% | (10%) |
|---------------------|-----|------|-------|

AVERAGE NUMBER OF CUSTOMERS:

|  |           |           |     |
|--|-----------|-----------|-----|
| Residential                                  | 2,808,058 | 2,770,060 | 1%  |
| Commercial and Industrial                    | 250,064   | 247,767   | 1%  |
| Non-rate regulated Commercial and Industrial | 6,190     | 5,219     | 19% |
| Total  | 3,064,312 | 3,023,046 | 1%  |

PIPELINES AND GATHERING

|                               | Quarter Ended<br>March 31, |        | % Diff<br>Fav/ (Unfav) |
|-------------------------------|----------------------------|--------|------------------------|
|                               | 2004                       | 2003   |                        |
| RESULTS OF OPERATIONS:        |                            |        |                        |
| Revenues                      | \$ 102                     | \$ 109 | (6%)                   |
| Expenses:                     |                            |        |                        |
| Natural gas                   | 9                          | 21     | 57%                    |
| Operation and maintenance     | 33                         | 30     | (10%)                  |
| Depreciation and amortization | 11                         | 11     | -                      |
| Taxes other than income taxes | 4                          | 4      | -                      |
| Total                         | 57                         | 66     | 14%                    |
| Operating Income              | \$ 45                      | \$ 43  | 5%                     |

PIPELINES AND GATHERING OPERATING DATA:

THROUGHPUT DATA IN BCF

|                   |       |       |       |
|-------------------|-------|-------|-------|
| Natural Gas Sales | 2     | 4     | (50%) |
| Transportation    | 270   | 268   | 1%    |
| Gathering         | 75    | 72    | 4%    |
| Elimination       | (2)   | (2)   | -     |
|                   | ----- | ----- |       |
| Total Throughput  | 345   | 342   | 1%    |
|                   | ===== | ===== |       |

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<br>March 31, |       | % Diff       |
|                         | 2004                       | 2003  | Fav/ (Unfav) |
| RESULTS OF OPERATIONS:  |                            |       |              |
| Revenues                | \$ 3                       | \$ 9  | (67%)        |
| Expenses                | 5                          | 9     | 44%          |
| Operating Income (Loss) | \$ (2)                     | \$ -- | --           |
|                         | =====                      | ===== |              |

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

|                                       | Quarter Ended<br>March 31,      |        |
|---------------------------------------|---------------------------------|--------|
|                                       | 2004                            | 2003   |
|                                       | CAPITAL EXPENDITURES BY SEGMENT |        |
| Electric Transmission & Distribution: | \$ 42                           | \$ 47  |
| Electric Generation                   | 24                              | 45     |
| Natural Gas Distribution              | 37                              | 30     |
| Pipelines and Gathering               | 15                              | 21     |
| Other Operations                      | 5                               | --     |
| Total                                 | \$ 123                          | \$ 143 |
|                                       | =====                           | =====  |

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  
(Thousands of Dollars)  
(Unaudited)

|   | March 31,<br>2004 | December 31,<br>2003 |
|---|-------------------|----------------------|
|   | -----             | -----                |
| ASSETS  |                   |                      |
| CURRENT ASSETS:   |                   |                      |
| Cash and cash equivalents   | \$ 206,467        | \$ 131,480           |
| Other current assets  | 1,743,865         | 2,141,225            |
|   | -----             | -----                |
| Total current assets  | 1,950,332         | 2,272,705            |
|   | -----             | -----                |
| PROPERTY, PLANT AND EQUIPMENT, NET                                | 11,790,051        | 11,811,536           |
|   | -----             | -----                |
| OTHER ASSETS:   |                   |                      |
| Goodwill, net   | 1,740,510         | 1,740,510            |
| Regulatory assets   | 4,945,277         | 4,930,793            |
| Other non-current assets  | 633,374           | 621,120              |
|   | -----             | -----                |
| Total other assets  | 7,319,161         | 7,292,423            |
|   | -----             | -----                |
| TOTAL ASSETS  | \$21,059,544      | \$21,376,664         |
|   | =====             | =====                |
| LIABILITIES AND SHAREHOLDERS' EQUITY                              |                   |                      |
| CURRENT LIABILITIES:  |                   |                      |
| Current portion of transition bond long-term debt                 | \$ 43,099         | \$ 41,189            |
| Short-term borrowings and current portion of other long-term debt | 122,108           | 184,234              |
| Other current liabilities   | 2,039,405         | 2,292,913            |
|   | -----             | -----                |
| Total current liabilities   | 2,204,612         | 2,518,336            |
|   | -----             | -----                |
| OTHER LIABILITIES:  |                   |                      |
| Accumulated deferred income taxes, net and investment tax credit  | 3,250,063         | 3,222,308            |
| Regulatory liabilities  | 1,331,355         | 1,358,030            |
| Other non-current liabilities                                     | 1,550,930         | 1,555,459            |
|   | -----             | -----                |
| Total other liabilities   | 6,132,348         | 6,135,797            |
|   | -----             | -----                |
| LONG-TERM DEBT:   |                   |                      |
| Transition bond   | 659,762           | 675,665              |
| Other   | 10,046,251        | 10,107,399           |
|   | -----             | -----                |
| Total long-term debt  | 10,706,013        | 10,783,064           |
|   | -----             | -----                |
| MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES                    | 186,691           | 178,910              |
|   | -----             | -----                |
| SHAREHOLDERS' EQUITY  | 1,829,880         | 1,760,557            |
|   | -----             | -----                |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY                        | \$21,059,544      | \$21,376,664         |
|   | =====             | =====                |

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  
(Thousands of Dollars)  
(Unaudited)

|  | Three Months Ended March 31, |            |
|--|------------------------------|------------|
|  | 2004                         | 2003       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                              |            |
| Net income attributable to common shareholders   | \$ 73,587                    | \$ 168,432 |
| Discontinued operations, net of tax  | --                           | (6,880)    |
|  | 73,587                       | 161,552    |
| Income from continuing operations and cumulative effect of accounting change                             |                              |            |
| Adjustments to reconcile income from continuing operations to net cash provided by operating activities: |                              |            |
| Depreciation and amortization  | 186,349                      | 197,656    |
| Deferred income taxes and investment tax credit  | 12,300                       | 97,603     |
| Cumulative effect of accounting change, net  | --                           | (80,072)   |
| Changes in net regulatory assets and liabilities   | (54,965)                     | (198,022)  |
| Changes in other assets and liabilities  | 154,413                      | (172,723)  |
| Other, net   | 21,136                       | (296)      |
|  | 392,820                      | 5,698      |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   |                              |            |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | (127,598)                    | (146,297)  |
| <b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>   | (190,235)                    | 121,465    |
| <b>NET CASH PROVIDED BY DISCONTINUED OPERATIONS</b>  | --                           | 19,322     |
|  | 74,987                       | 188        |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>   |                              |            |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>  | 131,480                      | 304,281    |
|  | \$ 206,467                   | \$ 304,469 |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>  | \$ 206,467                   | \$ 304,469 |

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