

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_

Commission file number 1-31447

CenterPoint Energy, Inc.

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction of incorporation or organization)

1111 Louisiana

(Address of Principal Executive Offices)

Houston

Texas

74-0694415

(I.R.S. Employer Identification No.)

77002

(Zip Code)

( 713 ) 207-1111

Registrant's telephone number, including area code

Commission file number 1-3187

CenterPoint Energy Houston Electric, LLC

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction of incorporation or organization)

1111 Louisiana

(Address of Principal Executive Offices)

Houston

Texas

22-3865106

(I.R.S. Employer Identification No.)

77002

(Zip Code)

( 713 ) 207-1111

Registrant's telephone number, including area code

Commission file number 1-13265

CenterPoint Energy Resources Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

1111 Louisiana

(Address of Principal Executive Offices)

Houston

Texas

76-0511406

(I.R.S. Employer Identification No.)

77002

(Zip Code)

( 713 ) 207-1111

Registrant's telephone number, including area code

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

Registrant	Title of each class	Trading Symbol	Name of each exchange on which registered
CenterPoint Energy, Inc.	Common Stock, \$0.01 par value	CNP	New York Stock Exchange NYSE Chicago
CenterPoint Energy Houston Electric, LLC	6.95% General Mortgage Bonds due 2033	n/a	New York Stock Exchange
CenterPoint Energy Resources Corp.	6.625% Senior Notes due 2037	n/a	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

CenterPoint Energy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CenterPoint Energy Houston Electric, LLC	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CenterPoint Energy Resources Corp.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

CenterPoint Energy, Inc.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CenterPoint Energy Houston Electric, LLC	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
CenterPoint Energy Resources Corp.	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

	Large accelerated filer	Accelerated filer	Non-accelerated filer	Smaller reporting company	Emerging growth company
CenterPoint Energy, Inc.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CenterPoint Energy Houston Electric, LLC	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CenterPoint Energy Resources Corp.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

CenterPoint Energy, Inc.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
CenterPoint Energy Houston Electric, LLC	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
CenterPoint Energy Resources Corp.	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>

Indicate the number of shares outstanding of each of the issuers' classes of common stock as of October 21, 2024:

CenterPoint Energy, Inc.	651,727,276	shares of common stock outstanding, excluding 166 shares held as treasury stock
CenterPoint Energy Houston Electric, LLC	1,000	common shares outstanding, all held by Utility Holding, LLC, a wholly-owned subsidiary of CenterPoint Energy, Inc.
CenterPoint Energy Resources Corp.	1,000	shares of common stock outstanding, all held by Utility Holding, LLC, a wholly-owned subsidiary of CenterPoint Energy, Inc.

CenterPoint Energy Houston Electric, LLC and CenterPoint Energy Resources Corp. meet the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q and are therefore filing this form with the reduced disclosure format specified in General Instruction H(2) of Form 10-Q.

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## TABLE OF CONTENTS

<b>PART I.</b>	<b>FINANCIAL INFORMATION</b>	
Item 1.	<a href="#">Financial Statements</a>	<a href="#">1</a>
	<a href="#">CenterPoint Energy, Inc. Financial Statements</a> (Unaudited)	<a href="#">1</a>
	<a href="#">CenterPoint Energy Houston Electric, LLC Financial Statements</a> (Unaudited)	<a href="#">7</a>
	<a href="#">CenterPoint Energy Resources Corp. Financial Statements</a> (Unaudited)	<a href="#">12</a>
	<a href="#">Combined Notes to Interim Condensed Financial Statements</a> (Unaudited)	<a href="#">18</a>
	<a href="#">(1) Background and Basis of Presentation</a>	<a href="#">18</a>
	<a href="#">(2) New Accounting Pronouncements</a>	<a href="#">19</a>
	<a href="#">(3) Held for Sale and Divestitures</a>	<a href="#">19</a>
	<a href="#">(4) Revenue Recognition and Allowance for Credit Losses</a>	<a href="#">21</a>
	<a href="#">(5) Employee Benefit Plans</a>	<a href="#">24</a>
	<a href="#">(6) Regulatory Matters</a>	<a href="#">25</a>
	<a href="#">(7) Derivative Instruments</a>	<a href="#">28</a>
	<a href="#">(8) Fair Value Measurements</a>	<a href="#">31</a>
	<a href="#">(9) Goodwill</a>	<a href="#">33</a>
	<a href="#">(10) Equity Securities and Indexed Debt Securities (ZENS)</a>	<a href="#">34</a>
	<a href="#">(11) Short-term Borrowings and Long-term Debt</a>	<a href="#">34</a>
	<a href="#">(12) Income Taxes</a>	<a href="#">38</a>
	<a href="#">(13) Commitments and Contingencies</a>	<a href="#">39</a>
	<a href="#">(14) Earnings Per Share</a>	<a href="#">45</a>
	<a href="#">(15) Reportable Segments</a>	<a href="#">46</a>
	<a href="#">(16) Supplemental Disclosure of Cash Flow and Balance Sheet Information</a>	<a href="#">48</a>
	<a href="#">(17) Related Party Transactions</a>	<a href="#">48</a>
	<a href="#">(18) Equity</a>	<a href="#">50</a>
	<a href="#">(19) Leases</a>	<a href="#">51</a>
Item 2.	<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">55</a>
	<a href="#">Recent Events</a>	<a href="#">55</a>
	<a href="#">Consolidated Results of Operations</a>	<a href="#">57</a>
	<a href="#">Results of Operations by Reportable Segment</a>	<a href="#">58</a>
	<a href="#">Certain Factors Affecting Future Earnings</a>	<a href="#">66</a>
	<a href="#">Liquidity and Capital Resources</a>	<a href="#">67</a>
Item 3.	<a href="#">Quantitative and Qualitative Disclosures about Market Risk</a>	<a href="#">84</a>
Item 4.	<a href="#">Controls and Procedures</a>	<a href="#">85</a>
<b>PART II.</b>	<b>OTHER INFORMATION</b>	
Item 1.	<a href="#">Legal Proceedings</a>	<a href="#">86</a>
Item 1A.	<a href="#">Risk Factors</a>	<a href="#">86</a>
Item 5.	<a href="#">Other Information</a>	<a href="#">87</a>
Item 6.	<a href="#">Exhibits</a>	<a href="#">87</a>
	<a href="#">Signatures</a>	<a href="#">90</a>

## GLOSSARY

<b>ACE</b>	Affordable Clean Energy
<b>AFUDC</b>	Allowance for funds used during construction
<b>ALJ</b>	Administrative Law Judge
<b>AMA</b>	Asset Management Agreement
<b>Arevon</b>	Arevon Energy, Inc., which was formed through the combination of Capital Dynamics, Inc.'s U.S. Clean Energy Infrastructure business unit and Arevon Asset Management
<b>ARO</b>	Asset retirement obligation
<b>ARP</b>	Alternative revenue program
<b>ASC</b>	Accounting Standards Codification
<b>ASU</b>	Accounting Standards Update
<b>AT&amp;T Common</b>	AT&T Inc. common stock
<b>ATM Forward Purchasers</b>	Bank of America, N.A., Barclays Bank PLC, Citibank, N.A., Goldman Sachs & Co. LLC, JPMorgan Chase Bank, National Association, Mizuho Markets Americas LLC, MUFG Securities EMEA plc and Royal Bank of Canada
<b>ATM Forward Sellers</b>	BofA Securities, Inc. Barclays Capital Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, MUFG Securities Americas Inc. and RBC Capital Markets, LLC
<b>ATM Managers</b>	BofA Securities, Inc., Barclays Capital Inc., Citigroup Global Markets Inc., Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC, Mizuho Securities USA LLC, MUFG Securities Americas Inc. and RBC Capital Markets, LLC
<b>Bcf</b>	Billion cubic feet
<b>Bond Companies</b>	Bond Company IV and Restoration Bond Company, each a wholly-owned, bankruptcy remote entity formed solely for the purpose of purchasing and owning transition or system restoration property through the issuance of Securitization Bonds
<b>Bond Company IV</b>	CenterPoint Energy Transition Bond Company IV, LLC, a wholly-owned subsidiary of Houston Electric
<b>BTA</b>	Build Transfer Agreement
<b>CAMT</b>	Corporate Alternative Minimum Tax
<b>CCN</b>	Certificate of Convenience and Necessity
<b>CCR</b>	Coal Combustion Residuals
<b>CECA</b>	Clean Energy Cost Adjustment
<b>CEIP</b>	CenterPoint Energy Intrastate Pipelines, LLC, a wholly-owned subsidiary of CERC Corp.
<b>CenterPoint Energy</b>	CenterPoint Energy, Inc., and its subsidiaries
<b>CEOH</b>	Vectren Energy Delivery of Ohio, LLC, doing business as CenterPoint Energy Ohio, which converted its corporate structure from Vectren Energy Delivery of Ohio, Inc. to an Ohio limited liability company on June 13, 2022, formerly a wholly-owned subsidiary of Vectren, acquired by CERC on June 30, 2022
<b>CEP</b>	Capital Expenditure Program
<b>CERC</b>	CERC Corp., together with its subsidiaries
<b>CERC Corp.</b>	CenterPoint Energy Resources Corp.
<b>CES</b>	CenterPoint Energy Services, Inc. (now known as Symmetry Energy Solutions, LLC), previously a wholly-owned subsidiary of CERC Corp.
<b>Charter Common</b>	Charter Communications, Inc. common stock
<b>CIP</b>	Conservation Improvement Program
<b>CODM</b>	Chief Operating Decision Maker, who is each Registrant's Chief Operating Executive
<b>Common Stock</b>	CenterPoint Energy, Inc. common stock, par value \$0.01 per share
<b>Convertible Notes</b>	CenterPoint Energy's 4.25% Convertible Senior Notes due 2026
<b>Convertible Notes Indenture</b>	Indenture dated as of August 4, 2023 by and between CenterPoint Energy and The Bank of New York Mellon Trust Company, National Association, as trustee
<b>COVID-19</b>	Novel coronavirus disease 2019, and any mutations or variants thereof, and related global outbreak that was subsequently declared a pandemic by the World Health Organization
<b>CPCN</b>	Certificate of Public Convenience and Necessity
<b>CPP</b>	Clean Power Plan
<b>CSIA</b>	Compliance and System Improvement Adjustment
<b>DCRF</b>	Distribution Cost Recovery Factor
<b>DOC</b>	U.S. Department of Commerce
<b>DRR</b>	Distribution Replacement Rider
<b>DSMA</b>	Demand Side Management Adjustment

## GLOSSARY

<b>ECA</b>	Environmental Cost Adjustment
<b>EDF Renewables</b>	EDF Renewables Development, Inc.
<b>EDIT</b>	Excess deferred income taxes
<b>EECR</b>	Energy Efficiency Cost Recovery
<b>EECRF</b>	Energy Efficiency Cost Recovery Factor
<b>EEFC</b>	Energy Efficiency Funding Component
<b>EEFR</b>	Energy Efficiency Funding Rider
<b>Energy Systems Group</b>	Energy Systems Group, LLC, previously a wholly-owned subsidiary of Vectren
<b>EPA</b>	Environmental Protection Agency
<b>Equity Distribution Agreement</b>	Equity Distribution Agreement, dated as of January 10, 2024, by and between CenterPoint Energy, the ATM Managers, the ATM Forward Purchasers and the ATM Forward Sellers
<b>Equity Purchase Agreement</b>	Equity Purchase Agreement, dated as of May 21, 2023, by and between Vectren Energy Services and ESG Holdings Group
<b>ERCOT</b>	Electric Reliability Council of Texas
<b>ESG Holdings Group</b>	ESG Holdings Group, LLC, a Delaware limited liability company, and an affiliate of Oaktree Capital Management
<b>Exchange Act</b>	The Securities Exchange Act of 1934, as amended
<b>February 2021 Winter Storm Event</b>	The extreme and unprecedented winter weather event in February 2021 (Winter Storm Uri) that resulted in electricity generation supply shortages, including in Texas, and natural gas supply shortages and increased wholesale prices of natural gas in the United States, primarily due to prolonged freezing temperatures
<b>FASB</b>	Financial Accounting Standards Board
<b>FERC</b>	Federal Energy Regulatory Commission
<b>Fitch</b>	Fitch Ratings, Inc.
<b>Form 10-Q</b>	Quarterly Report on Form 10-Q
<b>General Mortgage</b>	General Mortgage Indenture, dated as of October 10, 2002, between Houston Electric and JPMorgan Chase Bank, as Trustee, as supplemented
<b>GHG</b>	Greenhouse gases
<b>GHRI</b>	The Greater Houston Resiliency Initiative, which was announced by Houston Electric in August 2024 and includes targeted actions to improve the resiliency of Houston Electric's electric grid, as well as improve customer communications and community partnerships
<b>GRIP</b>	Gas Reliability Infrastructure Program
<b>GWh</b>	Gigawatt-hours
<b>Houston Electric</b>	CenterPoint Energy Houston Electric, LLC and its subsidiaries
<b>Hurricane Beryl</b>	The powerful and destructive storm that made landfall in Texas on July 8, 2024 and caused widespread damage to Houston Electric's electric system
<b>IAS</b>	International Accounting Standards
<b>IDEM</b>	Indiana Department of Environmental Management
<b>Indiana Electric</b>	Operations of SIGECO's electric transmission and distribution services, and includes its power generating and wholesale power operations
<b>Indiana Gas</b>	Indiana Gas Company, Inc., formerly a wholly-owned subsidiary of Vectren, acquired by CERC on June 30, 2022
<b>Indiana North</b>	Gas operations of Indiana Gas
<b>Indiana South</b>	Gas operations of SIGECO
<b>Indiana Utilities</b>	The combination of Indiana Electric, Indiana North and Indiana South
<b>Interim Condensed Financial Statements</b>	Unaudited condensed consolidated interim financial statements and combined notes
<b>IRA</b>	Inflation Reduction Act of 2022
<b>IRP</b>	Integrated Resource Plan
<b>IRS</b>	Internal Revenue Service
<b>IURC</b>	Indiana Utility Regulatory Commission
<b>Junior Subordinated Notes Indenture</b>	Junior Subordinated Indenture, dated as of August 14, 2024, between CenterPoint Energy and The Bank of New York Mellon Trust Company, National Association, as trustee, as supplemented by the Supplemental Indenture to the Junior Subordinated Indenture, dated as of August 14, 2024, between CenterPoint Energy and the trustee
<b>kV</b>	Kilovolt
<b>LAMS Asset Purchase Agreement</b>	Asset Purchase Agreement, dated as of February 19, 2024, by and among CERC Corp. and the LAMS Buyers

## GLOSSARY

<b>LAMS Buyers</b>	Delta Utilities No. LA, LLC, a Delaware limited liability company, Delta Utilities S. LA, LLC, a Delaware limited liability company, Delta Utilities MS, LLC, a Delaware limited liability company, and Delta Shared Services Co., LLC, a Delaware limited liability company
<b>LDC</b>	Local distribution company
<b>LPSC</b>	Louisiana Public Service Commission
<b>M&amp;DOT</b>	Mortgage and Deed of Trust, dated November 1, 1944, between Houston Lighting and Power Company and Chase Bank of Texas, National Association (formerly, South Texas Commercial National Bank of Houston), as Trustee, as amended and supplemented
<b>MDL</b>	Multi-district litigation
<b>May 2024 Storm Events</b>	The sudden and destructive severe weather events in May 2024 that included hurricane-like winds and tornadoes and resulted in widespread damage to Houston Electric's electric delivery system
<b>Merger</b>	The merger of Merger Sub with and into Vectren on the terms and subject to the conditions set forth in the Merger Agreement, with Vectren continuing as the surviving corporation and as a wholly-owned subsidiary of CenterPoint Energy, Inc.
<b>Merger Agreement</b>	Agreement and Plan of Merger, dated as of April 21, 2018, among CenterPoint Energy, Vectren and Merger Sub
<b>Merger Sub</b>	Pacer Merger Sub, Inc., an Indiana corporation and wholly-owned subsidiary of CenterPoint Energy
<b>MGP</b>	Manufactured gas plant
<b>MISO</b>	Midcontinent Independent System Operator
<b>MMBtu</b>	One million British thermal units
<b>Moody's</b>	Moody's Investors Service, Inc.
<b>MPSC</b>	Mississippi Public Service Corporation
<b>MPUC</b>	Minnesota Public Utilities Commission
<b>MW</b>	Megawatt
<b>NERC</b>	North American Electric Reliability Corporation
<b>NOLs</b>	Net operating losses
<b>NRG</b>	NRG Energy, Inc.
<b>NYSE</b>	New York Stock Exchange
<b>Oriden</b>	Oriden LLC
<b>Origis</b>	Origis Energy USA Inc.
<b>OUCC</b>	Indiana Office of Utility Consumer Counselor
<b>Posey Solar</b>	Posey Solar, LLC, a special purpose entity
<b>PPA</b>	Power Purchase Agreement
<b>PRPs</b>	Potentially responsible parties
<b>PTCs</b>	Production Tax Credits
<b>PUCO</b>	Public Utilities Commission of Ohio
<b>PUCT</b>	Public Utility Commission of Texas
<b>Railroad Commission</b>	Railroad Commission of Texas
<b>RCRA</b>	Resource Conservation and Recovery Act of 1976
<b>Registrants</b>	CenterPoint Energy, Houston Electric and CERC, collectively
<b>REP</b>	Retail electric provider
<b>Restoration Bond Company</b>	CenterPoint Energy Restoration Bond Company, LLC, a wholly-owned subsidiary of Houston Electric
<b>Restructuring</b>	CERC Corp.'s common control acquisition of Indiana Gas and CEOH from VUH on June 30, 2022
<b>ROE</b>	Return on equity
<b>ROU</b>	Right of use
<b>RRA</b>	Rate Regulation Adjustment
<b>RSP</b>	Rate Stabilization Plan
<b>S&amp;P</b>	S&P Global Ratings
<b>Scope 1 emissions</b>	Direct source of emissions from a company's operations
<b>Scope 2 emissions</b>	Indirect source of emissions from a company's energy usage
<b>Scope 3 emissions</b>	Indirect source of emissions from a company's end-users
<b>SEC</b>	Securities and Exchange Commission

## GLOSSARY

<b>Securitization Bonds</b>	Transition and system restoration bonds issued by the Bond Companies and SIGECO Securitization Bonds issued by the SIGECO Securitization Subsidiary
<b>Series A Preferred Stock</b>	CenterPoint Energy's Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share, with a liquidation preference of \$1,000 per share
<b>SIGECO</b>	Southern Indiana Gas and Electric Company, a wholly-owned subsidiary of Vectren
<b>SIGECO Securitization Bonds</b>	SIGECO Securitization Subsidiary's Series 2023-A Senior Secured Securitization Bonds
<b>SIGECO Securitization Subsidiary</b>	SIGECO Securitization I, LLC, a direct, wholly-owned subsidiary of SIGECO
<b>SOFR</b>	Secured Overnight Financing Rate
<b>SRC</b>	Sales Reconciliation Component
<b>TBD</b>	To be determined
<b>TCJA</b>	Tax reform legislation informally called the Tax Cuts and Jobs Act of 2017
<b>TCOS</b>	Transmission Cost of Service
<b>TCRF</b>	Transmission Cost Recovery Factor
<b>TDSIC</b>	Transmission, Distribution and Storage System Improvement Charge
<b>TDU</b>	Transmission and distribution utility
<b>TEEEF</b>	Assets leased or costs incurred as "temporary emergency electric energy facilities" under the Public Utility Regulatory Act Section 39.918, also referred to as temporary generation
<b>Topic 326</b>	Accounting Standards Update 2016-13 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments
<b>Utility Holding</b>	Utility Holding, LLC, a wholly-owned subsidiary of CenterPoint Energy
<b>Vectren</b>	Vectren, LLC, which converted its corporate structure from Vectren Corporation to a limited liability company on June 30, 2022, a wholly-owned subsidiary of CenterPoint Energy as of February 1, 2019
<b>Vectren Energy Services</b>	Vectren Energy Services Corporation, an Indiana corporation and a wholly-owned subsidiary of CenterPoint Energy
<b>VIE</b>	Variable interest entity
<b>Vistra Energy Corp.</b>	Texas-based energy company focused on the competitive energy and power generation markets
<b>VRP</b>	Voluntary Remediation Program
<b>VUH</b>	Vectren Utility Holdings, LLC, which converted its corporate structure from Vectren Utility Holdings, Inc. to a limited liability company on June 30, 2022, a wholly-owned subsidiary of Vectren
<b>WBD Common</b>	Warner Bros. Discovery, Inc. Series A common stock
<b>Winter Storm Elliott</b>	From December 21 to 26, 2022, a historic extratropical cyclone created winter storm conditions, including blizzards, high winds, snowfall and record cold temperatures across the majority of the United States and parts of Canada
<b>ZENS</b>	2.0% Zero-Premium Exchangeable Subordinated Notes due 2029
<b>ZENS-Related Securities</b>	As of September 30, 2024 and December 31, 2023, consisted of AT&T Common, Charter Common and WBD Common
<b>2023 Form 10-K</b>	Annual Report on Form 10-K for the fiscal year ended December 31, 2023 as filed with the SEC on February 20, 2024

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

From time to time the Registrants make statements concerning their expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those expressed or implied by these statements. You can generally identify forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “target,” “will” or other similar words.

The Registrants have based their forward-looking statements on management's beliefs and assumptions based on information reasonably available to management at the time the statements are made. The Registrants caution you that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Therefore, the Registrants cannot assure you that actual results will not differ materially from those expressed or implied by the Registrants' forward-looking statements. In this Form 10-Q, unless context requires otherwise, the terms “our,” “we” and “us” are used as abbreviated references to CenterPoint Energy, Inc. together with its consolidated subsidiaries, including Houston Electric, CERC and SIGECO.

The following are some of the factors that could cause actual results to differ from those expressed or implied by the Registrants' forward-looking statements and apply to all Registrants unless otherwise indicated:

- CenterPoint Energy's business strategies and strategic initiatives, restructurings, joint ventures and acquisitions or dispositions of assets or businesses, including the announced sale of our Louisiana and Mississippi natural gas LDC businesses, and the completed sale of Energy Systems Group, which we cannot assure will have the anticipated benefits to us;
- industrial, commercial and residential growth in our service territories and changes in market demand, including the effects of energy efficiency measures and demographic patterns;
- our ability to fund and invest planned capital and the timely recovery of our investments, including the timing of and amounts sought for those related to Indiana Electric's generation transition plan as part of its IRPs and Houston Electric's GHRI and longer-term resiliency plans;
- our ability to successfully construct, operate, repair and maintain electric generating facilities, natural gas facilities, TEEEF and electric transmission facilities, including complying with applicable environmental standards and the implementation of a well-balanced energy and resource mix, as appropriate;
- timely and appropriate rate actions that allow and authorize timely recovery of costs and a reasonable return on investment, including the timing of and amounts sought for recovery of Houston Electric's TEEEF leases and restoration costs relating to the May 2024 Storm Events and Hurricane Beryl, and requested or favorable adjustments to rates and approval of other requested items as part of base rate proceedings;
- economic conditions in regional and national markets, including changes to inflation and interest rates, and their effect on sales, prices and costs;
- weather variations and other natural phenomena, including the impact of severe weather events on operations, capital, legislation and/or regulations, such as seen in connection with the February 2021 Winter Storm Event, the May 2024 Storm Events and Hurricane Beryl;
- volatility in the markets for natural gas as a result of, among other factors, armed conflicts, including the conflict in the Middle East and any broader related conflict, and the conflict in Ukraine, and the related sanctions on certain Russian entities;
- disruptions to the global supply chain, including volatility in commodity prices, and tariffs and other legislation impacting the supply chain, that could prevent CenterPoint Energy from securing the resources needed to, among other things, fully execute on its 10-year capital plan or achieve its net zero and carbon emissions reduction goals;
- non-payment for our services due to financial distress of our customers and the ability of our customers, including REPs, to satisfy their obligations to CenterPoint Energy, Houston Electric, and CERC, and the negative impact on such ability related to adverse economic conditions and severe weather events;
- public health threats and their effect on our operations, business and financial condition, our industries and the communities we serve, U.S. and world financial markets and supply chains, potential regulatory actions and changes in customer and stakeholder behavior relating thereto;
- state and federal legislative and regulatory actions or developments affecting various aspects of our businesses, including, among others, any actions resulting from the May 2024 Storm Events and/or Hurricane Beryl, energy deregulation or re-regulation, pipeline integrity and safety and changes in regulation and legislation pertaining to trade, health care, finance and actions regarding the rates charged by our regulated businesses;
- our ability to execute Houston Electric's GHRI and longer-term resiliency plans;
- direct or indirect effects on our facilities, resources, operations and financial condition resulting from terrorism, cyberattacks or intrusions, data security breaches or other attempts to disrupt our businesses or the businesses of third

parties, or other catastrophic events such as fires, ice, earthquakes, explosions, leaks, floods, droughts, hurricanes, tornadoes and other severe weather events, pandemic health events or other occurrences;

- risks relating to potential wildfires, including costs of potential regulatory penalties and damages in excess of insurance liability coverage;
- tax legislation, including the effects of the IRA (which includes but is not limited to any potential changes to tax rates, CAMT imposed, tax credits and/or interest deductibility), as well as any changes in tax laws under the current or future administrations, and uncertainties involving state commissions' and local municipalities' regulatory requirements and determinations regarding the treatment of EDIT and our rates;
- our ability to mitigate weather impacts through normalization or rate mechanisms, and the effectiveness of such mechanisms;
- actions by credit rating agencies, including any potential downgrades to credit ratings;
- matters affecting regulatory approval, legislative actions, construction, implementation of necessary technology or other issues with respect to major capital projects that result in delays or cancellation or in costs that cannot be recouped in rates;
- local, state and federal legislative and regulatory actions or developments relating to the environment, including, among others, those related to global climate change, air emissions, carbon, waste water discharges and the handling and disposal of CCR that could impact operations, cost recovery of generation plant costs and related assets, and CenterPoint Energy's net zero and carbon emissions reduction goals;
- the impact of unplanned facility outages or other closures;
- the sufficiency of our insurance coverage, including availability, cost, coverage and terms and ability to recover claims;
- the availability and prices of raw materials and services and changes in labor for current and future construction projects and operations and maintenance costs, including our ability to control such costs;
- impacts from CenterPoint Energy's pension and postretirement benefit plans, such as the investment performance and increases to net periodic costs as a result of plan settlements and changes in assumptions, including discount rates;
- changes in interest rates and their impact on costs of borrowing and the valuation of CenterPoint Energy's pension benefit obligation;
- commercial bank and financial market conditions, including disruptions in the banking industry, our access to capital, the cost of such capital, impacts on our vendors, customers and suppliers, and the results of our financing and refinancing efforts, including availability of funds in the debt capital markets;
- inability of various counterparties to meet their obligations to us;
- the extent and effectiveness of our risk management activities;
- timely and appropriate regulatory actions, which include actions allowing requested securitization, for any hurricanes or other severe weather events, such as the May 2024 Storm Events and Hurricane Beryl, or natural disasters or other amounts sought for recovery of costs, including stranded coal-fired generation asset costs;
- acquisition and merger or divestiture activities involving us or our industry, including the ability to successfully complete merger, acquisition and divestiture plans on the timelines we expect or at all, such as the proposed sale of our Louisiana and Mississippi natural gas LDC businesses;
- our ability to recruit, effectively transition, motivate and retain management and key employees and maintain good labor relations;
- changes in technology, particularly with respect to efficient battery storage or the emergence or growth of new, developing or alternative sources of generation, and their adoption by consumers;
- the impact of climate change and alternate energy sources on the demand for natural gas and electricity generated or transmitted by us;
- the timing and outcome of any audits, disputes and other proceedings related to taxes;
- the recording of impairment charges;
- political and economic developments, including energy and environmental policies under the current administration;
- CenterPoint Energy's ability to execute on its strategy, initiatives, targets and goals, including its net zero and carbon emissions reduction goals and its operations and maintenance expenditure goals;
- the outcome of litigation, including litigation related to the February 2021 Winter Storm Event and Hurricane Beryl;
- obligations related to warranties, guarantees and other contractual and legal obligations;
- the effect of changes in and application of accounting standards and pronouncements; and
- other factors discussed in "Risk Factors" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K, which are incorporated herein by reference, Item 1A of Part II of this combined Form 10-Q, and in other reports that the Registrants file from time to time with the SEC.

You should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of the particular statement, and the Registrants undertake no obligation to update or revise any forward-looking statements. Investors should note that the Registrants announce material financial and other information in SEC filings, press releases and public conference calls. Based on guidance from the SEC, the Registrants may use the Investors section of CenterPoint

Energy's website (<http://www.centerpointenergy.com>) to communicate with investors about the Registrants. It is possible that the financial and other information posted there could be deemed to be material information. The information on CenterPoint Energy's website is not part of this combined Form 10-Q.



**PART I. FINANCIAL INFORMATION**

**Item 1. FINANCIAL STATEMENTS**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions, except per share amounts)			
<b>Revenues:</b>				
Utility revenues	\$ 1,842	\$ 1,849	\$ 6,341	\$ 6,355
Non-utility revenues	14	11	40	159
Total	1,856	1,860	6,381	6,514
<b>Expenses:</b>				
Utility natural gas, fuel and purchased power	197	192	1,217	1,550
Non-utility cost of revenues, including natural gas	1	1	2	98
Operation and maintenance	775	648	2,162	1,990
Depreciation and amortization	334	374	1,083	1,042
Taxes other than income taxes	125	127	410	395
Total	1,432	1,342	4,874	5,075
<b>Operating Income</b>	424	518	1,507	1,439
<b>Other Income (Expense):</b>				
Gain (loss) on equity securities	54	49	( 10 )	56
Gain (loss) on indexed debt securities	( 53 )	( 47 )	14	( 52 )
Loss on sale	—	—	—	( 12 )
Interest expense and other finance charges	( 191 )	( 176 )	( 601 )	( 489 )
Interest expense on Securitization Bonds	( 4 )	( 7 )	( 15 )	( 11 )
Other income, net	15	13	39	39
Total	( 179 )	( 168 )	( 573 )	( 469 )
<b>Income Before Income Taxes</b>	245	350	934	970
Income tax expense	52	68	163	245
<b>Net Income</b>	193	282	771	725
Income allocated to preferred shareholders	—	26	—	50
<b>Income Available to Common Shareholders</b>	\$ 193	\$ 256	\$ 771	\$ 675
<b>Basic Earnings Per Common Share</b>	\$ 0.30	\$ 0.41	\$ 1.20	\$ 1.07
<b>Diluted Earnings Per Common Share</b>	\$ 0.30	\$ 0.40	\$ 1.20	\$ 1.07
<b>Weighted Average Common Shares Outstanding, Basic</b>	648	631	640	631
<b>Weighted Average Common Shares Outstanding, Diluted</b>	648	633	641	633

See Combined Notes to Interim Condensed Financial Statements

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
Net income	\$ 193	\$ 282	\$ 771	\$ 725
Other comprehensive income (loss):				
Adjustment to pension and other postretirement plans (net of tax of \$- 0 -, \$- 0 -, \$- 0 -, and \$- 0 -)	1	1	2	—
Net deferred gain from cash flow hedges (net of tax of \$ 0 , \$- 0 -, \$ 1 , and \$- 0 -)	—	2	4	2
Reclassification of deferred gain from cash flow hedges realized in net income (net of tax of \$- 0 -, \$- 0 -, \$- 0 -, and \$- 0 -)	( 1 )	—	( 1 )	—
Total	—	3	5	2
Comprehensive income	193	285	776	727
Income allocated to preferred shareholders	—	26	—	50
Comprehensive income available to common shareholders	\$ 193	\$ 259	\$ 776	\$ 677

See Combined Notes to Interim Condensed Financial Statements

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

	September 30, 2024	December 31, 2023
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents (\$ 111 and \$ 90 related to VIEs, respectively)	\$ 112	\$ 90
Investment in equity securities	531	541
Accounts receivable (\$ 2 and \$ 21 related to VIEs, respectively), less allowance for credit losses of \$ 29 and \$ 27 , respectively	701	710
Accrued unbilled revenues (\$ 2 and \$ 2 related to VIEs, respectively), less allowance for credit losses of \$ 1 and \$ 2 , respectively	338	516
Natural gas and coal inventory	184	197
Materials and supplies	549	573
Non-trading derivative assets	1	—
Taxes receivable	169	94
Current assets held for sale	1,346	—
Regulatory assets	243	161
Prepaid expenses and other current assets (\$ 13 and \$ 15 related to VIEs, respectively)	96	145
Total current assets	4,270	3,027
Property, Plant and Equipment, net:		
Property, plant and equipment	41,891	40,396
Less: accumulated depreciation and amortization	10,453	10,543
Property, plant and equipment, net	31,438	29,853
Other Assets:		
Goodwill	3,943	4,160
Regulatory assets (\$ 316 and \$ 402 related to VIEs, respectively)	3,007	2,513
Other non-current assets	235	162
Total other assets	7,185	6,835
Total Assets	\$ 42,893	\$ 39,715

See Combined Notes to Interim Condensed Financial Statements

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

	September 30, 2024	December 31, 2023
	(in millions, except par value and shares)	
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Short-term borrowings	\$ —	\$ 4
Current portion of VIE Securitization Bonds long-term debt	94	178
Indexed debt, net	3	5
Current portion of other long-term debt	51	872
Indexed debt securities derivative	591	605
Accounts payable	1,684	917
Taxes accrued	265	291
Interest accrued	229	236
Dividends accrued	137	126
Customer deposits	96	111
Non-trading derivative liabilities	5	9
Current liabilities held for sale	220	—
Other current liabilities	461	510
Total current liabilities	3,836	3,864
Other Liabilities:		
Deferred income taxes, net	4,383	4,079
Non-trading derivative liabilities	2	3
Benefit obligations	591	572
Regulatory liabilities	3,031	3,208
Other non-current liabilities	786	763
Total other liabilities	8,793	8,625
Long-term Debt, net:		
VIE Securitization Bonds, net	314	320
Other long-term debt, net	19,415	17,239
Total long-term debt, net	19,729	17,559
Commitments and Contingencies (Note 13)		
Shareholders' Equity:		
Common stock, \$ 0.01 par value, 1,000,000,000 shares authorized, 651,721,174 shares and 631,225,829 shares outstanding, respectively	6	6
Additional paid-in capital	9,091	8,604
Retained earnings	1,468	1,092
Accumulated other comprehensive loss	( 30 )	( 35 )
Total shareholders' equity	10,535	9,667
Total Liabilities and Shareholders' Equity	\$ 42,893	\$ 39,715

See Combined Notes to Interim Condensed Financial Statements

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

	Nine Months Ended September 30,	
	2024	2023
	(in millions)	
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 771	\$ 725
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,083	1,042
Deferred income taxes	238	94
Loss on divestitures	—	12
Loss (gain) on equity securities	10	( 56 )
Loss (gain) on indexed debt securities	( 14 )	52
Pension contributions	( 5 )	( 30 )
Changes in other assets and liabilities:		
Accounts receivable and unbilled revenues, net	145	528
Inventory	19	63
Taxes receivable	( 75 )	( 47 )
Accounts payable	( 247 )	( 443 )
Current regulatory assets and liabilities	( 91 )	1,173
Non-current regulatory assets and liabilities	( 553 )	( 71 )
Other current assets and liabilities	( 25 )	( 41 )
Other non-current assets and liabilities	31	59
Other operating activities, net	( 37 )	9
Net cash provided by operating activities	1,250	3,069
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	( 2,501 )	( 3,323 )
Proceeds from divestitures	—	145
Other investing activities, net	( 58 )	( 12 )
Net cash used in investing activities	( 2,559 )	( 3,190 )
<b>Cash Flows from Financing Activities:</b>		
Decrease in short-term borrowings, net	( 2 )	( 14 )
Payments of commercial paper, net	( 520 )	( 1,496 )
Proceeds from long-term debt and term loans, net	2,757	5,574
Payments of long-term debt and term loans, including make-whole premiums	( 963 )	( 2,613 )
Payment of debt issuance costs	( 25 )	( 50 )
Payment of dividends on Common Stock	( 384 )	( 359 )
Payment of dividends on Preferred Stock	—	( 49 )
Proceeds from issuance of Common Stock, net	494	—
Redemption of Series A Preferred Stock	—	( 800 )
Other financing activities, net	( 28 )	( 25 )
Net cash provided by financing activities	1,329	168
<b>Net Increase in Cash, Cash Equivalents and Restricted Cash</b>	<b>20</b>	<b>47</b>
<b>Cash, Cash Equivalents and Restricted Cash at Beginning of Period</b>	<b>109</b>	<b>91</b>
<b>Cash, Cash Equivalents and Restricted Cash at End of Period</b>	<b>\$ 129</b>	<b>\$ 138</b>

See Combined Notes to Interim Condensed Financial Statements

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

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
(in millions of dollars and shares, except authorized shares and par value amounts)								
<b>Cumulative Preferred Stock, \$ 0.01 par value; authorized 20,000,000 shares</b>								
Balance, beginning of period	—	\$ —	1	\$ 790	—	\$ —	1	\$ 790
Redemption of Series A Preferred Stock	—	—	( 1 )	( 790 )	—	—	( 1 )	( 790 )
Balance, end of period	—	—	—	—	—	—	—	—
<b>Common Stock, \$ 0.01 par value; authorized 1,000,000,000 shares</b>								
Balance, beginning of period	642	6	631	6	631	6	630	6
Issuances of Common Stock	10	—	—	—	19	—	—	—
Issuances related to benefit and investment plans	—	—	—	—	2	—	1	—
Balance, end of period	652	6	631	6	652	6	631	6
<b>Additional Paid-in-Capital</b>								
Balance, beginning of period		8,836		8,570		8,604		8,568
Issuances of Common Stock, net of issuance costs		247		—		494		—
Issuances related to benefit and investment plans		8		11		( 7 )		13
Balance, end of period		9,091		8,581		9,091		8,581
<b>Retained Earnings</b>								
Balance, beginning of period		1,542		1,032		1,092		709
Net income		193		282		771		725
Common Stock dividends declared (see Note 18)		( 267 )		( 246 )		( 395 )		( 366 )
Preferred Stock dividends declared (see Note 18)		—		( 41 )		—		( 41 )
Balance, end of period		1,468		1,027		1,468		1,027
<b>Accumulated Other Comprehensive Loss</b>								
Balance, beginning of period		( 30 )		( 32 )		( 35 )		( 31 )
Other comprehensive income		—		3		5		2
Balance, end of period		( 30 )		( 29 )		( 30 )		( 29 )
<b>Total Shareholders' Equity</b>		<u>\$ 10,535</u>		<u>\$ 9,585</u>		<u>\$ 10,535</u>		<u>\$ 9,585</u>

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED STATEMENTS OF CONSOLIDATED INCOME**  
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
<b>Revenues</b>	\$ 1,058	\$ 1,083	\$ 3,003	\$ 2,784
<b>Expenses:</b>				
Operation and maintenance	533	409	1,426	1,190
Depreciation and amortization	171	210	580	555
Taxes other than income taxes	71	70	221	201
Total	775	689	2,227	1,946
<b>Operating Income</b>	283	394	776	838
<b>Other Income (Expense):</b>				
Interest expense and other finance charges	( 74 )	( 69 )	( 229 )	( 185 )
Interest expense on Securitization Bonds	( 1 )	( 2 )	( 3 )	( 6 )
Other income, net	12	5	33	22
Total	( 63 )	( 66 )	( 199 )	( 169 )
<b>Income Before Income Taxes</b>	220	328	577	669
Income tax expense	41	72	112	147
<b>Net Income</b>	\$ 179	\$ 256	\$ 465	\$ 522

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	September 30, 2024	December 31, 2023
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents (\$ 96 and \$ 76 related to VIEs, respectively)	\$ 97	\$ 76
Accounts receivable (\$ 1 and \$ 19 related to VIEs, respectively), less allowance for credit losses of \$ 1 and \$ 1 , respectively	446	295
Accounts and notes receivable—affiliated companies	13	251
Accrued unbilled revenues	191	142
Materials and supplies	393	409
Taxes receivable	—	38
Prepaid expenses and other current assets (\$ 13 and \$ 13 related to VIEs, respectively)	24	48
Total current assets	1,164	1,259
Property, Plant and Equipment, net:		
Property, plant and equipment	21,371	19,515
Less: accumulated depreciation and amortization	4,568	4,469
Property, plant and equipment, net	16,803	15,046
Other Assets:		
Regulatory assets (\$- 0 - and \$ 74 related to VIEs, respectively)	1,288	752
Other non-current assets	41	29
Total other assets	1,329	781
Total Assets	\$ 19,296	\$ 17,086

See Combined Notes to Interim Condensed Financial Statements



**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED CONSOLIDATED BALANCE SHEETS – (continued)**  
**(Unaudited)**

	September 30, 2024	December 31, 2023
	(in millions)	
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Current portion of VIE Securitization Bonds long-term debt	\$ 81	\$ 161
Accounts payable	1,314	351
Accounts and notes payable—affiliated companies	156	104
Taxes accrued	153	155
Interest accrued	120	99
Other current liabilities	134	111
Total current liabilities	1,958	981
Other Liabilities:		
Deferred income taxes, net	1,465	1,406
Benefit obligations	40	32
Regulatory liabilities	966	1,025
Other non-current liabilities	92	107
Total other liabilities	2,563	2,570
Long-Term Debt, net	8,126	7,426
Commitments and Contingencies (Note 13)		
Member's Equity:		
Common stock	—	—
Additional paid-in capital	5,069	4,745
Retained earnings	1,580	1,364
Total member's equity	6,649	6,109
Total Liabilities and Member's Equity	\$ 19,296	\$ 17,086

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS**  
**(Unaudited)**

	Nine Months Ended September 30,	
	2024	2023
	(in millions)	
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 465	\$ 522
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	580	555
Deferred income taxes	42	117
Changes in other assets and liabilities:		
Accounts receivable and unbilled revenues, net	( 203 )	( 211 )
Accounts receivable/payable—affiliated companies	( 19 )	( 9 )
Inventory	16	( 18 )
Accounts payable	( 113 )	( 23 )
Taxes receivable	38	( 8 )
Current regulatory assets and liabilities	( 1 )	6
Non-current regulatory assets and liabilities	( 527 )	( 119 )
Other current assets and liabilities	53	18
Other non-current assets and liabilities	( 10 )	44
Other operating activities, net	( 15 )	( 16 )
Net cash provided by operating activities	306	858
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	( 1,171 )	( 1,724 )
Decrease (increase) in notes receivable—affiliated companies	238	( 400 )
Other investing activities, net	( 111 )	( 8 )
Net cash used in investing activities	( 1,044 )	( 2,132 )
<b>Cash Flows from Financing Activities:</b>		
Proceeds from long-term debt and term loan, net	699	1,398
Payments of long-term debt	( 80 )	( 77 )
Increase (decrease) in notes payable—affiliated companies	71	( 642 )
Dividend to parent	( 249 )	( 239 )
Contribution from parent	324	885
Payment of debt issuance costs	( 4 )	( 12 )
Other financing activities, net	( 2 )	( 1 )
Net cash provided by financing activities	759	1,312
<b>Net Increase in Cash, Cash Equivalents and Restricted Cash</b>	<b>21</b>	<b>38</b>
<b>Cash, Cash Equivalents and Restricted Cash at Beginning of Period</b>	<b>89</b>	<b>88</b>
<b>Cash, Cash Equivalents and Restricted Cash at End of Period</b>	<b>\$ 110</b>	<b>\$ 126</b>

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY**  
**(Unaudited)**

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
(in millions, except share amounts)								
<b>Common Stock</b>								
Balance, beginning of period	1,000	\$ —	1,000	\$ —	1,000	\$ —	1,000	\$ —
Balance, end of period	1,000	—	1,000	—	1,000	—	1,000	—
<b>Additional Paid-in-Capital</b>								
Balance, beginning of period		4,975		4,510		4,745		3,860
Contribution from parent		94		235		324		885
Balance, end of period		5,069		4,745		5,069		4,745
<b>Retained Earnings</b>								
Balance, beginning of period		1,495		1,244		1,364		1,138
Net income		179		256		465		522
Dividend to parent		( 94 )		( 79 )		( 249 )		( 239 )
Balance, end of period		1,580		1,421		1,580		1,421
<b>Total Member's Equity</b>		<u>\$ 6,649</u>		<u>\$ 6,166</u>		<u>\$ 6,649</u>		<u>\$ 6,166</u>

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED STATEMENTS OF CONSOLIDATED INCOME**  
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
<b>Revenues:</b>				
Utility revenues	\$ 589	\$ 574	\$ 2,757	\$ 3,014
Non-utility revenues	11	9	34	31
Total	600	583	2,791	3,045
<b>Expenses:</b>				
Utility natural gas	140	141	1,046	1,399
Non-utility cost of revenues, including natural gas	1	1	2	2
Operation and maintenance	207	187	614	616
Depreciation and amortization	124	125	389	365
Taxes other than income taxes	51	53	176	181
Total	523	507	2,227	2,563
<b>Operating Income</b>	<b>77</b>	<b>76</b>	<b>564</b>	<b>482</b>
<b>Other Income (Expense):</b>				
Interest expense and other finance charges	( 38 )	( 44 )	( 145 )	( 131 )
Other income, net	4	6	10	12
Total	( 34 )	( 38 )	( 135 )	( 119 )
<b>Income Before Income Taxes</b>	<b>43</b>	<b>38</b>	<b>429</b>	<b>363</b>
Income tax expense	9	10	84	80
<b>Net Income</b>	<b>\$ 34</b>	<b>\$ 28</b>	<b>\$ 345</b>	<b>\$ 283</b>

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME**  
**(Unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
Net income	\$ 34	\$ 28	\$ 345	\$ 283
Adjustment to pension and other postretirement plans (net of tax of \$- 0 -, \$- 0 -, \$- 0 - and \$- 0 -)	—	—	( 1 )	( 1 )
Other comprehensive loss	—	—	( 1 )	( 1 )
Comprehensive income	<u>\$ 34</u>	<u>\$ 28</u>	<u>\$ 344</u>	<u>\$ 282</u>

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	September 30, 2024	December 31, 2023
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1	\$ 1
Accounts receivable, less allowance for credit losses of \$ 24 and \$ 25 , respectively	201	356
Accrued unbilled revenues, less allowance for credit losses of \$ 1 and \$ 1 , respectively	111	329
Accounts and notes receivable—affiliated companies	23	43
Materials and supplies	109	107
Natural gas inventory	144	156
Non-trading derivative assets	1	—
Taxes receivable	106	101
Current assets held for sale	1,251	—
Regulatory assets	242	161
Prepaid expenses and other current assets	30	55
Total current assets	2,219	1,309
Property, Plant and Equipment, net:		
Property, plant and equipment	15,295	15,672
Less: accumulated depreciation and amortization	4,110	4,169
Property, plant and equipment, net	11,185	11,503
Other Assets:		
Goodwill	1,461	1,583
Regulatory assets	816	850
Other non-current assets	112	51
Total other assets	2,389	2,484
Total Assets	\$ 15,793	\$ 15,296

See Combined Notes to Interim Condensed Financial Statements

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES  
(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)  
CONDENSED CONSOLIDATED BALANCE SHEETS – (continued)  
(Unaudited)

	September 30, 2024	December 31, 2023
	(in millions)	
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Short-term borrowings	\$ —	\$ 4
Current portion of long-term debt	10	—
Accounts payable	254	392
Accounts payable—affiliated companies	79	99
Taxes accrued	120	145
Interest accrued	50	70
Customer deposits	81	95
Non-trading derivative liabilities	4	8
Current liabilities held for sale	220	—
Other current liabilities	231	274
Total current liabilities	1,049	1,087
Other Liabilities:		
Deferred income taxes, net	1,372	1,246
Non-trading derivative liabilities	2	3
Benefit obligations	73	74
Regulatory liabilities	1,808	1,882
Other non-current liabilities	474	455
Total other liabilities	3,729	3,660
Long-Term Debt, net	4,772	4,670
Commitments and Contingencies (Note 13)		
Stockholder's Equity:		
Common stock	—	—
Additional paid-in capital	4,519	4,229
Retained earnings	1,709	1,634
Accumulated other comprehensive income	15	16
Total stockholder's equity	6,243	5,879
Total Liabilities and Stockholder's Equity	\$ 15,793	\$ 15,296

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS**  
**(Unaudited)**

	Nine Months Ended September 30,	
	2024	2023
	(in millions)	
<b>Cash Flows from Operating Activities:</b>		
Net income	\$ 345	\$ 283
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	389	365
Deferred income taxes	95	( 113 )
Changes in other assets and liabilities:		
Accounts receivable and unbilled revenues, net	333	724
Accounts receivable/payable—affiliated companies	( 1 )	57
Inventory	( 9 )	90
Taxes receivable	( 5 )	—
Accounts payable	( 124 )	( 384 )
Current regulatory assets and liabilities	( 89 )	1,129
Non-current regulatory assets and liabilities	( 20 )	63
Other current assets and liabilities	( 41 )	64
Other non-current assets and liabilities	18	( 5 )
Other operating activities, net	( 33 )	( 3 )
Net cash provided by operating activities	858	2,270
<b>Cash Flows from Investing Activities:</b>		
Capital expenditures	( 1,027 )	( 1,219 )
Decrease (increase) in notes receivable—affiliated companies	1	( 86 )
Other investing activities, net	44	( 15 )
Net cash used in investing activities	( 982 )	( 1,320 )
<b>Cash Flows from Financing Activities:</b>		
Decrease in short-term borrowings, net	( 2 )	( 14 )
Payments of commercial paper, net	( 287 )	( 805 )
Proceeds from long-term debt and term loan, net	399	2,006
Payments of long-term debt and term loan	—	( 2,275 )
Dividends to parent	( 270 )	( 347 )
Payment of debt issuance costs	( 4 )	( 13 )
Contribution from parent	290	500
Other financing activities, net	( 2 )	( 1 )
Net cash provided by (used in) financing activities	124	( 949 )
<b>Net Increase in Cash, Cash Equivalents and Restricted Cash</b>	<b>—</b>	<b>1</b>
<b>Cash, Cash Equivalents and Restricted Cash at Beginning of Period</b>	<b>1</b>	<b>—</b>
<b>Cash, Cash Equivalents and Restricted Cash at End of Period</b>	<b>\$ 1</b>	<b>\$ 1</b>

See Combined Notes to Interim Condensed Financial Statements



**CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES**  
**(AN INDIRECT, WHOLLY-OWNED SUBSIDIARY OF CENTERPOINT ENERGY, INC.)**  
**CONDENSED STATEMENTS OF CONSOLIDATED CHANGES IN EQUITY**  
**(Unaudited)**

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2024		2023		2024		2023	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
(in millions, except share amounts)								
<b>Common Stock</b>								
Balance, beginning of period	1,000	\$ —	1,000	\$ —	1,000	\$ —	1,000	\$ —
Balance, end of period	1,000	—	1,000	—	1,000	—	1,000	—
<b>Additional Paid-in-Capital</b>								
Balance, beginning of period		4,519		4,229		4,229		3,729
Contribution from parent		—		—		290		500
Balance, end of period		4,519		4,229		4,519		4,229
<b>Retained Earnings</b>								
Balance, beginning of period		1,699		1,562		1,634		1,618
Net income		34		28		345		283
Dividend to parent		( 24 )		( 36 )		( 270 )		( 347 )
Balance, end of period		1,709		1,554		1,709		1,554
<b>Accumulated Other Comprehensive Income</b>								
Balance, beginning of period		15		15		16		16
Other comprehensive loss		—		—		( 1 )		( 1 )
Balance, end of period		15		15		15		15
<b>Total Stockholder's Equity</b>		<u>\$ 6,243</u>		<u>\$ 5,798</u>		<u>\$ 6,243</u>		<u>\$ 5,798</u>

See Combined Notes to Interim Condensed Financial Statements

**CENTERPOINT ENERGY, INC. AND SUBSIDIARIES**  
**CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES**  
**CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES**

**COMBINED NOTES TO INTERIM CONDENSED FINANCIAL STATEMENTS**

**(1) Background and Basis of Presentation**

*General.* This combined Form 10-Q is filed separately by three registrants: CenterPoint Energy, Houston Electric and CERC. Information contained herein relating to any individual registrant is filed by such registrant solely on its own behalf. Each registrant makes no representation as to information relating exclusively to the other Registrants or the subsidiaries of CenterPoint Energy other than itself or its subsidiaries.

Except as discussed in Note 11, no registrant has an obligation in respect of any other Registrant's debt securities, and holders of such debt securities should not consider the financial resources or results of operations of any Registrant other than the obligor in making a decision with respect to such securities.

*Basis of Presentation.* Included in this combined Form 10-Q are the Interim Condensed Financial Statements of CenterPoint Energy, Houston Electric and CERC, which are referred to collectively as the Registrants. The Interim Condensed Financial Statements, which omit certain financial statement disclosures, are unaudited and should be read with the Registrants' financial statements included in the Registrants' combined 2023 Form 10-K. The Combined Notes to Interim Condensed Financial Statements apply to all Registrants and specific references to Houston Electric and CERC herein also pertain to CenterPoint Energy, unless otherwise indicated. The Interim Condensed Financial Statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the respective periods. Amounts reported in the Condensed Statements of Consolidated Income are not necessarily indicative of amounts expected for a full-year period due to the effects of, among other things, (a) seasonal fluctuations in demand for energy, (b) changes in energy commodity prices, (c) timing of maintenance and other expenditures and (d) acquisitions and dispositions of businesses, assets and other interests.

*Background.* CenterPoint Energy is a public utility holding company. On June 30, 2023, CenterPoint Energy completed the sale of its indirect subsidiary, Energy Systems Group, to an unaffiliated third party. On February 19, 2024, CenterPoint Energy, through its subsidiary CERC Corp., entered into the LAMS Asset Purchase Agreement to sell its Louisiana and Mississippi natural gas LDC businesses. The transaction is expected to close in the first quarter of 2025. For additional information, see Note 3.

As of September 30, 2024, CenterPoint Energy's operating subsidiaries were as follows:

- Houston Electric owns and operates electric transmission and distribution facilities in the Texas gulf coast area that includes the city of Houston;
- CERC Corp. (i) directly owns and operates natural gas distribution systems in Louisiana, Minnesota, Mississippi and Texas, (ii) indirectly, through Indiana Gas and CEOH, owns and operates natural gas distribution systems in Indiana and Ohio, respectively, and (iii) owns and operates permanent pipeline connections through interconnects with various interstate and intrastate pipeline companies through CEIP; and
- SIGECO provides energy delivery services to electric and natural gas customers located in and near Evansville in southwestern Indiana and owns and operates electric generation assets to serve its electric customers and optimizes those assets in the wholesale power market.

As of September 30, 2024, CenterPoint Energy's reportable segments were Electric, Natural Gas, and Corporate and Other. Houston Electric and CERC each consist of a single reportable segment. For a description of CenterPoint Energy's reportable segments, see Note 15.

*Principles of Consolidation.* The accompanying Interim Condensed Financial Statements have been prepared in conformity with generally accepted accounting principles. The accounts of the Registrants and their wholly-owned and majority-owned and controlled subsidiaries are included in the Interim Condensed Financial Statements. All intercompany transactions and balances are eliminated in consolidation.

As of September 30, 2024, CenterPoint Energy, Houston Electric and SIGECO had VIEs including Bond Company IV and the SIGECO Securitization Subsidiary, which are consolidated. The consolidated VIEs are wholly-owned, bankruptcy-remote, special purpose entities that were formed solely for the purpose of securitizing transition property or facilitating the securitization financing of qualified costs in the second quarter of 2023 associated with the completed retirement of SIGECO's A.B. Brown coal generation facilities. CenterPoint Energy, through SIGECO, has a controlling financial interest in the SIGECO Securitization Subsidiary and is the VIE's primary beneficiary. For further information, see Note 6. Creditors of CenterPoint Energy, Houston Electric and SIGECO have no recourse to any assets or revenues of Bond Company IV or the SIGECO Securitization Subsidiary, as applicable. The Securitization Bonds issued by these VIEs are payable only from and secured by transition or securitization property, as applicable, and the bondholders have no recourse to the general credit of CenterPoint Energy, Houston Electric or SIGECO.

The preparation of the Registrants' financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **(2) New Accounting Pronouncements**

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). This ASU updates segment disclosure requirements through enhanced disclosures around significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Registrants are currently evaluating the impact of this ASU on their respective consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures ("ASU 2023-09"). This ASU enhances the transparency of income tax disclosures related to rate reconciliation and income taxes. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. Early adoption is permitted. The Registrants are currently evaluating the impact of this ASU on their respective consolidated financial statements.

Management believes that all other recently adopted and recently issued accounting standards that are not yet effective will not have a material impact on the Registrants' financial position, results of operations or cash flows upon adoption.

## **(3) Held for Sale and Divestitures (CenterPoint Energy and CERC)**

*Held for Sale.* On February 19, 2024, CERC Corp. entered into the LAMS Asset Purchase Agreement, pursuant to which CERC Corp. has agreed to sell its Louisiana and Mississippi natural gas LDC businesses. The purchase price for the Louisiana and Mississippi natural gas LDC businesses is \$ 1.2 billion and subject to adjustment as set forth in the LAMS Asset Purchase Agreement, including adjustments based on net working capital, regulatory assets and liabilities and capital expenditures at closing. The completion of the proposed transaction is subject to customary closing conditions, including (i) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (ii) approval of the LPSC, (iii) approval of the MPSC, (iv) no Material Adverse Effect (as defined in the LAMS Asset Purchase Agreement) having occurred, and (v) customary closing conditions regarding the accuracy of the representations and warranties and compliance by the parties with the respective obligations under the LAMS Asset Purchase Agreement. The proposed transaction is not subject to a financing condition and is expected to close by the end of the first quarter of 2025, subject to satisfaction of the foregoing conditions. The businesses include approximately 12,000 miles of main pipeline in Louisiana and Mississippi serving more than 300,000 customers. The Louisiana and Mississippi natural gas LDC businesses are reflected in CenterPoint Energy's Natural Gas reportable segment and CERC's single reportable segment, as applicable. Filings were made on April 24, 2024 to the LPSC and on April 25, 2024 to the MPSC requesting approval of the transaction.

In February 2024, certain assets and liabilities representing the Louisiana and Mississippi natural gas LDC businesses met the held for sale criteria. The sale will be considered an asset sale for tax purposes, requiring net deferred tax liabilities to be excluded from held for sale balances.

The Registrants record assets and liabilities held for sale at the lower of their carrying value or their estimated fair value less cost to sell. Neither CenterPoint Energy nor CERC recognized any gains or losses upon classification of held for sale during the three and nine months ended September 30, 2024. See Note 9 for further information about the allocation of goodwill to the businesses to be sold.

The assets and liabilities of the Louisiana and Mississippi natural gas LDC businesses classified as held for sale in CenterPoint Energy's and CERC's Condensed Consolidated Balance Sheets, as applicable, included the following:

	September 30, 2024	
	CenterPoint Energy	CERC
	(in millions)	
Receivables, net	\$ 9	\$ 9
Accrued unbilled revenues	11	11
Natural gas inventory	6	6
Materials and supplies	13	13
Property, plant and equipment, net	1,030	1,030
Goodwill	217	122
Regulatory assets	57	57
Other	3	3
Total current assets held for sale	\$ 1,346	\$ 1,251
Short-term borrowings	\$ 3	\$ 3
Accounts payable	18	18
Customer deposits	14	14
Regulatory liabilities	92	92
Other	93	93
Total current liabilities held for sale	\$ 220	\$ 220

Although the Louisiana and Mississippi natural gas LDC businesses meet the held for sale criteria, their proposed disposals do not represent a strategic shift for CenterPoint Energy and CERC as both will retain significant operations in, and will continue to invest in, their natural gas businesses. Therefore, the assets and liabilities associated with these transactions are not reflected as discontinued operations on CenterPoint Energy's and CERC's Condensed Statements of Consolidated Income, as applicable, and the December 31, 2023 Condensed Consolidated Balance Sheets were not required to be recast for assets held for sale. Since the depreciation on the Louisiana and Mississippi natural gas LDC businesses assets will continue to be reflected in revenues through customer rates until the expected closing of the transaction and will be reflected in the carryover basis of the rate-regulated assets once sold, CenterPoint Energy and CERC will continue to record depreciation on those assets through the expected closing of the transaction.

The pre-tax income for the Louisiana and Mississippi natural gas LDC businesses, excluding interest and corporate allocations, included in CenterPoint Energy's and CERC's Condensed Statements of Consolidated Income is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
Income (loss) Before Income Taxes	\$ 1	\$ (2)	\$ 45	\$ 33

*Divestiture of Energy Systems Group.* On May 21, 2023, CenterPoint Energy, through its subsidiary Vectren Energy Services, entered into an Equity Purchase Agreement to sell all of the outstanding limited liability company interests of Energy Systems Group to ESG Holdings Group, for a purchase price of \$ 157 million, subject to customary adjustments set forth in the Equity Purchase Agreement, including adjustments based on Energy Systems Group's net working capital at closing, indebtedness, cash and cash equivalents and transaction expenses. The transaction closed on June 30, 2023, and CenterPoint Energy received \$ 154 million in cash. Additionally, as of September 30, 2024, CenterPoint Energy had a payable of approximately \$ 2 million to ESG Holdings Group for working capital and other adjustments set forth in the Equity Purchase Agreement, which had not yet been finalized. For a discussion of CenterPoint Energy's pre-disposition guarantees related to Energy Systems Group, see Note 13(b).

CenterPoint Energy recognized a loss on sale of approximately \$ 12 million, including \$ 3 million of transaction costs, during the nine months ended September 30, 2023, in connection with the closing of the sale of Energy Systems Group. Additionally, CenterPoint Energy recognized a current tax expense of \$ 33 million during the nine months ended September 30, 2023, as a result of the cash taxes payable upon the closing of the sale.

The pre-tax loss for Energy Systems Group, excluding interest and corporate allocations, included in CenterPoint Energy's Condensed Statements of Consolidated Income is as follows:

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
	(in millions)	
Loss Before Income Taxes	\$ —	\$ 4

#### (4) Revenue Recognition and Allowance for Credit Losses

In accordance with ASC 606, Revenue from Contracts with Customers, revenue is recognized when a customer obtains control of promised goods or services. The amount of revenue recognized reflects the consideration to which the Registrants expect to be entitled to receive in exchange for these goods or services.

ARPs are contracts between the utility and its regulators, not between the utility and a customer. The Registrants recognize ARP revenue as other revenues when the regulator-specified conditions for recognition have been met. Upon recovery of ARP revenue through incorporation in rates charged for utility service to customers, ARP revenue is reversed and recorded as revenue from contracts with customers. The recognition of ARP revenues and the reversal of ARP revenues upon recovery through rates charged for utility service may not occur in the same period.

The following tables disaggregate revenues by reportable segment and major source:

#### CenterPoint Energy

	Three Months Ended September 30, 2024			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts with customers	\$ 1,245	\$ 603	\$ 1	\$ 1,849
Other (1)	( 2 )	8	1	7
Total revenues	\$ 1,243	\$ 611	\$ 2	\$ 1,856

	Nine Months Ended September 30, 2024			
	Electric	Natural Gas	Corporate and Other	Total
	(in millions)			
Revenue from contracts with customers	\$ 3,504	\$ 2,842	\$ 3	\$ 6,349
Other (1)	( 5 )	34	3	32
Total revenues	\$ 3,499	\$ 2,876	\$ 6	\$ 6,381

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

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

- (1) Primarily consists of income from ARPs and leases. Total lease income was \$ 1 million and \$ 2 million for the three months ended September 30, 2024 and 2023, respectively, and \$ 5 million and \$ 6 million for the nine months ended September 30, 2024 and 2023, respectively.

#### Houston Electric

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in millions)				
Revenue from contracts with customers	\$ 1,065	\$ 1,100	\$ 3,024	\$ 2,821
Other (1)	( 7 )	( 17 )	( 21 )	( 37 )
Total revenues	\$ 1,058	\$ 1,083	\$ 3,003	\$ 2,784

- (1) Primarily consists of income from ARPs and leases. Lease income was not significant for the three and nine months ended September 30, 2024 and 2023.

#### CERC

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in millions)				
Revenue from contracts with customers	\$ 593	\$ 575	\$ 2,760	\$ 3,012
Other (1)	7	8	31	33
Total revenues	\$ 600	\$ 583	\$ 2,791	\$ 3,045

- (1) Primarily consists of income from ARPs and leases. Lease income was \$ 1 million and \$ 1 million for the three months ended September 30, 2024 and 2023, respectively, and \$ 3 million and \$ 3 million for the nine months ended September 30, 2024 and 2023, respectively.

#### Revenues from Contracts with Customers

**Electric (CenterPoint Energy and Houston Electric).** Houston Electric distributes electricity to customers over time and customers consume the electricity when delivered. Indiana Electric generates, transmits and distributes electricity to customers over time and customers consume the electricity when delivered. Revenue, consisting of both volumetric and fixed tariff rates set by state regulators, such as the PUCT and the IURC, is recognized as electricity is delivered and represents amounts both billed and unbilled. Discretionary services requested by customers are provided at a point in time with control transferring upon the completion of the service. Revenue for discretionary services provided by Houston Electric is recognized upon completion of service based on the tariff rates set by the PUCT. Payments for electricity distribution and discretionary services are aggregated and received on a monthly basis. Houston Electric performs transmission services over time as a stand-ready obligation to provide a reliable network of transmission systems. Revenue is recognized upon time elapsed, and the monthly tariff rate set by the regulator. Payments are received on a monthly basis. Indiana Electric customers are billed monthly and payment terms, set by the regulator, require payment within a month of billing.

**Natural Gas (CenterPoint Energy and CERC).** CenterPoint Energy and CERC distribute and transport natural gas to customers over time and customers consume the natural gas when delivered. Revenue, consisting of both volumetric and fixed tariff rates set by the state governing agency for that service area, is recognized as natural gas is delivered and represents amounts both billed and unbilled. Discretionary services requested by the customer are provided at a point in time with control transferring upon completion of the service. Revenue for discretionary services is recognized upon completion of service based on the tariff rates set by the applicable state regulator. Payments of natural gas distribution, transportation and discretionary services are aggregated and received on a monthly basis.

**Contract Balances.** When the timing of delivery of service is different from the timing of the payments made by customers and when the right to consideration is conditioned on something other than the passage of time, the Registrants recognize a contract liability when customer payment precedes performance. Those customers that prepay are represented by contract liabilities until the performance obligations are satisfied. The Registrants' contract liabilities are included in Accounts payable and Other current liabilities in their Condensed Consolidated Balance Sheets.

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

#### CenterPoint Energy

	Accounts Receivable	Accrued Unbilled Revenues	Contract Liabilities
	(in millions)		
Opening balance as of December 31, 2023	\$ 652	\$ 516	\$ 2
Closing balance as of September 30, 2024	650	349	5
Increase (decrease)	\$ ( 2 )	\$ ( 167 )	\$ 3

The amount of revenue recognized during the nine months ended September 30, 2024 that was included in the opening contract liability was \$ 2 million. The difference between the opening and closing balances of the contract liabilities primarily results from the timing difference between CenterPoint Energy's performance and the customer's payment.

#### Houston Electric

	Accounts Receivable	Accrued Unbilled Revenues	Contract Liabilities
	(in millions)		
Opening balance as of December 31, 2023	\$ 275	\$ 142	\$ 2
Closing balance as of September 30, 2024	421	191	5
Increase	\$ 146	\$ 49	\$ 3

The amount of revenue recognized during the nine months ended September 30, 2024 that was included in the opening contract liability was \$ 2 million. The difference between the opening and closing balances of the contract liabilities primarily results from the timing difference between Houston Electric's performance and the customer's payment.

#### CERC

	Accounts Receivable	Accrued Unbilled Revenues
	(in millions)	
Opening balance as of December 31, 2023	\$ 330	\$ 329
Closing balance as of September 30, 2024	183	122
Decrease	\$ ( 147 )	\$ ( 207 )

CERC does not have any opening or closing contract asset or contract liability balances.

**Remaining Performance Obligations (CenterPoint Energy).** Following the completed sale of Energy Systems Group on June 30, 2023, as discussed in Note 3, CenterPoint Energy had no remaining performance obligations.

**Practical Expedients and Exemption.** Sales taxes and other similar taxes collected from customers are excluded from the transaction price. For contracts for which revenue from the satisfaction of the performance obligations is recognized in the amount invoiced, the practical expedient was elected and revenue expected to be recognized on these contracts has not been disclosed.

#### Allowance for Credit Losses

CenterPoint Energy and CERC segregate financial assets that fall under the scope of Topic 326, primarily trade receivables due in one year or less, into portfolio segments based on shared risk characteristics, such as geographical location and regulatory environment, for evaluation of expected credit losses. Historical and current information, such as average write-offs, are applied to each portfolio segment to estimate the allowance for losses on uncollectible receivables. Additionally, the allowance for losses on uncollectible receivables is adjusted for reasonable and supportable forecasts of future economic conditions, which can include changing weather, commodity prices, regulations, and macroeconomic factors, among others. Houston Electric had no material changes in its methodology to recognize losses on financial assets that fall under the scope of Topic 326, primarily due to the nature of its customers and regulatory environment. For a discussion of regulatory deferrals, see Note 6.

## (5) Employee Benefit Plans

The Registrants' net periodic cost, before considering amounts subject to overhead allocations for capital expenditure projects or for amounts subject to deferral for regulatory purposes, includes the following components relating to pension and postretirement benefits:

### Pension Benefits (CenterPoint Energy)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024		2023	2024		2023
	(in millions)					
Service cost (1)	\$	6	\$	6	\$	18
Interest cost (2)		18		19		55
Expected return on plan assets (2)		( 19 )		( 19 )		( 56 )
Amortization of net loss (2)		7		7		21
Net periodic cost	\$	12	\$	13	\$	38
					\$	40

(1) Included in Operation and maintenance expense in CenterPoint Energy's Condensed Statements of Consolidated Income, net of amounts capitalized and regulatory deferrals.

(2) Included in Other income, net in CenterPoint Energy's Condensed Statements of Consolidated Income, net of regulatory deferrals.

### Postretirement Benefits

	Three Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Interest cost (2)	\$	3	\$	1	\$	1
Expected return on plan assets (2)		( 1 )		( 1 )		( 1 )
Amortization of prior service cost (credit) (2)		( 1 )		( 1 )		( 1 )
Amortization of net loss (2)		( 2 )		( 1 )		( 1 )
Net periodic cost (benefit)	\$	( 1 )	\$	( 2 )	\$	1

  

	Nine Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Service cost (1)	\$	1	\$	—	\$	—
Interest cost (2)		9		4		3
Expected return on plan assets (2)		( 4 )		( 3 )		( 1 )
Amortization of prior service cost (credit) (2)		( 2 )		( 4 )		2
Amortization of net loss (2)		( 6 )		( 3 )		( 2 )
Net periodic cost (benefit)	\$	( 2 )	\$	( 6 )	\$	3

(1) Included in Operation and maintenance expense in each of the Registrants' respective Condensed Statements of Consolidated Income, net of amounts capitalized and regulatory deferrals.

(2) Included in Other income, net in each of the Registrants' respective Condensed Statements of Consolidated Income, net of regulatory deferrals.



The table below reflects the expected contributions to be made to the pension and postretirement benefit plans during 2024:

	CenterPoint Energy		Houston Electric		CERC
	(in millions)				
Expected contributions to pension plans	\$	11	\$	—	\$ —
Expected contributions to postretirement benefit plans		8		1	4

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

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Pension plans	\$	2	\$	—	\$	—
Postretirement benefit plans		2		—		1
				5		6
					—	4

## (6) Regulatory Matters

### Equity Return

The Registrants are at times allowed by a regulator to defer an equity return as part of the recoverable carrying costs of a regulatory asset. A deferred equity return is capitalized for rate-making purposes, but it is not included in the Registrant's regulatory assets on its Condensed Consolidated Balance Sheets. The allowed equity return is recognized in the Condensed Statements of Consolidated Income as it is recovered in rates. The recoverable allowed equity return not yet recognized by the Registrants is as follows:

	September 30, 2024			December 31, 2023		
	CenterPoint Energy (1)	Houston Electric (2)	CERC (3)	CenterPoint Energy (1)	Houston Electric (2)	CERC (3)
	(in millions)					
Unrecognized equity return	\$	226	\$	76	\$	85
				204	\$	75
					\$	69

- (1) In addition to the amounts described in (2) and (3) below, represents CenterPoint Energy's allowed equity return on post in-service carrying cost generally associated with investments in Indiana.
- (2) Represents Houston Electric's allowed equity return on its true-up balance of stranded costs, other changes and related interest resulting from the formerly integrated electric utilities prior to Texas deregulation to be recovered in rates through 2024 and certain TEEEF costs and storm restoration costs.
- (3) Represents CERC's allowed equity return on post in-service carrying cost associated with certain distribution facilities replacement expenditures in Texas and costs associated with investments in Indiana.

The table below reflects the amount of allowed equity return recognized by each Registrant in its Condensed Statements of Consolidated Income:

	Three Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Allowed equity return recognized	\$	1	\$	—	\$	1
				14	\$	14
					\$	—
	Nine Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Allowed equity return recognized	\$	22	\$	19	\$	2
				32	\$	30
					\$	1

### **February 2021 Winter Storm Event**

In February 2021, certain of the Registrants' jurisdictions experienced an extreme and unprecedented winter weather event that resulted in prolonged freezing temperatures, which impacted their businesses. The February 2021 Winter Storm Event impacted wholesale prices of CenterPoint Energy's and CERC's natural gas purchases and their ability to serve customers in their Natural Gas service territories, including due to the reduction in available natural gas capacity and impacts to CenterPoint Energy's and CERC's natural gas supply portfolio activities, and the effects of weather on their systems and their ability to transport natural gas, among other things. The overall natural gas market, including the markets from which CenterPoint Energy and CERC sourced a significant portion of their natural gas for their operations, experienced significant impacts caused by the February 2021 Winter Storm Event, resulting in extraordinary increases in the cost of natural gas purchased by CenterPoint Energy and CERC of approximately \$2 billion. CenterPoint Energy and CERC have completed recovery of natural gas costs in Mississippi, Indiana, Louisiana and Texas, and continue to recover the natural gas cost in Minnesota. As of September 30, 2024, CenterPoint Energy and CERC had each recorded current regulatory assets of \$67 million and non-current regulatory assets of \$83 million associated with the February 2021 Winter Storm Event. As of December 31, 2023, CenterPoint Energy and CERC had each recorded current regulatory assets of \$86 million and non-current regulatory assets of \$130 million associated with the February 2021 Winter Storm Event.

As of September 30, 2024 and December 31, 2023, as authorized by the PUCT, both CenterPoint Energy and Houston Electric had each recorded a regulatory asset of \$8 million for bad debt expenses resulting from REPs' default on their obligation to pay delivery charges to Houston Electric net of collateral. Additionally, both CenterPoint Energy and Houston Electric had each recorded a regulatory asset of \$18 million and \$17 million as of September 30, 2024 and December 31, 2023, respectively, and requested reimbursement of costs associated with the February 2021 Winter Storm Event in Houston Electric's rate case, which was filed in March 2024. On August 1, 2024, Houston Electric announced that it was withdrawing its base rate application with the PUCT in order to focus on addressing the impacts of Hurricane Beryl in its service territory and accelerating preparedness and resiliency efforts for the remaining storm season. Subsequently, intervenors filed a motion to challenge the withdrawal of the base rate proceeding. On August 16, 2024, the ALJ issued an order denying the requested withdrawal of the base rate proceeding, leaving the base rate proceeding abated. Houston Electric filed an appeal of the ALJ's order to the PUCT, and on October 24, 2024, the PUCT heard oral arguments on the appeal and indicated that they will decide the appeal on November 14, 2024.

See Note 13(c) for further information regarding litigation related to the February 2021 Winter Storm Event.

### **Texas Public Securitization**

The Texas Natural Gas Securitization Finance Corporation issued customer rate relief bonds in March 2023, and on March 23, 2023, CenterPoint Energy and CERC, collectively, received approximately \$1.1 billion in cash proceeds from the issuance and sale of the state's customer rate relief bonds. The proceeds from the state's customer rate relief bonds included carrying costs incurred through August 2022. Incremental carrying costs incurred after August 2022 until the date the proceeds were received are recorded in a separate regulatory asset; the most recent CERC rate proceeding in Texas included a request for recovery of this regulatory asset and was included in the settlement agreement approved by the Railroad Commission in June 2024. As CenterPoint Energy and CERC have no future financial obligations for the repayment of the state's customer rate relief bonds, the customer rate relief bonds are not recorded on CenterPoint Energy's or CERC's balance sheets. The \$1.1 billion in cash proceeds from the state's customer rate relief bonds is considered to be a government grant. The state's customer rate relief bonds are backed in part by customer rate relief property, including customer rate relief charges, which are non-bypassable uniform monthly volumetric charges to be paid by all existing and future sales customers as a component of each regulated utility's gas cost, separate from their base rate. CERC only acts as a collection agent, whose duties include management, servicing and administration of a portion of the customer rate relief property which is associated with the customer rate relief charge imposed on customers of CERC under the guidance and direction from the Railroad Commission. The Texas Natural Gas Securitization Finance Corporation, and not CenterPoint Energy or CERC, is the owner of the customer rate relief property. The assets of the Texas Natural Gas Securitization Finance Corporation are not available to pay creditors of CenterPoint Energy, CERC, or their affiliates. While the customer rate relief charges will be included by CERC in their monthly billings, the billing amount is established by the Railroad Commission. CERC will remit all customer rate relief charges collected to the financing entity set up by the Railroad Commission. Therefore, the collection and servicing of customer rate relief charges have no impact on the respective Condensed Statements of Consolidated Income of CenterPoint Energy or CERC.

As U.S. generally accepted accounting principles have no specific accounting guidance for government grants or assistance, the cash proceeds from the state's customer rate relief bonds were accounted for as a government grant by analogy to the grant model under IAS 20—Accounting for Government Grants and Disclosures of Government Assistance. CenterPoint

Energy and CERC reflect the proceeds from the grant as a deduction to natural gas costs and recognized the \$ 1.1 billion of cash proceeds from the state's customer rate relief bonds within Utility natural gas expense on their respective Condensed Statements of Consolidated Income in the three months ended March 31, 2023, net of the recognition of natural gas cost related to relieving CenterPoint Energy and CERC's regulatory assets related to the February 2021 Winter Storm Event in the same period.

#### **Indiana Electric Securitization of Generation Retirements (CenterPoint Energy)**

On January 4, 2023, the IURC issued an order in accordance with Indiana Senate Enrolled Act 386 authorizing the issuance of up to \$ 350 million in securitization bonds to securitize qualified costs associated with the retirements of Indiana Electric's A.B. Brown coal-fired generation facilities. Accordingly, CenterPoint Energy determined that the retirement of property, plant and equipment became probable upon the issuance of the order. No loss on abandonment was recognized in connection with issuance of the order as there was no disallowance of all or part of the cost of the abandoned property, plant and equipment. In the first quarter of 2023, upon receipt of the order, CenterPoint Energy reclassified property, plant and equipment to be recovered through securitization to a regulatory asset and such amounts continued to earn a full return until recovered through securitization.

The SIGECO Securitization Subsidiary issued \$ 341 million aggregate principal amount of the SIGECO Securitization Bonds on June 29, 2023. The SIGECO Securitization Subsidiary used a portion of the net proceeds from the issuance of the SIGECO Securitization Bonds to purchase the securitization property from SIGECO. No gain or loss was recognized.

The SIGECO Securitization Bonds are secured by the securitization property, which includes the right to recover, through non-bypassable securitization charges payable by SIGECO's retail electric customers, the qualified costs of SIGECO authorized by the IURC order. The SIGECO Securitization Subsidiary, and not SIGECO, is the owner of the securitization property, and the assets of the SIGECO Securitization Subsidiary are not available to pay the creditors of SIGECO or its affiliates, other than the SIGECO Securitization Subsidiary. SIGECO has no payment obligations with respect to the SIGECO Securitization Bonds except to remit collections of securitization charges as set forth in a servicing agreement between SIGECO and the SIGECO Securitization Subsidiary. The non-bypassable securitization charges are subject to a true-up mechanism.

#### **Houston Electric TEEEF**

Pursuant to legislation passed in 2021, Houston Electric entered into two leases for TEEEF (temporary generation) which are detailed in Note 19. Houston Electric initially sought recovery of the lease costs and the applicable return as of December 31, 2021 under these lease agreements of approximately \$ 200 million in its DCRF application filed with the PUCT on April 5, 2022, and subsequently amended on July 1, 2022, to show temporary generation in a separate Rider TEEEF. A final order was issued on April 5, 2023 approving a revenue requirement of \$ 39 million that results in full recovery of costs requested but lengthens the amortization period for the short-term lease to be collected over 82.5 months. On May 25, 2023, the PUCT issued its order on rehearing which clarified some of the findings, but did not change the approval of TEEEF cost recovery. The PUCT's decision on the first TEEEF filing is final and non-appealable.

On April 5, 2023, Houston Electric made its second TEEEF filing requesting recovery of TEEEF related costs incurred through December 31, 2022. Houston Electric requested a new annual revenue requirement of approximately \$ 188 million using 78 months to amortize the related deferred costs for proposed rates beginning September 2023, a net increase in TEEEF revenues of approximately \$ 149 million. On August 28, 2023, the State Office of Administrative Hearings issued an Order setting interim rates to collect an annual revenue requirement at the filed amount. Interim rates became effective on September 1, 2023, subject to surcharge or refund if they differ from the final rates approved by the PUCT. An agreement in principle was reached which reduced the annual revenue requirement by approximately \$ 35 million based on recovering the balance as of December 31, 2022 over a 102 month amortization period (instead of the 78 month period in the initial filing) and also allows for revised interim rates (to incorporate the agreement in principle and the initial interim rates that have been in place since September 1, 2023). The updated interim rates were implemented on December 15, 2023 and approved by the PUCT pursuant to its order issued on February 1, 2024 when the PUCT approved the agreement in principle. The PUCT's decision on the second TEEEF filing is final and non-appealable.

On September 11, 2024, the Texas Consumer Association ("TCA") filed a complaint with the PUCT requesting that the PUCT modify its rulings with respect to its prior decisions related to the TEEEF filings made in 2022 and 2023. Specifically, TCA requested that the PUCT end cost recovery and return on investment on all the large 32 MW and 5 MW TEEEF units approved in docket 53442. On October 2, 2024, Houston Electric filed a response to the TCA complaint and requested that the complaint be dismissed due to the principles of *res judicata* and collateral estoppel. On October 8, 2024, TCA supplemented its complaint and on October 9, 2024, PUCT staff filed a statement of position stating that Houston Electric's response provided a

strong argument for dismissal of the complaint, but also stating that it would be prudent to have a thorough legal argument from TCA. On October 10, 2024, PUCT issued Order No. 2 finding the TCA complaint insufficient and requiring supplemental information or amendment from TCA by October 24, 2024; TCA filed supplemental information on October 24, 2024.

Houston Electric defers costs associated with the short-term and long-term leases that are probable of recovery and would otherwise be charged to expense in a regulatory asset, including allowed debt returns, and determined that such regulatory assets remain probable of recovery as of September 30, 2024. Right of use finance lease assets, such as assets acquired under the long-term leases, are evaluated for impairment under the long-lived asset impairment model by assessing if a capital disallowance from a regulator is probable through monitoring the outcome of rate cases and other proceedings. Houston Electric continues to monitor the ongoing proceedings and did not record any impairments on its right of use assets in the year ended December 31, 2023 nor the three and nine months ended September 30, 2024. See Note 19 for further information.

#### **May 2024 Storm Events**

Houston Electric's service territory experienced sudden and destructive severe weather events in May 2024 that included hurricane-like winds and tornadoes. The May 2024 Storm Events caused significant damage to Houston Electric's electric delivery system. As of September 30, 2024, Houston Electric had recorded \$ 345 million in Property, plant and equipment and \$ 74 million in Regulatory assets, excluding carrying costs, for such restoration costs. Based on currently available information, as of September 30, 2024, Houston Electric estimates that total costs to restore the electric delivery facilities damaged as a result of the May 2024 Storm Events will be approximately \$ 462 million, excluding carrying costs. These preliminary estimates are subject to revision as certain restoration costs are expected to be incurred through the end of 2025.

As is common with electric utilities serving coastal regions, the poles, towers, wires, street lights and pole-mounted equipment that comprise Houston Electric's transmission and distribution system are not covered by property insurance. Houston Electric is deferring certain storm restoration costs as management believes it is probable that such costs will be recovered through the regulatory process. The ultimate recovery of the costs (or a portion thereof) is expected to be sought through the issuance and sale of non-recourse securitization bonds for distribution-related costs and the TCOS capital mechanism for transmission-related costs. However, neither the amount nor timing of the recovery is certain.

See Note 11 for further information regarding a term loan facility to fund certain costs related to the May 2024 Storm Events.

#### **Hurricane Beryl**

On July 8, 2024, Hurricane Beryl made landfall in Texas, bringing sustained winds, storm surges and torrential rain into Houston Electric's service territory. Hurricane Beryl caused significant damage to Houston Electric's electric delivery system. Based on currently available information, as of September 30, 2024, Houston Electric estimates that total costs to restore the electric delivery facilities damaged as a result of Hurricane Beryl will be approximately \$ 1.1 billion, excluding carrying costs. As of September 30, 2024, Houston Electric had recorded \$ 670 million in Property, plant and equipment and \$ 453 million in Regulatory assets, excluding carrying costs, for such restoration costs.

Houston Electric is deferring certain storm restoration costs as management believes it is probable that such costs will be recovered through the regulatory process. Similar to the costs related to the May 2024 Storm Events, insurance coverage was not available for damages to much of our transmission and distribution assets. The ultimate recovery of the costs (or a portion thereof) relating to Hurricane Beryl is expected to be sought through the issuance and sale of non-recourse securitization bonds for distribution-related costs. However, neither the amount nor timing of the recovery is certain.

#### **(7) Derivative Instruments**

The Registrants are exposed to various market risks. These risks arise from transactions entered into in the normal course of business. The Registrants, from time to time, utilize derivative instruments such as swaps and options to mitigate the impact of changes in commodity prices, weather and interest rates on operating results and cash flows.

**(a) Non-Trading Activities**

**Commodity Derivative Instruments (CenterPoint Energy and CERC).** CenterPoint Energy and CERC, through the Indiana Utilities they respectively own, enter into certain derivative instruments to mitigate the effects of commodity price movements. Outstanding derivative instruments designated as economic hedges at the Indiana Utilities hedge long-term variable rate natural gas purchases. The Indiana Utilities have authority to refund and recover mark-to-market gains and losses associated with hedging natural gas purchases, and thus the gains and losses on derivatives are deferred in a regulatory liability or asset. All other financial instruments do not qualify or are not designated as cash flow or fair value hedges.

**Interest Rate Risk Derivative Instruments.** From time to time, the Registrants may enter into interest rate derivatives that are designated as economic or cash flow hedges. The objective of these hedges is to offset risk associated with interest rates borne by the Registrants in connection with an anticipated future fixed rate debt offering or other exposure to variable rate debt. Houston Electric and the Indiana Utilities have authority to refund and recover mark-to-market gains and losses associated with hedging financing activity, and thus the gains and losses on derivatives are deferred in a regulatory liability or asset.

The table below summarizes CenterPoint Energy's and Houston Electric's outstanding interest rate hedging activity:

Hedging Classification	September 30, 2024		December 31, 2023	
	Notional Principal			
	(in millions)			
CenterPoint Energy:				
Cash flow hedge (1) (2)	\$	—	\$	200
Economic hedge (3)	\$	150	\$	—
Houston Electric:				
Cash flow hedge (2)	\$	—	\$	100
Economic hedge (3)	\$	150	\$	—

- (1) Relates to interest rate derivative instruments at CenterPoint Energy that terminated on May 8, 2024. The interest rate swap agreements were designated as cash flow hedges of forecasted transactions. CenterPoint Energy records all changes in the fair value of cash flow hedges in accumulated other comprehensive income (loss) until the underlying hedged transaction occurs, when it reclassifies that amount into earnings.
- (2) Relates to interest rate derivative instruments at Houston Electric that terminated on February 26, 2024. The interest rate treasury lock agreements were designated as cash flow hedges of forecasted transactions. Houston Electric records all changes in the fair value of cash flow hedges to a regulatory asset or liability, which is amortized over the life of the associated debt being hedged.
- (3) Relates to interest rate derivative instruments at Houston Electric with a termination date of December 24, 2025.

**(b) Derivative Fair Values and Financial Statement Presentation**

CenterPoint Energy and Houston Electric had no interest rate derivatives designated as cash flow hedges outstanding as of September 30, 2024. Houston Electric's interest rate derivatives not designated as cash flow hedges were not material as of September 30, 2024. CenterPoint Energy's interest rate derivatives designated as cash flow hedges were not material as of December 31, 2023 and were included in current Non-trading derivative liabilities on CenterPoint Energy's Condensed Consolidated Balance Sheets. Houston Electric's interest rate derivatives designated as cash flow hedges were not material as of December 31, 2023 and were included in Prepaid expenses and other current assets on Houston Electric's Condensed Consolidated Balance Sheets.

The following tables provide a balance sheet overview of the Registrants' derivative assets and liabilities in the periods presented:

Balance Sheet Location		September 30, 2024		December 31, 2023	
		Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
		Fair Value	Fair Value	Fair Value	Fair Value
<b>CenterPoint Energy:</b>					
(in millions)					
<b>Derivatives not designated as hedging instruments:</b>					
Natural gas derivatives (1)	Current Assets: Non-trading derivative assets	\$ 1	\$ —	\$ —	\$ —
Natural gas derivatives (1)	Current Liabilities: Non-trading derivative liabilities	—	5	—	9
Natural gas derivatives (1)	Other Liabilities: Non-trading derivative liabilities	—	2	—	3
Indexed debt securities derivative (2)	Current Liabilities	—	591	—	605
<b>Total</b>		<b>\$ 1</b>	<b>\$ 598</b>	<b>\$ —</b>	<b>\$ 617</b>

- (1) Natural gas contracts are subject to master netting arrangements. This netting applies to all undisputed amounts due or past due. However, the mark-to-market fair value of each natural gas contract was in a liability position with no offsetting amounts as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024 and December 31, 2023, the notional volume of natural gas derivatives were 32,251 MMBtu per day and 27,421 MMBtu per day, respectively.
- (2) Derivative component of the ZENS obligation that represents the ZENS holder's option to receive the appreciated value of the reference shares at maturity and other payments to which they may be entitled. See Note 10 for further information.

Balance Sheet Location		September 30, 2024		December 31, 2023	
		Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
		Fair Value	Fair Value	Fair Value	Fair Value
<b>CERC:</b>					
(in millions)					
<b>Derivatives not designated as hedging instruments:</b>					
Natural gas derivatives (1)	Current Assets: Non-trading derivative assets	\$ 1	\$ —	\$ —	\$ —
Natural gas derivatives (1)	Current Liabilities: Non-trading derivative liabilities	—	4	—	8
Natural gas derivatives (1)	Other Liabilities: Non-trading derivative liabilities	—	2	—	3
<b>Total</b>		<b>\$ 1</b>	<b>\$ 6</b>	<b>\$ —</b>	<b>\$ 11</b>

- (1) Natural gas contracts are subject to master netting arrangements. This netting applies to all undisputed amounts due or past due. However, the mark-to-market fair value of each natural gas contract was in a liability position with no offsetting amounts as of September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024 and December 31, 2023, the notional volume of natural gas derivatives were 27,644 MMBtu per day and 23,504 MMBtu per day, respectively.

The table below provides the related income statement impacts of derivative activity for the periods presented:

Income Statement Location		Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2023	2024	2023
<b>CenterPoint Energy:</b>					
(in millions)					
<b>Derivatives not designated as hedging instruments:</b>					
Indexed debt securities derivative (1)	Gain (loss) on indexed debt securities	\$ (53)	\$ (47)	\$ 14	\$ (52)

- (1) The indexed debt securities derivative is recorded at fair value and changes in the fair value are recorded in CenterPoint Energy's Condensed Statements of Consolidated Income.

Cash inflows and outflows associated with derivatives are included in operating activities on the statement of cash flows.

**(c) Credit Risk Contingent Features (CenterPoint Energy and CERC)**

Certain of CenterPoint Energy's and CERC's derivative instruments contain provisions that require CenterPoint Energy and CERC to maintain an investment grade credit rating on their respective long-term unsecured unsubordinated debt from S&P and Moody's. If CenterPoint Energy's or CERC's debt were to fall below investment grade, it would be in violation of these provisions, and the counterparties to the derivative instruments could request immediate payment or additional collateral. No collateral had been posted for CenterPoint Energy or CERC as of September 30, 2024 or December 31, 2023. The table below sets forth additional detail for the periods presented:

	September 30, 2024		December 31, 2023	
	CenterPoint Energy	CERC	CenterPoint Energy	CERC
	(in millions)			
Aggregate fair value of derivatives containing material adverse change provisions in a net liability position	\$ 5	\$ 4	\$ 9	\$ 8
Additional collateral required to be posted if credit risk contingent features triggered	5	4	9	8

**(8) Fair Value Measurements**

Assets and liabilities that are recorded at fair value in the Registrants' Condensed Consolidated Balance Sheets are categorized based upon the level of judgment associated with the inputs used to measure their value. Hierarchical levels, as defined below and directly related to the amount of subjectivity associated with the inputs to fair valuations of these assets and liabilities, are as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at Level 1 fair value generally are exchange-traded derivatives and equity securities.

Level 2: Inputs, other than quoted prices included in Level 1, are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets and inputs other than quoted prices that are observable for the asset or liability. Fair value assets and liabilities that are generally included in this category are derivatives with fair values based on inputs from actively quoted markets. A market approach is utilized to value the Registrants' Level 2 interest rate derivative assets or liabilities and natural gas derivative assets or liabilities. CenterPoint Energy's Level 2 indexed debt securities derivative is valued using an option model and a discounted cash flow model, which uses projected dividends on the ZENS-Related Securities and a discount rate as observable inputs.

Level 3: Inputs are unobservable for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. Unobservable inputs reflect the Registrants' judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. The Registrants develop these inputs based on the best information available, including the Registrants' own data.

The Registrants determine the appropriate level for each financial asset and liability on a quarterly basis.

The following tables present information about the Registrants' assets and liabilities measured at fair value on a recurring basis as of September 30, 2024 and December 31, 2023 and indicate the fair value hierarchy of the valuation techniques utilized by the Registrants to determine such fair value.

#### CenterPoint Energy

	September 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>	(in millions)							
Equity securities	\$ 531	\$ —	\$ —	\$ 531	\$ 541	\$ —	\$ —	\$ 541
Investments, including money market funds (1)	35	—	—	35	31	—	—	31
Natural gas derivatives	—	1	—	1	—	—	—	—
Total assets	\$ 566	\$ 1	\$ —	\$ 567	\$ 572	\$ —	\$ —	\$ 572
<b>Liabilities</b>								
Indexed debt securities derivative	\$ —	\$ 591	\$ —	\$ 591	\$ —	\$ 605	\$ —	\$ 605
Natural gas derivatives	—	7	—	7	—	12	—	12
Total liabilities	\$ —	\$ 598	\$ —	\$ 598	\$ —	\$ 617	\$ —	\$ 617

#### Houston Electric

	September 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>	(in millions)							
Investments, including money market funds (1)	\$ 20	\$ —	\$ —	\$ 20	\$ 14	\$ —	\$ —	\$ 14
Total assets	\$ 20	\$ —	\$ —	\$ 20	\$ 14	\$ —	\$ —	\$ 14

#### CERC

	September 30, 2024				December 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets</b>	(in millions)							
Investments, including money market funds (1)	\$ 15	\$ —	\$ —	\$ 15	\$ 15	\$ —	\$ —	\$ 15
Natural gas derivatives	—	1	—	1	—	—	—	—
Total assets	\$ 15	\$ 1	\$ —	\$ 16	\$ 15	\$ —	\$ —	\$ 15
<b>Liabilities</b>								
Natural gas derivatives	\$ —	\$ 6	\$ —	\$ 6	\$ —	\$ 11	\$ —	\$ 11
Total liabilities	\$ —	\$ 6	\$ —	\$ 6	\$ —	\$ 11	\$ —	\$ 11

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

#### Items Measured at Fair Value on a Nonrecurring Basis

As a result of classifying the Louisiana and Mississippi natural gas LDC businesses as held for sale, CenterPoint Energy and CERC used a market approach consisting of contractual sales price adjusted for estimated working capital and other contractual purchase price adjustments to determine the fair value of the businesses classified as held for sale, which are Level 2 inputs. Neither CenterPoint Energy nor CERC recognized any gains or losses upon classification as held for sale during the three and nine months ended September 30, 2024. See Note 3 for further information.

#### Estimated Fair Value of Financial Instruments

The fair values of cash and cash equivalents, investments in debt and equity securities measured at fair value and short-term borrowings are estimated to be approximately equivalent to carrying amounts and have been excluded from the table below. The carrying amounts of non-trading derivative assets and liabilities and CenterPoint Energy's ZENS indexed debt securities derivative are stated at fair value and are excluded from the table below. The fair value of each debt instrument is determined by multiplying the principal amount of each debt instrument by a combination of historical trading prices and comparable issue data. These liabilities, which are not measured at fair value in the Registrants' Condensed Consolidated Balance Sheets, but for which the fair value is disclosed, would be classified as Level 2 in the fair value hierarchy.



	September 30, 2024			December 31, 2023		
	CenterPoint Energy (1)	Houston Electric (1)	CERC	CenterPoint Energy (1)	Houston Electric (1)	CERC
<b>Long-term debt, including current maturities</b>	<b>(in millions)</b>					
Carrying amount	\$ 19,874	\$ 8,207	\$ 4,782	\$ 18,609	\$ 7,587	\$ 4,670
Fair value	19,270	7,596	4,806	17,804	6,917	4,627

(1) Includes Securitization Bonds, as applicable.

#### (9) Goodwill (CenterPoint Energy and CERC)

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

	December 31, 2023	Held For Sale	September 30, 2024
	<b>(in millions)</b>		
Electric (1)	\$ 936	\$ —	\$ 936
Natural gas (2)	2,920	217	2,703
Corporate and other	304	—	304
Total	\$ 4,160	\$ 217	\$ 3,943

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

(2) If a disposal group reflects a component of a reporting unit and meets the definition of a business, the goodwill within that reporting unit is allocated to the disposal group based on the relative fair value of the components representing a business that will be retained and disposed. As a result, goodwill attributable to the Louisiana and Mississippi natural gas LDC businesses to be disposed of was classified as held for sale as of September 30, 2024. CenterPoint Energy did not recognize any goodwill impairments within the Natural Gas reportable segment during the nine months ended September 30, 2024. For further information, see Note 3.

CERC's goodwill is as follows:

	December 31, 2023	Held For Sale	September 30, 2024
	<b>(in millions)</b>		
Goodwill (1)	\$ 1,583	\$ 122	\$ 1,461

(1) In connection with the classification of the Louisiana and Mississippi natural gas LDC businesses as held for sale as of September 30, 2024 described above, goodwill attributable to CERC to be disposed of as part of the transaction was classified as held for sale as of September 30, 2024. CERC did not recognize any goodwill impairments during the nine months ended September 30, 2024. For further information, see Note 3.

CenterPoint Energy and CERC perform goodwill impairment tests at least annually and evaluate goodwill when events or changes in circumstances indicate that its carrying value may not be recoverable. Goodwill is evaluated for impairment by performing a qualitative assessment or using a quantitative test. If we choose to perform a qualitative assessment and determine it is more likely than not that the fair value of a reporting unit is less than its carrying amount, the quantitative test is then performed; otherwise, no further testing is required. The quantitative test, if required, is performed by comparing the fair value of each reporting unit with the carrying amount of the reporting unit, including goodwill. The estimated fair value of the reporting unit is primarily determined based on an income approach or a weighted combination of income and market approaches. When the carrying amount is in excess of the estimated fair value of the reporting unit, the excess amount is recorded as an impairment charge, not to exceed the carrying amount of goodwill. CenterPoint Energy and CERC performed their annual goodwill impairment tests in the third quarter of 2024 and determined that no goodwill impairment charge was required for any reporting unit as a result of those tests.

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

## (a) Equity Securities

Gains and losses on equity securities, net of transaction costs, are recorded in Gain (loss) on equity securities in CenterPoint Energy's Condensed Statements of Consolidated Income. The following table presents unrealized gains (losses), net on equity securities owned by CenterPoint Energy for each period presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in millions)				
AT&T Common	\$ 29	\$ ( 10 )	\$ 53	\$ ( 35 )
Charter Common	22	63	( 56 )	88
WBD Common	3	( 5 )	( 7 )	3
Other	—	1	—	—
Total gains (losses) on equity securities, net	\$ 54	\$ 49	\$ ( 10 )	\$ 56

CenterPoint Energy and its subsidiaries hold shares of certain securities detailed in the table below, which are classified as trading securities. Shares of AT&T Common, Charter Common and WBD Common are expected to be held to facilitate CenterPoint Energy's ability to meet its obligation under the ZENS. The following table presents information on CenterPoint Energy's equity securities for each period presented:

	Shares Held		Carrying Value	
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023
(in millions)				
AT&T Common	10,212,945	10,212,945	\$ 224	\$ 171
Charter Common	872,503	872,503	283	339
WBD Common	2,470,685	2,470,685	21	28
Other			3	3
Total			\$ 531	\$ 541

## (b) ZENS

In September 1999, CenterPoint Energy issued ZENS having an original principal amount of \$ 1.0 billion of which \$ 828 million remained outstanding as of September 30, 2024. Each ZENS is exchangeable at the holder's option at any time for an amount of cash equal to 95 % of the market value of the reference shares attributable to such note. The number and identity of the reference shares attributable to each ZENS are adjusted for certain corporate events. CenterPoint Energy's reference shares for each ZENS consisted of the following:

	September 30, 2024	December 31, 2023
(in shares)		
AT&T Common	0.7185	0.7185
Charter Common	0.061382	0.061382
WBD Common	0.173817	0.173817

CenterPoint Energy pays interest on the ZENS at an annual rate of 2 % plus the amount of any quarterly cash dividends paid in respect of the reference shares attributable to the ZENS. The principal amount of the ZENS is subject to increases or decreases to the extent that the annual yield from interest and cash dividends on the reference shares attributable to the ZENS is less than or more than 2.309 %. The adjusted principal amount is defined in the ZENS instrument as "contingent principal." As of September 30, 2024, the ZENS, having an original principal amount of \$ 828 million and a contingent principal amount of \$ 11 million, were outstanding and were exchangeable, at the option of the holders, for cash equal to 95 % of the market value of the reference shares attributable to the ZENS.

# (11) Short-term Borrowings and Long-term Debt

*Inventory Financing.* CenterPoint Energy's and CERC's Natural Gas businesses utilize third-party AMAs associated with their utility distribution service in Indiana, Louisiana, Minnesota, Mississippi and Texas. The AMAs have varying terms, the longest of which expires in 2029. Pursuant to the provisions of the agreements, CenterPoint Energy's and CERC's Natural Gas

either sells natural gas to the asset manager and agrees to repurchase an equivalent amount of natural gas throughout the year at the same cost, or simply purchases its full natural gas requirements at each delivery point from the asset manager. Certain of these transactions are accounted for as an inventory financing. CenterPoint Energy and CERC had \$ 3 million outstanding obligations related to the AMAs as of September 30, 2024 and \$ 4 million as of December 31, 2023, recorded in Short-term borrowings on CenterPoint Energy's and CERC's Condensed Consolidated Balance Sheets.

**Debt Issuance.** In February 2024, Houston Electric issued \$ 400 million aggregate principal amount of 5.15 % general mortgage bonds due 2034. Total proceeds, net of discount, transaction expenses and fees, were approximately \$ 395 million, which were used for general limited liability company purposes, including capital expenditures and working capital purposes.

In May 2024, CenterPoint Energy issued \$ 700 million aggregate principal amount of 5.40 % senior notes due 2029. Total proceeds, net of discount, transaction expenses and fees were approximately \$ 693 million, which were used for general corporate purposes, including the redemption of \$ 350 million aggregate principal amount of CenterPoint Energy's outstanding floating rate senior notes due 2024, as further described below.

In June 2024, CERC issued \$ 400 million aggregate principal amount of 5.40 % senior notes due 2034. Total proceeds, net of discount, transaction expenses and fees, were approximately \$ 396 million, which were used for general corporate purposes, including working capital purposes.

In June 2024, Houston Electric entered into a delayed draw term loan agreement with a maturity date of December 24, 2025, pursuant to which the banks party thereto committed to provide term loans in an aggregate principal amount of up to \$ 300 million. The term loan agreement also permits Houston Electric to request additional commitments and/or additional loans, such additional commitments and/or loans not to exceed \$ 200 million and subject to the satisfaction of certain customary conditions precedent. The borrowings under the term loan agreement bear interest at Houston Electric's option, at a rate equal to either (i) Term SOFR (as defined in the term loan agreement), which includes an adjustment of 0.10 % per annum plus a margin of 1.0 %, or (ii) the Alternate Base Rate (as defined in the term loan agreement). On June 28, 2024, Houston Electric borrowed \$ 100 million, and the proceeds thereof were used for working capital to support liquidity needs from the May 2024 Storm Events and for general limited liability company purposes. In September 2024, Houston Electric borrowed the remaining \$ 200 million aggregate principal amount available under the term loan agreement and has used the proceeds thereof for working capital to support liquidity needs from the May 2024 Storm Events and general limited liability company purposes.

In August 2024, CenterPoint Energy, through its wholly-owned subsidiary SIGECO, and certain institutional investors in the private placement market ("Private Placement Purchasers") entered into a bond purchase agreement, under which SIGECO agreed to sell, and each Private Placement Purchaser agreed to severally purchase (i) on August 29, 2024, \$ 100 million 5.18 % First Mortgage Bonds, Series 2024A, Tranche A due 2034 (the "Series 2024A Tranche A Bonds") and \$ 60 million 5.28 % First Mortgage Bonds, Series 2024A, Tranche B due 2036 (the "Series 2024A Tranche B Bonds" and, together with the Series 2024A Tranche A Bonds, the "Series 2024A Bonds"), and (ii) on January 31, 2025, or such sooner date, as may be selected by SIGECO upon not less than five business days' advance notice, \$ 165 million 5.69 % First Mortgage Bonds, Series 2025A, Tranche A due 2055 (the "Series 2025A Bonds" and, together with the Series 2024A Bonds, the "Private Placement Bonds").

The proceeds of the Private Placement Bonds will be used for general corporate purposes, including repaying short-term debt, refunding long-term debt at maturity or otherwise, and funding capital expenditures such as SIGECO's Posey Solar project. On August 29, 2024, SIGECO closed on the offering of \$ 160 million of the Series 2024A Bonds. The closing of the Series 2025 A Bonds is expected to occur on or prior to January 31, 2025.

**Junior Subordinated Notes.** In August 2024, CenterPoint Energy issued \$ 400 million aggregate principal amount of 7.000 % Fixed-to-Fixed Reset Rate Junior Subordinated Notes, Series A, due 2055 (the "Series A Notes") and \$ 400 million aggregate principal amount of 6.850 % Fixed-to-Fixed Reset Rate Junior Subordinated Notes, Series B, due 2055 (the "Series B Notes," and together with the Series A Notes, the "Junior Subordinated Notes"). Interest on the Junior Subordinated Notes accrues from August 14, 2024 and is payable semiannually in arrears on February 15 and August 15 of each year, beginning on February 15, 2025, and maturing on February 15, 2055. The Series A Notes bear interest (i) from and including August 14, 2024 to, but excluding, February 15, 2030 at the rate of 7.000 % per annum and (ii) from and including February 15, 2030, during each five-year period following February 15, 2030 (each such five-year period, a "Series A Interest Reset Period"), at a rate per annum equal to the Five-Year Treasury Rate (as defined in the Junior Subordinated Notes Indenture) as of two business days prior to the beginning of the applicable Series A Interest Reset Period plus a spread of 3.254 %, with such rate per annum to be reset on each five-year anniversary of February 15, 2030. The Series B Notes bear interest (i) from and including August 14, 2024, but excluding, February 15, 2035 at the rate of 6.850 % per annum and (ii) from and including February 15, 2035, during each five-year period following February 15, 2035 (each such five-year period, a "Series B Interest Reset Period"), at a rate per annum equal to the Five-Year Treasury Rate (as defined in the Junior Subordinated Notes Indenture) as of two business days prior to the beginning of the applicable Series B Interest Reset Period plus a spread of 2.946 %, with such rate per annum

to be reset on each five-year anniversary of February 15, 2035. So long as no event of default (as defined in the prospectus supplement relating to the offering of the Junior Subordinated Notes) with respect to a given series of Junior Subordinated Notes has occurred and is continuing, CenterPoint Energy may, at its option, defer interest payments on such series of Junior Subordinated Notes, from time to time, for one or more deferral periods of up to 20 consecutive semiannual interest payment periods, except that no such optional deferral period (as defined in the prospectus supplement relating to the offering of the Junior Subordinated Notes) may extend beyond the final maturity date of such series of Junior Subordinated Notes or end on a day other than the day immediately preceding an interest payment date.

During any optional deferral period, CenterPoint Energy (and its majority-owned subsidiaries, as applicable) will not (subject to certain exceptions as described in the Junior Subordinated Notes Indenture): (i) declare or pay any dividends or distributions on any of CenterPoint Energy's capital stock; (ii) redeem, purchase, acquire or make a liquidation payment with respect to any of CenterPoint Energy's capital stock; (iii) pay any principal, interest (to the extent such interest is deferrable) or premium on, or repay, repurchase or redeem any of CenterPoint Energy's indebtedness that ranks equally with or junior to the Junior Subordinated Notes in right of payment (including debt securities of other series, such as the other series of the Junior Subordinated Notes issued); or (iv) make any payments with respect to any guarantees by CenterPoint Energy of any indebtedness if such guarantees rank equally with or junior to the Junior Subordinated Notes in right of payment.

The Junior Subordinated Notes are CenterPoint Energy's unsecured obligations and rank junior and subordinate in right of payment to the prior payment in full of CenterPoint Energy's existing and future Senior Indebtedness (as defined in the Junior Subordinated Notes Indenture). Total proceeds for the sale of the Junior Subordinated Notes, net of issuance costs and transaction expenses and fees, were approximately \$ 790 million, which were used for general corporate purposes, including the redemption of \$ 500 million aggregate principal amount of CenterPoint Energy's outstanding 2.50 % senior notes due 2024 as further described below and the repayment of a portion of outstanding commercial paper.

*Convertible Senior Notes.* Interest on the Convertible Notes is payable semiannually in arrears on February 15 and August 15 of each year, beginning on February 15, 2024. The Convertible Notes will mature on August 15, 2026, unless earlier converted or repurchased by CenterPoint Energy in accordance with their terms.

Prior to the close of business on the business day immediately preceding May 15, 2026, the Convertible Notes are convertible only under certain conditions. On or after May 15, 2026 until the close of business on the second scheduled trading day immediately preceding the maturity date, holders of the Convertible Notes may convert all or any portion of their Convertible Notes at any time at the conversion rate then in effect, irrespective of the conditions. CenterPoint Energy may not redeem the Convertible Notes prior to the maturity date and no sinking fund is provided for the Convertible Notes.

Upon conversion of the Convertible Notes, CenterPoint Energy will pay cash up to the aggregate principal amount of the Convertible Notes to be converted and pay or deliver, as the case may be, cash, shares of Common Stock, or a combination of cash and shares of Common Stock, at CenterPoint Energy's election, in respect of the remainder, if any, of CenterPoint Energy's conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted. The conversion rate for the Convertible Notes is initially 27.1278 shares of Common Stock per \$1,000 principal amount of Convertible Notes (equivalent to an initial conversion price of approximately \$ 36.86 per share of Common Stock). The initial conversion price of the Convertible Notes represents a premium of approximately 25.0 % over the last reported sale price of the Common Stock on the NYSE on August 1, 2023. Initially, a maximum of 33,909,700 shares of Common Stock may be issued upon conversion of the Convertible Notes based on the initial maximum conversion rate of 33.9097 shares of Common Stock per \$1,000 principal amount of Convertible Notes. The conversion rate will be subject to adjustment in some events (as described in the Convertible Notes Indenture) but will not be adjusted for any accrued and unpaid interest.

In addition, following certain corporate events that occur prior to the maturity date of the Convertible Notes, CenterPoint Energy will, in certain circumstances, increase the conversion rate for a holder of Convertible Notes who elects to convert its Convertible Notes in connection with such a corporate event. If CenterPoint Energy undergoes a fundamental change (as described in the Convertible Notes Indenture), holders of the Convertible Notes may require CenterPoint Energy to repurchase for cash all or any portion of their Convertible Notes at a fundamental change repurchase price equal to 100 % of the principal amount of the Convertible Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The Convertible Notes are senior unsecured obligations of CenterPoint Energy and rank senior in right of payment to any of CenterPoint Energy's indebtedness that is expressly subordinated in right of payment to the Convertible Notes; equal in right of payment to any of CenterPoint Energy's unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of CenterPoint Energy's secured indebtedness it may incur in the future to the extent of the value of the assets securing such future secured indebtedness; and structurally junior to all indebtedness and other liabilities (including trade

payables but excluding intercompany obligations and liabilities of a type not required to be reflected on a balance sheet of such subsidiaries in accordance with generally accepted accounting principles) of CenterPoint Energy's subsidiaries.

**Debt Redemption.** In March 2024, CenterPoint Energy, through its wholly-owned subsidiary SIGECO, redeemed \$ 22 million aggregate principal amount of SIGECO's outstanding 3.50 % first mortgage bonds due 2024 at a redemption price equal to 100 % of the principal amount of the first mortgage bonds to be redeemed plus accrued and unpaid interest thereon.

In May 2024, CenterPoint Energy redeemed \$ 350 million aggregate principal amount of its outstanding floating rate senior notes due 2024 at a redemption price equal to 100 % of the principal amount to be redeemed plus accrued and unpaid interest thereon.

In September 2024, CenterPoint Energy redeemed \$ 500 million aggregate principal amount of its outstanding 2.50 % senior notes due 2024 at a redemption price equal to 100 % of the principal amount to be redeemed plus accrued and unpaid interest thereon.

**Credit Facilities.** The Registrants had the following revolving credit facilities as of September 30, 2024:

Execution Date	Registrant	Size of Facility	Draw Rate of SOFR plus (1)	Financial Covenant Limit on Debt for Borrowed Money to Capital Ratio	Debt for Borrowed Money to Capital Ratio as of September 30, 2024 (2)	Termination Date
		(in millions)				
December 6, 2022	CenterPoint Energy	\$ 2,400	1.500 %	65.0 % (3)	59.7 %	December 6, 2027
December 6, 2022	CenterPoint Energy (4)	250	1.125 %	65.0 %	45.1 %	December 6, 2027
December 6, 2022	Houston Electric	300	1.250 %	67.5 % (3)	53.2 %	December 6, 2027
December 6, 2022	CERC	1,050	1.125 %	65.0 %	39.5 %	December 6, 2027
	Total	<u>\$ 4,000</u>				

(1) Based on credit ratings as of September 30, 2024.

(2) As defined in the revolving credit facility agreements, excluding Securitization Bonds.

(3) For CenterPoint Energy and Houston Electric, the financial covenant limit will temporarily increase to 70 % if Houston Electric experiences damage from a natural disaster in its service territory and CenterPoint Energy certifies to the administrative agent that Houston Electric has incurred system restoration costs reasonably likely to exceed \$ 100 million in a consecutive 12 -month period, all or part of which Houston Electric intends to seek to recover through securitization financing. Such temporary increase in the financial covenant would be in effect from the date CenterPoint Energy delivers its certification until the earliest to occur of (i) the completion of the securitization financing, (ii) the first anniversary of CenterPoint Energy's certification or (iii) the revocation of such certification.

(4) This credit facility was issued by SIGECO.

The Registrants, as well as the subsidiaries of CenterPoint Energy discussed above, were in compliance with all financial debt covenants as of September 30, 2024.

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

Registrant	September 30, 2024				December 31, 2023			
	Loans	Letters of Credit	Commercial Paper (2)	Weighted Average Interest Rate	Loans	Letters of Credit	Commercial Paper (2)	Weighted Average Interest Rate
(in millions, except weighted average interest rate)								
CenterPoint Energy	\$ —	\$ —	\$ 803	4.91 %	\$ —	\$ —	\$ 1,036	5.54 %
CenterPoint Energy (1)	—	—	—	— %	—	—	—	— %
Houston Electric	—	—	—	— %	—	—	—	— %
CERC	—	1	197	4.90 %	—	1	484	5.53 %
Total	\$ —	\$ 1	\$ 1,000		\$ —	\$ 1	\$ 1,520	

(1) This credit facility was issued by SIGECO.

(2) CenterPoint Energy's and CERC's outstanding commercial paper generally have maturities of up to 60 days and 30 days, respectively, and are backstopped by the respective issuer's long-term revolving credit facility. Neither Houston Electric nor SIGECO has a commercial paper program.

**Liens.** As of September 30, 2024, Houston Electric's assets were subject to liens securing approximately \$ 8 billion of general mortgage bonds outstanding under the General Mortgage, including approximately \$ 68 million held in trust to secure pollution control bonds that mature in 2028 for which CenterPoint Energy is obligated. The general mortgage bonds that are held in trust to secure pollution control bonds are not reflected in Houston Electric's consolidated financial statements because of the contingent nature of the obligations. Houston Electric may issue additional general mortgage bonds on the basis of retired bonds, 70 % of property additions or cash deposited with the trustee. Houston Electric could issue approximately \$ 5.1 billion of additional general mortgage bonds on the basis of retired bonds and 70 % of property additions as of September 30, 2024. No first mortgage bonds are outstanding under the M&DOT, and Houston Electric is contractually obligated to not issue any additional first mortgage bonds under the M&DOT and is undertaking actions to release the lien of the M&DOT and terminate the M&DOT.

As of September 30, 2024, SIGECO had approximately \$ 985 million aggregate principal amount of first mortgage bonds outstanding. Generally, all of SIGECO's real and tangible property is subject to the lien of SIGECO's mortgage indenture which was amended and restated effective as of January 1, 2023. As of September 30, 2024, SIGECO was permitted to issue additional bonds under its mortgage indenture up to 70 % of then currently unfunded property additions and approximately \$ 814 million of additional first mortgage bonds could be issued on this basis.

## (12) Income Taxes

The Registrants reported the following effective tax rates:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
CenterPoint Energy (1)	21 %	19 %	18 %	25 %
Houston Electric (2)	19 %	22 %	19 %	22 %
CERC (3)	21 %	25 %	20 %	22 %

(1) CenterPoint Energy's higher effective tax rate for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was primarily due to a decrease in EDIT amortization and a decrease in qualifying costs eligible for research and development tax credits. CenterPoint Energy's lower effective tax rate for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was primarily due to the absence of impacts associated with the sale of Energy Systems Group recorded in 2023, a decrease in state income taxes, and the tax impacts of the state deferred remeasurement benefit of \$ 25 million related to the Louisiana and Mississippi natural gas LDC businesses sale, which met the held for sale criteria in the first quarter of 2024 and is described further below, partially offset by the tax impacts of the valuation allowance of \$ 21 million established against Louisiana and Mississippi NOLs, since those NOLs will not be utilized due to the Louisiana and Mississippi natural gas LDC businesses sale. See Note 3 for further details.

(2) Houston Electric's lower effective tax rate for the three and nine months ended September 30, 2024 compared to the same period ended September 30, 2023 was primarily driven by a decrease in state income taxes and an increase in EDIT amortization.

- (3) CERC's lower effective tax rate for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was primarily driven by a decrease in state income taxes, partially offset by a decrease in EDIT amortization. CERC's lower effective tax rate for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was primarily driven by a decrease in state income taxes, partially offset by a decrease in EDIT amortization. In addition, the tax impacts of the state deferred remeasurement benefit of \$ 24 million associated with the Louisiana and Mississippi natural gas LDC businesses sale meeting the held for sale criteria during 2024. For tax purposes, when the held for sale criteria is met, the CERC and unitary state apportionment rates must be updated to account for the sale and applied to the estimated post-sale net deferred tax liability. This impact was partially offset by the tax impacts of a valuation allowance of \$ 21 million against Louisiana and Mississippi NOLs, since those NOLs will not be utilized due to the Louisiana and Mississippi natural gas LDC businesses sale.

CenterPoint Energy reported a net uncertain tax liability, inclusive of interest and penalties, of \$ 31 million as of September 30, 2024. The Registrants believe that it is reasonably possible that the Registrants will recognize a \$ 3 million tax benefit, including penalties and interest, in the next 12 months as a result of a lapse of statutes on the 2020 Indiana state return.

*Tax Audits and Settlements* . Tax years through 2022 have been audited and settled with the IRS for CenterPoint Energy. For tax years 2023 and 2024, the Registrants are participants in the IRS's Compliance Assurance Process. Vectren's pre-Merger 2014 through 2019 tax years have been audited and settled with the IRS.

### **(13) Commitments and Contingencies**

#### **(a) Purchase Obligations (CenterPoint Energy and CERC)**

Commitments include minimum purchase obligations related to CenterPoint Energy's and CERC's Natural Gas reportable segment and CenterPoint Energy's Electric reportable segment. A purchase obligation is defined as an agreement to purchase goods or services that is enforceable and legally binding on the registrant and that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Contracts with minimum payment provisions have various quantity requirements and durations and are not classified as non-trading derivative assets and liabilities in CenterPoint Energy's and CERC's Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023 because these contracts meet an exception as "normal purchases contracts" or do not meet the definition of a derivative. Natural gas and coal supply commitments also include transportation contracts that do not meet the definition of a derivative.

On February 1, 2023, Indiana Electric entered into an amended and restated BTA to purchase the 191 MW Posey Solar project for a fixed purchase price over the anticipated 35 - year life. On February 7, 2023, Indiana Electric filed a CPCN with the IURC to approve the amended BTA. With the passage of the IRA, Indiana Electric can now pursue PTCs for solar projects. Indiana Electric filed the updated CPCN with a request that project costs, net of PTCs, be recovered in rate base, through base rates or the CECA mechanism, depending on which provides more timely recovery. On September 6, 2023, the IURC issued an order approving the CPCN. The Posey Solar project is expected to be placed in service in 2025.

On January 11, 2023, the IURC issued an order approving the settlement agreement granting Indiana Electric a CPCN to purchase and acquire the 130 MW Pike County solar project through a BTA and approved the estimated cost. The IURC also designated the project as a clean energy project as well as approved the proposed levelized rate and associated ratemaking and accounting treatment. Due to inflationary pressures, the developer disclosed that costs exceeded the agreed upon levels in the BTA. After negotiations, Indiana Electric and the developer were not able to agree upon updated pricing. As a result, on February 27, 2024, Indiana Electric provided notice that it was exercising its right to terminate the BTA, which terminated all further obligations of Indiana Electric with respect to the project.

As of September 30, 2024, other than discussed below, minimum purchase obligations were approximately:

	CenterPoint Energy			CERC
	Natural Gas Supply	Electric Supply (1)	Other (2)	Natural Gas Supply
	(in millions)			
Remainder of 2024	\$ 207	\$ 45	\$ 23	\$ 205
2025	616	457	55	612
2026	554	113	57	550
2027	476	107	12	473
2028	432	68	8	429
Thereafter	1,870	767	213	1,844

- (1) CenterPoint Energy's undiscounted minimum payment obligations related to PPAs with commitments ranging from 15 years to 25 years and its purchase commitments under its BTA in Posey County, Indiana at the original contracted amount.
- (2) The undiscounted payment obligations relate primarily to technology hardware and software agreements.

Excluded from the table above are estimates for cash outlays from other PPAs through Indiana Electric that do not have minimum thresholds but do require payment when energy is generated by the provider. Costs arising from certain of these commitments are pass-through costs, generally collected dollar-for-dollar from retail customers through regulator-approved cost recovery mechanisms.

**(b) Guarantees (CenterPoint Energy)**

On May 21, 2023, CenterPoint Energy, through Vectren Energy Services, entered into the Equity Purchase Agreement to sell Energy Systems Group. The sale closed on June 30, 2023. See Note 3 for further information.

In the normal course of business prior to the consummation of the transaction on June 30, 2023, CenterPoint Energy, primarily through Vectren, issued parent company level guarantees supporting Energy Systems Group's obligations. When Energy Systems Group was wholly-owned by CenterPoint Energy, these guarantees did not represent incremental consolidated obligations, but rather, these guarantees represented guarantees of Energy Systems Group's obligations to allow it to conduct business without posting other forms of assurance. For those obligations where potential exposure can be estimated, management estimated the maximum exposure under these guarantees to be approximately \$ 473 million as of September 30, 2024 and expects the exposure to decrease pro rata. This exposure primarily relates to energy savings guarantees on federal energy savings performance contracts. Other parent company level guarantees, certain of which do not contain a cap on potential liability, were issued prior to the sale of Energy Systems Group in support of federal operations and maintenance projects for which a maximum exposure cannot be estimated based on the nature of the projects.

Under the terms of the Equity Purchase Agreement, ESG Holdings Group must generally use reasonable best efforts to replace existing CenterPoint Energy guarantees with credit support provided by a party other than CenterPoint Energy as of and after the closing of the transaction. The Equity Purchase Agreement also requires certain protections to be provided for any damages incurred by CenterPoint Energy in relation to these guarantees not released by closing. No additional guarantees were provided by CenterPoint Energy in favor of Energy Systems Group subsequent to the closing of the sale on June 30, 2023.

While there can be no assurance that performance under any of these parent company guarantees will not be required in the future, CenterPoint Energy considers the likelihood of a material amount being incurred as remote. CenterPoint Energy believes that, from Energy Systems Group's inception in 1994 to the closing of the sale of Energy Systems Group on June 30, 2023, Energy Systems Group had a history of generally meeting its performance obligations and energy savings guarantees and its installed products operated effectively. CenterPoint Energy recorded no amounts on its Condensed Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023 related to its obligation under the outstanding guarantees.

**(c) Legal, Environmental and Other Matters**

**Legal Matters**

*Litigation Related to Hurricane Beryl.* Various federal, state and local governmental and regulatory agencies and other entities, such as the Texas Governor's office, the Texas Legislature and the PUCT, have called for or are conducting inquiries and investigations into Hurricane Beryl, the efforts made by Houston Electric to prepare for, and respond to, this event,



including the electric service outage issues, and the procurement of temporary generation units. Moreover, additional governmental and regulatory agencies and other entities may conduct such inquiries and investigations, as well. There are significant uncertainties around these inquiries and investigations and potential results and consequences, including whether any financial penalties will be assessed or changes to Houston Electric's system, service territories, operations and/or regulatory treatment will result therefrom.

CenterPoint Energy and Houston Electric are subject to current and potential future litigation and claims arising out of Hurricane Beryl, which litigation and claims could include allegations of, among other things, personal injury, property damage, various economic losses in connection with loss of power, unlawful business practices, and others. As of September 30, 2024, three putative class actions have been filed against CenterPoint Energy and/or Houston Electric in the District Courts of Harris County, Texas, on behalf of individuals or entities who claim losses due to power outages lasting at least 48 hours as a result of Hurricane Beryl, such actions consisting of the following proposed classes: (1) all restaurants in Harris County, Galveston County, and Montgomery County; (2) all residential customers; and (3) all health, wellness, medical and beauty facilities in Harris County. These putative classes assert claims and theories of negligence, gross negligence, nuisance, fraud, and/or violation of Houston Electric's tariff for retail delivery service, and each seeks damages in excess of \$100 million for, among other things, business interruption, property damage and loss, cost of repair, loss of use and market value, lost income, nuisance, extreme mental anguish and/or punitive damages. In addition, as of September 30, 2024, an individual action has been filed in Harris County District Court asserting claims of negligence, negligence per se and gross negligence against CenterPoint Energy and Houston Electric. The plaintiff in this action alleges personal injury from a power line and seeks damages in excess of \$1 million. CenterPoint Energy and Houston Electric intend to vigorously defend themselves against the lawsuits. CenterPoint Energy and its subsidiaries have general and excess liability insurance policies that provide coverage for third party bodily injury and property damage claims. Given the nature of some allegations, it is possible that the insurers could dispute coverage for some types of claims or damages that may be alleged by plaintiffs, and one of CenterPoint Energy's insurers has denied indemnity coverage in the putative class actions based on the failure to supply exclusion and has also reserved its rights with respect to coverage in those actions. CenterPoint Energy and Houston Electric intend to continue to pursue all available insurance coverage for all of these matters. For more information regarding Hurricane Beryl, see Note 6.

*Litigation Related to the February 2021 Winter Storm Event.* Various legal proceedings are still pending against numerous entities with respect to the February 2021 Winter Storm Event, including against CenterPoint Energy, Utility Holding, Houston Electric, and CERC. Like other Texas energy companies and TDUs, CenterPoint Energy and Houston Electric have become involved in certain investigations, litigation and other regulatory and legal proceedings regarding their efforts to restore power during the storm and their compliance with NERC, ERCOT and PUCT rules and directives. Additionally, like other natural gas market participants, CERC has been named in litigation alleging gas market manipulation.

CenterPoint Energy, Utility Holding, and Houston Electric, along with hundreds of other defendants (including ERCOT, power generation companies, other TDUs, natural gas producers, REPs, and other entities) have received claims and lawsuits filed by plaintiffs alleging wrongful death, personal injury, property damage and other injuries and damages. As of September 30, 2024, there were approximately 220 pending lawsuits that are consolidated in Texas state court in Harris County, Texas, as part of the MDL proceeding related to the February 2021 Winter Storm Event, and CenterPoint Energy and Houston Electric, along with numerous other entities, have been named as defendants in approximately 155 of those lawsuits. One of the lawsuits in the MDL is a putative class action on behalf of everyone who received electric power via the ERCOT grid and sustained a power outage between February 10, 2021 and February 28, 2021. Additionally, Utility Holding is currently named as a defendant in one lawsuit in which CenterPoint Energy and Houston Electric are also named as defendants.

The judge overseeing the MDL issued an initial case management order and stayed all proceedings and discovery. Per the case management order, the judge entertained dispositive motions in five representative or "bellwether" cases and, in late January 2023, issued rulings on them. The judge ruled that ERCOT has sovereign immunity as a governmental entity and dismissed the suits against it. In a subsequent opinion in an unrelated matter, the Texas Supreme Court held that ERCOT is entitled to sovereign immunity. This ruling will apply to claims against ERCOT in the MDL. The MDL judge also dismissed all claims against the natural gas defendants (which list of natural gas defendants incorrectly included Utility Holding) and the REP defendants and some causes of action against the other defendants. CenterPoint Energy expects that the claims against Utility Holding will ultimately be dismissed in light of the judge's initial rulings. As to the TDU and generator defendants, the judge dismissed some causes of action but denied the motions to dismiss claims for negligence, gross negligence, and nuisance, which denial the TDU defendants and generator defendants asked the courts of appeals to overturn. On April 2, 2024, a three-judge panel of the Court of Appeals for the Fourteenth District of Texas issued an opinion in the TDU mandamus proceeding, granting in part and denying in part the TDUs' mandamus request. In its opinion, the panel granted the TDUs' mandamus request relating to the TDUs' motion to dismiss the plaintiffs' claims for negligence and negligent and strict liability nuisance and ordered those claims be dismissed. The panel denied the TDUs' mandamus request relating to the TDUs' motion to dismiss the plaintiffs' gross negligence and intentional nuisance claims. On May 22, 2024, the TDUs filed a mandamus petition with the Supreme Court of Texas, seeking dismissal of the remaining claims. On June 28, 2024, the Supreme Court of Texas requested a

response from the plaintiffs to the mandamus petition, and the plaintiffs filed their response on July 26, 2024. The TDUs filed their reply in support of their mandamus petition on August 12, 2024. On August 30, 2024, the Supreme Court of Texas requested briefing on the merits of the TDUs' mandamus. The TDUs' initial brief was filed on September 30, 2024. The plaintiffs' response was filed on October 21, 2024, and the TDUs' reply brief is due on November 5, 2024. In the generator mandamus proceeding pending in the Court of Appeals for the First District of Texas, the plaintiffs have asked the entire First Court of Appeals to rehear the panel's decision granting the generators' mandamus request. The MDL judge allowed defendants (including Houston Electric) to file several additional motions on preliminary legal issues, and otherwise the cases remain stayed. CenterPoint Energy, Utility Holding, and Houston Electric intend to vigorously defend themselves against the claims raised.

CenterPoint Energy and Houston Electric have also responded to inquiries from the Texas Attorney General and the Galveston County District Attorney's Office, and various other regulatory and governmental entities also conducted inquiries, investigations and other reviews of the February 2021 Winter Storm Event and the efforts made by various entities to prepare for, and respond to, the event, including the electric generation shortfall issues.

In February 2023, twelve lawsuits were filed in state district court in Harris County and Tom Green County, Texas, against dozens of gas market participants in Texas, including natural gas producers, processors, pipelines, marketers, sellers, traders, gas utilities, and financial institutions. Plaintiffs named CERC as a defendant, along with "CenterPoint Energy Services, Inc.," incorrectly identifying it as CERC's parent company (CenterPoint Energy previously divested CES). One lawsuit filed in Harris County is a putative class action on behalf of two classes of electric and natural gas customers (those who experienced a loss of electricity and/or natural gas, and those who were charged securitization-related surcharges on a utility bill or were otherwise charged higher rates for electricity and/or gas during the February 2021 Winter Storm Event), potentially including millions of class members. Two other lawsuits (one filed in Harris County and one in Tom Green County) are brought by an entity that purports to be an assignee of claims by tens of thousands of persons and entities that have assigned claims to the plaintiff. These, and nine other similar lawsuits filed in Harris County, generally allege that the defendants engaged in gas market manipulation and price gouging, including by intentionally withholding, suppressing, or diverting supplies of natural gas in connection with the February 2021 Winter Storm Event, Winter Storm Elliott, and other severe weather conditions, and through financial market manipulation. Plaintiffs allege that this manipulation impacted gas supply and prices as well as the market, supply, and price of electricity in Texas and caused blackouts and other damage. Plaintiffs assert claims for tortious interference with existing contract, private nuisance, and unjust enrichment, and allege a broad array of injuries and damages, including personal injury, property damage, and harm from certain costs being securitized and passed on to ratepayers. The lawsuits do not specify the amount of damages sought, but seek broad categories of actual, compensatory, statutory, consequential, economic, and punitive damages; restitution and disgorgement; pre- and post-judgment interest; costs and attorneys' fees; and other relief. As of September 30, 2024, most of the lawsuits had not been served, but the three cases in which defendants were served were tagged for transfer to the existing MDL proceeding referenced above. On February 2, 2024, CERC filed pleas to the jurisdiction in the three cases in which it was served; CERC also partially joined the other defendants' motions to dismiss and additional pleas to the jurisdiction. On April 2, 2024, plaintiffs in the three served cases filed amended petitions rather than responding to pleas to the jurisdiction and motions to dismiss. Among other changes, plaintiffs in these three cases dismissed CES, but maintained the same three causes of action as to the remaining defendants. CERC has vigorously defended itself against the claims raised, including filing updated pleas to the jurisdiction on May 17, 2024 in response to plaintiffs' amended petitions – and will continue to do so. On August 12, 2024, plaintiffs in the putative class action filed a motion for leave to amend to add additional plaintiffs/class representatives. Defendants opposed this motion on September 20, 2024. On September 23, 2024, the MDL judge heard oral argument on CERC's plea to the jurisdiction and defendants' motions to dismiss and other pleas to the jurisdiction. The MDL judge has not yet issued any rulings on these motions. The nine other similar lawsuits filed in Harris County have also been tagged for transfer to the MDL proceeding, but the defendants, including CERC, have not been served. These gas market cases are in addition to the 220 cases noted above regarding electric market issues.

To date, there have not been demands, quantification, disclosure or discovery of damages by any party to any of the above legal matters that are sufficient to enable CenterPoint Energy and its subsidiaries to estimate exposure. Given that, as well as the preliminary nature of the proceedings, the numerosity of parties and complexity of issues involved, and the uncertainties of litigation, CenterPoint Energy and its subsidiaries are unable to predict the outcome or consequences of any of the foregoing matters or to estimate a range of potential losses. CenterPoint Energy and its subsidiaries have general and excess liability insurance policies that provide coverage for third party bodily injury and property damage claims. As CenterPoint Energy previously noted, given the nature of certain of the plaintiffs' allegations, insurance coverage may not be available other than for third party bodily injury and property damage claims caused by an accident, and one of CenterPoint Energy's insurers has reserved its rights with respect to coverage for plaintiffs' intentional nuisance claims as well as plaintiffs' claims in the gas market cases. CenterPoint Energy and its subsidiaries intend to continue to pursue all available insurance coverage for all of these matters.

**Jefferson Parish.** Several parishes and the State of Louisiana filed 42 suits under Louisiana's State and Local Coastal Resources Management Act (SLCRMA) against hundreds of oil and gas companies seeking compensatory damages for contamination and erosion of the Louisiana coastline allegedly caused by historical oil and gas operations. One of the defendants in one of the lawsuits (filed in 2013 only by the Parish of Jefferson) is Primary Fuels, Inc., a predecessor company of CenterPoint Energy, which operated in Louisiana from 1983-1989. All 42 suits were removed to Louisiana federal courts twice and were stayed for several years pending the district courts' consideration of various motions to remand and multiple appeals of remand orders. Recently, several cases involving other parishes that had been remanded to Louisiana state court have begun to resume proceedings in state court. However, as of September 30, 2024, the federal district court had not ruled on Jefferson Parish's motion to remand to state court the lawsuit which includes Primary Fuels, Inc. among the defendants.

Because of the procedurally preliminary nature of the proceedings, lack of information about both the scope of and damages for Jefferson Parish's claim against Primary Fuels, Inc., the numerosity of parties and complexity of issues involved, and the uncertainties of litigation, CenterPoint Energy and its subsidiaries are unable to predict the outcome or consequences of this matter or to estimate a range of potential losses. CenterPoint Energy will continue to vigorously defend itself against the claims raised and pursue any and all available insurance coverage.

#### Environmental Matters

**MGP Sites.** CenterPoint Energy, CERC and their predecessors, including predecessors of Vectren, operated MGPs in the past. The costs CenterPoint Energy or CERC, as applicable, expect to incur to fulfill their respective obligations are estimated by management using assumptions based on actual costs incurred, the timing of expected future payments and inflation factors, among others. While CenterPoint Energy and CERC have recorded obligations for all costs which are probable and estimable, including amounts they are presently obligated to incur in connection with activities at these sites, it is possible that future events may require remedial activities which are not presently foreseen, and those costs may not be subject to PRP or insurance recovery.

- (i) **Minnesota MGPs (CenterPoint Energy and CERC)** . With respect to certain Minnesota MGP sites, CenterPoint Energy and CERC have completed state-ordered remediation and continue state-ordered monitoring and water treatment. CenterPoint Energy and CERC recorded a liability as reflected in the table below for continued monitoring and any future remediation required by regulators in Minnesota.
- (ii) **Indiana MGPs (CenterPoint Energy and CERC)** . In the Indiana Gas service territory, the existence, location and certain general characteristics of 26 gas manufacturing and storage sites have been identified for which CenterPoint Energy and CERC may have some remedial responsibility. A remedial investigation/feasibility study was completed at one of the sites under an agreed upon order between Indiana Gas and the IDEM, and a Record of Decision was issued by the IDEM in January 2000. The remaining sites have been submitted to the IDEM's VRP. CenterPoint Energy has also identified its involvement in five manufactured gas plant sites in SIGECO's service territory, all of which are currently enrolled in the IDEM's VRP. CenterPoint Energy is currently conducting some level of remedial activities, including groundwater monitoring at certain sites.
- (iii) **Other MGPs (CenterPoint Energy and CERC)**. In addition to the Minnesota and Indiana sites, the EPA and other regulators have investigated MGP sites that were owned or operated by CenterPoint Energy or CERC or may have been owned by one of their former affiliates.

Total costs that may be incurred in connection with addressing these sites cannot be determined at this time. The estimated accrued costs are limited to CenterPoint Energy's and CERC's share of the remediation efforts and are therefore net of exposures of other PRPs. The estimated range of possible remediation costs for the sites for which CenterPoint Energy and CERC believe they may have responsibility was based on remediation continuing for the minimum time frame given in the table below:

	September 30, 2024			
	CenterPoint Energy		CERC	
	(in millions, except years)			
Amount accrued for remediation	\$	13	\$	11
Minimum estimated remediation costs		8		7
Maximum estimated remediation costs		47		40
Minimum years of remediation		5		5
Maximum years of remediation		50		50

The cost estimates are based on studies of a site or industry average costs for remediation of sites of similar size. The actual remediation costs will depend on the number of sites to be remediated, the participation of other PRPs, if any, and the remediation methods used.

CenterPoint Energy and CERC do not expect the ultimate outcome of these matters to have a material adverse effect on the financial condition, results of operations or cash flows of either CenterPoint Energy or CERC.

**Asbestos.** Some facilities owned by the Registrants or their predecessors contain or have contained asbestos insulation and other asbestos-containing materials. The Registrants are from time to time named, along with numerous others, as defendants in lawsuits filed by a number of individuals who claim injury due to exposure to asbestos, and the Registrants anticipate that additional claims may be asserted in the future. Although their ultimate outcome cannot be predicted at this time, the Registrants do not expect these matters, either individually or in the aggregate, to have a material adverse effect on their financial condition, results of operations or cash flows.

**CCR Rule (CenterPoint Energy).** In April 2015, the EPA finalized its CCR Rule, which regulates ash as non-hazardous material under the RCRA. The final rule allows beneficial reuse of ash, and a portion of the ash generated by Indiana Electric's generating plants will continue to be reused. In July 2018, the EPA released its final CCR Rule Phase I Reconsideration which extended the deadline to October 31, 2020 for ceasing placement of ash in ponds that exceed groundwater protections standards or that fail to meet location restrictions. In August 2019, the EPA proposed additional "Part A" amendments to its CCR Rule with respect to beneficial reuse of ash and other materials. The Part A amendments were finalized in August 2020 and extended the deadline to cease placement of ash in ponds to April 11, 2021, discussed further below. The Part A amendments do not restrict Indiana Electric's current beneficial reuse of its fly ash.

Indiana Electric has three ash ponds, two at the F.B. Culley facility (Culley East and Culley West) and one at the A.B. Brown facility. Under the CCR Rule, Indiana Electric is required to perform integrity assessments, including ground water monitoring, at its F.B. Culley and A.B. Brown generating stations. The ground water studies were necessary to determine the remaining service life of the ponds and whether a pond must be retrofitted with liners or closed in place. Groundwater monitoring indicates potential groundwater impacts very close to Indiana Electric's ash impoundments, and further analysis is ongoing. The CCR Rule required companies to complete location restriction determinations by October 18, 2018. Indiana Electric completed its evaluation and determined that one F.B. Culley pond (Culley East) and the A.B. Brown pond fail the aquifer placement location restriction. As a result of this failure, Indiana Electric was required to cease disposal of new ash in the ponds and commence closure of the ponds by April 11, 2021, unless approved for an extension. CenterPoint Energy filed timely extension requests available under the CCR Rule that would allow Indiana Electric to continue to use the ponds through October 15, 2023. On October 5, 2022, the EPA issued a proposed conditional approval of the Part A extension request for the A.B. Brown pond. Both the Culley East and A.B. Brown facilities have been taken out of service in a timely manner per the commitments made to the EPA in the extension requests filed for both ponds. On April 24, 2019, Indiana Electric received an order from the IURC approving recovery in rates of costs associated with the closure of the Culley West pond, which has already completed closure activities. On August 14, 2019, Indiana Electric filed its petition with the IURC for recovery of costs associated with the closure of the A.B. Brown ash pond, which would include costs associated with the excavation and recycling of ponded ash. This petition was subsequently approved by the IURC on May 13, 2020. On October 28, 2020, the IURC approved Indiana Electric's ECA proceeding, which included the initiation of recovery of the federally mandated project costs.

In July 2018, Indiana Electric filed a Complaint for Damages and Declaratory Relief against its insurers seeking reimbursement of defense, investigation and pond closure costs incurred to comply with the CCR Rule, and has since reached confidential settlement agreements with its insurers. The proceeds of these settlements will offset costs that have been and will be incurred to close the ponds.

On November 1, 2022, Indiana Electric filed for a CPCN to recover federally mandated costs associated with closure of the Culley East Pond, its third and final ash pond. Indiana Electric sought accounting and ratemaking relief for the project, and on June 8, 2023, Indiana Electric filed a revised CPCN for recovery of the federally mandated ash pond costs. On February 7, 2024 the IURC approved the federally mandated costs, both incurred and projected, of \$ 52 million in capital costs, plus an estimated \$ 133 thousand in annual operation and maintenance expenses, for recovery through the ECA.

As of September 30, 2024, CenterPoint Energy recorded an approximate \$ 119 million ARO, which represents the discounted value of future cash flow estimates to close the ponds at A.B. Brown and F.B. Culley. This estimate is subject to change due to the contractual arrangements; continued assessments of the ash, closure methods, and the timing of closure; implications of Indiana Electric's generation transition plan; changing environmental regulations; and proceeds received from

the settlements in the aforementioned insurance proceeding. In addition to these AROs, Indiana Electric also anticipates equipment purchases of between \$ 60 million and \$ 80 million to complete the A.B. Brown closure project.

On April 25, 2024, the EPA released its final Hazardous and Solid Waste Management System; Disposal of Coal Combustion Residuals from Electric Utilities; Legacy CCR Surface Impoundments rule (CCR Legacy Rule), which was published in the federal register in May 2024. The CCR Legacy Rule requires companies to investigate previously closed impoundments that were used historically for ash disposal or locations which have had ash placed on them in amounts set forth in the CCR Legacy Rule. The Registrants have completed their preliminary review of potential sites that will require further investigation under the CCR Legacy Rule and identified certain sites in Indiana for further evaluation. In September 2024, Indiana Electric recorded an approximate \$ 11 million ARO with a corresponding increase of \$ 11 million to Property, plant and equipment for amounts recoverable for electric generation stations that are currently in service. These estimates reflect the discounted value of future estimated capping costs for an area of historic ash placement at F.B. Culley. Indiana Electric will continue to refine the assumptions, engineering analyses and resulting cost estimates associated with this ARO and such refinement could materially impact the amount of the estimated ARO.

*Clean Water Act Permitting of Groundwater and Power Plant Discharges* . In April 2020, the U.S. Supreme Court issued an opinion providing that indirect discharges via groundwater or other non-point sources are subject to permitting and liability under the Clean Water Act when they are the functional equivalent of a direct discharge. On November 27, 2023, the EPA published draft guidance regarding the application of the “functional equivalent” analysis as related to permitting of certain discharges through groundwater to surface waters. The Registrants do not currently anticipate impacts from this guidance, but groundwater monitoring continues under the CCR Rule.

In 2015, the EPA finalized revisions to the existing steam electric wastewater discharge standards which set more stringent wastewater discharge limits and effectively prohibited further wet disposal of coal ash in ash ponds. In February 2019, the IURC approved Indiana Electric's Effluent Limitation Guidelines Compliance Plan for its F.B. Culley Generating Station, which was completed in compliance with the requirements of the Effluent Limitation Guidelines. On April 25, 2024, the EPA released its final Supplemental Effluent Limitation Guidelines and Standards for the Steam Electric Generating Point Source Category. The Registrants currently anticipate that they will be in compliance with the Supplemental ELG Guidelines at the Culley facility due to previous wastewater treatment upgrades.

*Other Environmental.* From time to time, the Registrants identify the presence of environmental contaminants during operations or on property where their predecessors have conducted operations. Other such sites involving contaminants may be identified in the future. The Registrants have and expect to continue to remediate any identified sites consistent with state and federal legal obligations. From time to time, the Registrants have received notices, and may receive notices in the future, from regulatory authorities or others regarding status as a PRP in connection with sites found to require remediation due to the presence of environmental contaminants. In addition, the Registrants have been, or may be, named from time to time as defendants in litigation related to such sites. Although the ultimate outcome of such matters cannot be predicted at this time, the Registrants do not expect these matters, either individually or in the aggregate, to have a material adverse effect on their financial condition, results of operations or cash flows.

#### ***Other Proceedings***

The Registrants are involved in other legal, environmental, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies regarding matters arising in the ordinary course of business. From time to time, the Registrants are also defendants in legal proceedings with respect to claims brought by various plaintiffs against broad groups of participants in the energy industry. Some of these proceedings involve substantial amounts. The Registrants regularly analyze current information and, as necessary, provide accruals for probable and reasonably estimable liabilities on the eventual disposition of these matters. The Registrants do not expect the disposition of these matters to have a material adverse effect on the Registrants' financial condition, results of operations or cash flows.

#### **(14) Earnings Per Share (CenterPoint Energy)**

Basic earnings per common share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. Participating securities are excluded from weighted average number of common shares outstanding in the computation of basic earnings per common share. Diluted earnings per common share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding, including all potentially dilutive common shares, if the effect of such common shares is dilutive.

Diluted earnings per common share reflects the dilutive effect of potential common shares from share-based awards. The dilutive effect of restricted stock is computed using the if-converted method, which assumes conversion of the restricted stock

at the beginning of the period. The dilutive effect of restricted stock is computed using the treasury stock method, as applicable, which includes the incremental shares that would be hypothetically vested in excess of the number of shares assumed to be hypothetically repurchased with the assumed proceeds.

Diluted earnings per common share will also reflect the dilutive effect of potential common shares from the conversion of the Convertible Notes. Convertible debt in which the principal amount must be settled in cash is excluded from the calculation of diluted earnings per common share. There would be no interest expense adjustment to the numerator for the cash-settled portion of the Convertible Notes because that portion will always be settled in cash. The conversion spread value in shares will be included in diluted earnings per common share using the if-converted method if the convertible debt is in the money. The denominator of diluted earnings per common share is determined by dividing the conversion spread value of the share-settled portion of the Convertible Notes as of the reporting date by the average share price over the reporting period. For the three and nine months ended September 30, 2024, the convertible debt was not in the money; therefore, no incremental shares were assumed converted or included in the diluted earnings per share calculation below. For further details about the Convertible Notes, see Note 11.

The following table reconciles numerators and denominators of CenterPoint Energy's basic and diluted earnings per common share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in millions, except per share and share amounts)				
<b>Numerator:</b>				
Net income	\$ 193	\$ 282	\$ 771	\$ 725
Less: Preferred stock dividend requirement (Note 18)	—	26	—	50
Income available to common shareholders – basic and diluted	<u>\$ 193</u>	<u>\$ 256</u>	<u>\$ 771</u>	<u>\$ 675</u>
<b>Denominator:</b>				
Weighted average common shares outstanding – basic	647,797,000	631,185,000	640,287,000	630,854,000
Plus: Incremental shares from assumed conversions:				
Restricted stock	417,000	1,858,000	1,074,000	2,183,000
Weighted average common shares outstanding – diluted	<u>648,214,000</u>	<u>633,043,000</u>	<u>641,361,000</u>	<u>633,037,000</u>
<b>Earnings Per Common Share:</b>				
Basic	<u>\$ 0.30</u>	<u>\$ 0.41</u>	<u>\$ 1.20</u>	<u>\$ 1.07</u>
Diluted	<u>\$ 0.30</u>	<u>\$ 0.40</u>	<u>\$ 1.20</u>	<u>\$ 1.07</u>

#### (15) Reportable Segments

The Registrants' determination of reportable segments considers the strategic operating units under which the CODM manages sales, allocates resources and assesses performance of various products and services to wholesale or retail customers in differing regulatory environments. Each Registrant's CODM views net income as the measure of profit or loss for the reportable segments.

As of September 30, 2024, reportable segments by Registrant were as follows:

##### CenterPoint Energy

- CenterPoint Energy's Electric reportable segment consists of electric transmission and distribution services in the Texas gulf coast area in the ERCOT region and electric transmission and distribution services primarily to southwestern Indiana and includes power generation and wholesale power operations in the MISO region.
- CenterPoint Energy's Natural Gas reportable segment consists of (i) intrastate natural gas sales to, and natural gas transportation and distribution for residential, commercial, industrial and institutional customers in Indiana, Louisiana, Minnesota, Mississippi, Ohio and Texas; and (ii) permanent pipeline connections through interconnects with various interstate and intrastate pipeline companies through CEIP.
- CenterPoint Energy's Corporate and Other category consists of energy performance contracting and sustainable infrastructure services through Energy Systems Group through June 30, 2023, the date of the sale of Energy Systems

Group, and corporate operations which support all of the business operations of CenterPoint Energy. CenterPoint Energy's Corporate and Other also includes office buildings and other real estate used for business operations.

#### Houston Electric

- Houston Electric's single reportable segment consists of electric transmission services to transmission service customers in the ERCOT region and distribution services to REPs serving the Texas gulf coast area that includes the city of Houston.

#### CERC

- CERC's single reportable segment following the Restructuring consisted of (i) intrastate natural gas sales to, and natural gas transportation and distribution for, residential, commercial, industrial and institutional customers in Indiana, Louisiana, Minnesota, Mississippi, Ohio and Texas; and (ii) permanent pipeline connections through interconnects with various interstate and intrastate pipeline companies through CEIP.

The following table provides financial data for CenterPoint Energy's reportable segments. Each of Houston Electric and CERC consist of a single reportable segment; therefore, a tabular reportable segment presentation has not been included for Houston Electric or CERC.

#### CenterPoint Energy

	Three Months Ended September 30,			
	2024		2023	
	Revenues from External Customers	Net Income (Loss)	Revenues from External Customers	Net Income (Loss)
	(in millions)			
Electric	\$ 1,243	\$ 226	\$ 1,261	\$ 290
Natural Gas	611	30	597	27
Corporate and Other	2	( 63 )	2	( 35 )
Consolidated	\$ 1,856	\$ 193	\$ 1,860	\$ 282

	Nine Months Ended September 30,			
	2024		2023	
	Revenues from External Customers	Net Income (Loss)	Revenues from External Customers	Net Income (Loss)
	(in millions)			
Electric	\$ 3,499	\$ 562	\$ 3,250	\$ 593
Natural Gas	2,876	360	3,136	296
Corporate and Other	6	( 151 )	128	( 164 )
Consolidated	\$ 6,381	\$ 771	\$ 6,514	\$ 725

	Total Assets	
	September 30, 2024	December 31, 2023
	(in millions)	
Electric	\$ 23,458	\$ 21,089
Natural Gas	17,966	17,429
Corporate and Other, net of eliminations (1)	1,469	1,197
Consolidated	\$ 42,893	\$ 39,715

- (1) Total assets included pension and other postemployment-related regulatory assets of \$ 368 million and \$ 385 million as of September 30, 2024 and December 31, 2023, respectively.

## (16) Supplemental Disclosure of Cash Flow and Balance Sheet Information

### Supplemental Disclosure of Cash Flow Information

The table below provides supplemental disclosure of cash flow information:

	Nine Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
<b>Cash Payments/Receipts:</b>						
Interest, net of capitalized interest	\$ 620	\$ 218	\$ 169	\$ 521	\$ 211	\$ 153
Income tax payments (refunds), net	( 8 )	26	3	200	12	113
<b>Non-cash transactions:</b>						
Accounts payable related to capital expenditures	1,133	1,075	97	264	137	122
ROU assets obtained in exchange for lease liabilities (1)	5	—	—	3	1	—

(1) Excludes ROU assets obtained through prepayment of the lease liabilities. See Note 19.

The table below provides a reconciliation of cash, cash equivalents and restricted cash reported in the Condensed Consolidated Balance Sheets to the amount reported in the Condensed Statements of Consolidated Cash Flows:

	September 30, 2024			December 31, 2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Cash and cash equivalents (1)	\$ 112	\$ 97	\$ 1	\$ 90	\$ 76	\$ 1
Restricted cash included in Prepaid expenses and other current assets (2)	17	13	—	19	13	—
Total cash, cash equivalents and restricted cash shown in Condensed Statements of Consolidated Cash Flows	\$ 129	\$ 110	\$ 1	\$ 109	\$ 89	\$ 1

(1) Cash and cash equivalents related to VIEs as of September 30, 2024 and December 31, 2023 included \$ 111 million and \$ 90 million, respectively, at CenterPoint Energy and \$ 96 million and \$ 76 million, respectively, at Houston Electric.

(2) Restricted cash primarily related to accounts established by CenterPoint Energy and Houston Electric in connection with the issuance of the Securitization Bonds to collateralize the Securitization Bonds that were issued in these financing transactions. These restricted cash accounts are not available for withdrawal until the maturity of the Securitization Bonds.

### Supplemental Disclosure of Balance Sheet Information

Included in other current liabilities on CERC's Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023 was \$ 99 million and \$ 118 million, respectively, of credits related to customers on budget billing programs. Included in other current liabilities on Houston Electric's Consolidated Balance Sheets as of September 30, 2024 and December 31, 2023 was \$ 85 million and \$ 47 million, respectively, of accrued contributions in aid of construction.

## (17) Related Party Transactions (Houston Electric and CERC)

Houston Electric and CERC participate in CenterPoint Energy's money pool through which they can borrow or invest on a short-term basis. Funding needs are aggregated and external borrowing or investing is based on the net cash position. The net funding requirements of the CenterPoint Energy money pool are expected to be met with borrowings under CenterPoint Energy's revolving credit facility or the sale of CenterPoint Energy's commercial paper.



The table below summarizes CenterPoint Energy money pool activity:

	September 30, 2024				December 31, 2023			
	Houston Electric		CERC		Houston Electric		CERC	
	(in millions, except interest rates)							
Money pool investments (borrowings), net (1)	\$	( 71 )	\$	—	\$	238	\$	1
Weighted average interest rate		4.98 %		4.98 %		5.59 %		5.59 %

(1) Included in Accounts and notes payable—affiliated companies on Houston Electric's Condensed Consolidated Balance Sheets as of September 30, 2024 and Accounts and notes receivable—affiliated companies on Houston Electric's and CERC's respective Condensed Consolidated Balance Sheets as of December 31, 2023, as applicable.

CenterPoint Energy provides some corporate services to Houston Electric and CERC. The costs of services have been charged directly to Houston Electric and CERC using methods that management believes are reasonable. These methods include usage rates, dedicated asset assignment and proportionate corporate formulas based on operating expenses, assets, gross margin, employees and a composite of assets, gross margin and employees. Houston Electric provides certain services to CERC. These services are billed at actual cost, either directly or as an allocation and include fleet services, shop services, geographic services, surveying and right-of-way services, radio communications, data circuit management and field operations. Additionally, CERC provides certain services to Houston Electric. These services are billed at actual cost, either directly or as an allocation and include line locating and other miscellaneous services. These charges are not necessarily indicative of what would have been incurred had Houston Electric and CERC not been affiliates.

Amounts charged for these services were as follows and are included primarily in Operation and maintenance expenses on the Condensed Statements of Consolidated Income:

	Three Months Ended September 30,						Nine Months Ended September 30,									
	2024			2023			2024			2023						
	Houston Electric		CERC	Houston Electric		CERC	Houston Electric		CERC	Houston Electric		CERC				
	(in millions)															
Corporate service charges	\$	45	\$	50	\$	40	\$	56	\$	124	\$	156	\$	115	\$	162
Net affiliate service charges (billings)		( 1 )		1		( 1 )		1		( 4 )		4		( 7 )		7

The table below presents transactions among Houston Electric, CERC and their parent, Utility Holding:

	Three Months Ended September 30,						Nine Months Ended September 30,									
	2024			2023			2024			2023						
	Houston Electric		CERC	Houston Electric		CERC	Houston Electric		CERC	Houston Electric		CERC				
	(in millions)															
Cash dividends paid to parent	\$	94	\$	24	\$	79	\$	36	\$	249	\$	270	\$	239	\$	347
Cash contribution from parent		94		—		235		—		324		290		885		500

## (18) Equity

### Dividends Declared and Paid (CenterPoint Energy)

CenterPoint Energy declared and paid dividends on its Common Stock as follows during the periods indicated below:

	Dividends Declared Per Share				Dividends Paid Per Share			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
Common Stock	\$ 0.410	\$ 0.390	\$ 0.610	\$ 0.580	\$ 0.200	\$ 0.190	\$ 0.600	\$ 0.570
Series A Preferred Stock (1)	—	30.625	—	30.625	—	30.625	—	61.250

(1) On September 1, 2023, CenterPoint Energy redeemed all 800,000 outstanding shares of its Series A Preferred Stock, in whole for cash at a redemption price of \$ 1,000 per share, plus any accumulated and unpaid dividends thereon to, but excluding, the redemption date.

### Common Stock (CenterPoint Energy)

#### (a) Underwritten Offering

On August 9, 2024, CenterPoint Energy issued 9,754,194 shares of Common Stock in an underwritten public offering at a price of \$ 25.36 per share, for net proceeds of \$ 247 million after deducting issuance costs. The proceeds from the offering were used for the repayment of a portion of CenterPoint Energy's then-outstanding commercial paper.

#### (b) Equity Distribution Agreement

On January 10, 2024, CenterPoint Energy entered into an Equity Distribution Agreement with certain financial institutions with respect to the offering and sale from time to time of shares of Common Stock, having an aggregate gross sales price of up to \$ 500 million. Sales of Common Stock may be made by any method permitted by applicable law and deemed to be an "at the market offering" as defined in Rule 415 of the Securities Act of 1933, as amended. CenterPoint Energy may also enter into one or more forward sales agreements pursuant to master forward confirmations. The offer and sale of Common Stock under the Equity Distribution Agreement will terminate upon the earliest of (1) the sale of all Common Stock subject to the Equity Distribution Agreement, (2) termination of the Equity Distribution Agreement, or (3) May 17, 2026. During the three months ended September 30, 2024, CenterPoint Energy did not issue any shares of Common Stock through the ATM Managers under the Equity Distribution Agreement. During the nine months ended September 30, 2024, CenterPoint Energy issued 8,790,848 shares of Common Stock through the ATM Managers under the Equity Distribution Agreement, representing aggregate cash proceeds of \$ 247 million, which was net of compensation paid by CenterPoint Energy to the ATM Managers of \$ 2 million. As of September 30, 2024, CenterPoint Energy had not entered into any forward sale agreements under the at-the-market program. Additionally, as of September 30, 2024, CenterPoint Energy had \$ 250 million of remaining capacity available under the program.

### Income Allocated to Series A Preferred Shareholders (CenterPoint Energy)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(in millions)			
Series A Preferred Stock (1)	\$ —	\$ 26	\$ —	\$ 50
Total income allocated to preferred shareholders	\$ —	\$ 26	\$ —	\$ 50

(1) On September 1, 2023, CenterPoint Energy redeemed all 800,000 outstanding shares of its Series A Preferred Stock, in whole for cash at a redemption price of \$ 1,000 per share, plus any accumulated and unpaid dividends thereon to, but excluding, the redemption date.

### Accumulated Other Comprehensive Income (Loss)

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

	Three Months Ended September 30,			
	2024		2023	
	CenterPoint Energy	CERC	CenterPoint Energy	CERC
	(in millions)			
Beginning Balance	\$ ( 30 )	\$ 15	\$ ( 32 )	\$ 15
Other comprehensive income before reclassifications:				
Net deferred gain from cash flow hedges	—	—	2	—
Amounts reclassified from accumulated other comprehensive income (loss):				
Prior service cost (1)	—	—	1	—
Actuarial losses (1)	1	—	—	—
Reclassification of deferred loss from cash flow hedges realized in net income	( 1 )	—	—	—
Other comprehensive income	—	—	3	—
Ending Balance	\$ ( 30 )	\$ 15	\$ ( 29 )	\$ 15

  

	Nine Months Ended September 30,			
	2024		2023	
	CenterPoint Energy	CERC	CenterPoint Energy	CERC
	(in millions)			
Beginning Balance	\$ ( 35 )	\$ 16	\$ ( 31 )	\$ 16
Other comprehensive income (loss) before reclassifications:				
Remeasurement of pension and other postretirement plans	( 2 )	—	—	—
Net deferred gain from cash flow hedges	4	—	2	—
Amounts reclassified from accumulated other comprehensive income (loss):				
Prior service cost (benefit) (1)	2	—	—	( 1 )
Actuarial losses (gain) (1)	2	( 1 )	—	—
Reclassification of deferred loss from cash flow hedges realized in net income	( 1 )	—	—	—
Other comprehensive income (loss)	5	( 1 )	2	( 1 )
Ending Balance	\$ ( 30 )	\$ 15	\$ ( 29 )	\$ 15

(1) Amounts are included in the computation of net periodic cost and are reflected in Other income, net in each of the Registrants' respective Condensed Statements of Consolidated Income.

### (19) Leases

In 2021, Houston Electric entered into a temporary short-term lease and long-term leases for temporary generation. The short-term lease agreement allowed Houston Electric to take delivery of TEEEF assets on a short-term basis with an initial term ending on September 30, 2022 and extended until December 31, 2022. At such time, the short-term lease agreement expired and all temporary generation assets were leased under the long-term lease agreement. Per Houston Electric's short-term lease accounting policy election, a ROU asset and lease liability are not reflected on Houston Electric's Condensed Consolidated Balance Sheets. Expenses associated with the short-term lease, including carrying costs, are deferred to a regulatory asset and totaled, net of amounts recovered in rates, \$ 92 million and \$ 100 million as of September 30, 2024 and December 31, 2023, respectively.

The long-term lease agreement includes up to 505 MW of TEEEF, all of which was delivered as of December 31, 2022, triggering lease commencement at delivery, with an initial term ending in 2029 for all TEEEF leases. These assets were previously available under the short-term lease agreement. Houston Electric derecognized the finance lease liability when the extinguishment criteria in Topic 405 - *Liabilities* was achieved. Per the terms of the agreement, lease payments are due and

made in full by Houston Electric upon taking possession of the asset, relieving substantially all of the associated finance lease liability at that time. The remaining finance lease liability associated with the commenced long-term TEEEF agreement was not significant as of September 30, 2024 and December 31, 2023 and relates to removal costs that will be incurred at the end of the lease term. As of September 30, 2024, Houston Electric secured a first lien on the assets leased under the prepayment agreement, except for assets with lease payments totaling \$ 84 million, which is being held in an escrow account, not controlled by Houston Electric, and the funds will be released when a first lien can be secured for Houston Electric. Expenses associated with the long-term lease, including depreciation expense on the right of use asset and carrying costs, are deferred to a regulatory asset and totaled, net of amounts recovered in rates, \$ 147 million and \$ 124 million as of September 30, 2024 and December 31, 2023, respectively. For further discussion of the regulatory impacts, see Note 6.

Houston Electric will also incur variable costs throughout the lease term for the operation and maintenance of the TEEEF units. Lease costs, including variable and ROU asset amortization costs, are deferred to Regulatory assets as incurred as a recoverable cost under the 2021 Texas legislation. See Note 6 for further information regarding recovery of these deferred costs.

The components of lease cost, included in Operation and maintenance expense on the Registrants' respective Condensed Statements of Consolidated Income, are as follows:

	Three Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease cost	\$ 2	\$ —	\$ —	\$ 1	\$ 1	\$ —
Short-term lease cost	—	—	—	15	14	—
Total lease cost (1)	<u>\$ 2</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 16</u>	<u>\$ 15</u>	<u>\$ —</u>
	Nine Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease cost	\$ 4	\$ 2	\$ 1	\$ 4	\$ 2	\$ 1
Short-term lease cost	8	7	—	28	27	—
Total lease cost (1)	<u>\$ 12</u>	<u>\$ 9</u>	<u>\$ 1</u>	<u>\$ 32</u>	<u>\$ 29</u>	<u>\$ 1</u>

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

The components of lease income were as follows:

	Three Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease income	\$ 1	\$ —	\$ 1	\$ 2	\$ 1	\$ 1
Variable lease income	—	—	—	—	—	—
Total lease income	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 1</u>
	Nine Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating lease income	\$ 4	\$ —	\$ 3	\$ 5	\$ 1	\$ 3
Variable lease income	1	—	—	1	—	—
Total lease income	<u>\$ 5</u>	<u>\$ —</u>	<u>\$ 3</u>	<u>\$ 6</u>	<u>\$ 1</u>	<u>\$ 3</u>

Supplemental balance sheet information related to leases was as follows:

	September 30, 2024			December 31, 2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
(in millions, except lease term and discount rate)						
Assets:						
Operating ROU assets <sup>(1)</sup>	\$ 16	\$ 5	\$ 4	\$ 13	\$ 6	\$ 4
Finance ROU assets <sup>(2)</sup>	454	454	—	526	526	—
Total leased assets	<u>\$ 470</u>	<u>\$ 459</u>	<u>\$ 4</u>	<u>\$ 539</u>	<u>\$ 532</u>	<u>\$ 4</u>
Liabilities:						
Current operating lease liability <sup>(3)</sup>	\$ 3	\$ 2	\$ 1	\$ 3	\$ 1	\$ 1
Non-current operating lease liability <sup>(4)</sup>	13	3	3	10	5	3
Total leased liabilities <sup>(5)</sup>	<u>\$ 16</u>	<u>\$ 5</u>	<u>\$ 4</u>	<u>\$ 13</u>	<u>\$ 6</u>	<u>\$ 4</u>
Weighted-average remaining lease term (in years) - operating leases	11.9	3.2	3.4	4.7	3.9	3.1
Weighted-average discount rate - operating leases	4.53 %	4.11 %	4.04 %	4.13 %	4.09 %	3.60 %
Weighted-average remaining lease term (in years) - finance leases	4.8	4.8	—	5.5	5.5	—
Weighted-average discount rate - finance leases	3.60 %	3.60 %	—	3.60 %	3.60 %	—

(1) Reported within Other assets in the Registrants' respective Condensed Consolidated Balance Sheets, net of accumulated amortization.

(2) Reported within Property, Plant and Equipment in the Registrants' respective Condensed Consolidated Balance Sheets, net of accumulated amortization.

(3) Reported within Current other liabilities in the Registrants' respective Condensed Consolidated Balance Sheets.

(4) Reported within Other liabilities in the Registrants' respective Condensed Consolidated Balance Sheets.

(5) Finance lease liabilities were not significant as of September 30, 2024 or December 31, 2023 and are reported within Other long-term debt in the Registrants' respective Condensed Consolidated Balance Sheets when applicable.

As of September 30, 2024, finance lease liabilities were not significant to the Registrants. As of September 30, 2024, maturities of operating lease liabilities were as follows:

	CenterPoint Energy	Houston Electric	CERC
(in millions)			
Remainder of 2024	\$ 1	\$ 1	\$ 1
2025	4	2	2
2026	4	1	1
2027	2	1	—
2028	1	—	—
Thereafter	11	—	—
Total lease payments	<u>23</u>	<u>5</u>	<u>4</u>
Less: Interest	<u>7</u>	<u>—</u>	<u>—</u>
Present value of lease liabilities	<u>\$ 16</u>	<u>\$ 5</u>	<u>\$ 4</u>

As of September 30, 2024, future minimum finance lease payments to be received were not significant to the Registrants. As of September 30, 2024, maturities of undiscounted operating lease payments to be received are as follows:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Remainder of 2024	\$ —	\$ —	\$ —
2025	3	1	—
2026	3	—	—
2027	2	—	—
2028	2	—	—
Thereafter	2	—	—
Total lease payments to be received	<u>\$ 12</u>	<u>\$ 1</u>	<u>\$ —</u>

Other information related to leases is as follows:

	Nine Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
Operating cash flows from operating leases included in the measurement of lease liabilities	\$ 4	\$ 2	\$ 1	\$ 4	\$ 1	\$ 1

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

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF CENTERPOINT ENERGY, INC. AND SUBSIDIARIES**

*The following combined discussion and analysis should be read in combination with the Interim Condensed Financial Statements contained in this combined Form 10-Q and the Registrants' combined 2023 Form 10-K. When discussing CenterPoint Energy's consolidated financial information, it includes the results of Houston Electric and CERC, which, along with CenterPoint Energy, are collectively referred to as the Registrants. Unless the context indicates otherwise, specific references to Houston Electric and CERC also pertain to CenterPoint Energy. In this combined Form 10-Q, the terms "our," "we" and "us" are used as abbreviated references to CenterPoint Energy, Inc. together with its consolidated subsidiaries, including Houston Electric and CERC, unless otherwise stated. No Registrant makes any representations as to the information related solely to CenterPoint Energy or the subsidiaries of CenterPoint Energy other than itself.*

**RECENT EVENTS**

**May 2024 Storm Events and Hurricane Beryl.** Houston Electric's service territory experienced sudden and destructive severe weather events in May 2024 that included hurricane-like winds and tornadoes. Subsequently, on July 8, 2024, Hurricane Beryl made landfall in Texas, bringing sustained winds, storm surges and torrential rain into Houston Electric's service territory. The May 2024 Storm Events and Hurricane Beryl caused significant damage to Houston Electric's electric delivery system and resulted in electric service interruptions peaking at an estimated 922,000 customers and more than 2.1 million customers, respectively.

Various federal, state and local governmental and regulatory agencies and other entities, such as the Texas Governor's office, the Texas Legislature and the PUCT, have called for or are conducting inquiries and investigations into Hurricane Beryl, the efforts made by Houston Electric to prepare for, and respond to, this event, including the electric service outage issues, and the procurement of temporary generation units. Moreover, additional governmental and regulatory agencies and other entities may conduct such inquiries and investigations, as well. Texas Lieutenant Governor Patrick has publicly urged the PUCT to hold Houston Electric, rather than ratepayers, responsible for paying \$800 million, which was the amount the PUCT had previously approved Houston Electric to recover from ratepayers pursuant to Texas legislation passed after the 2021 Winter Storm Event relating to emergency responsiveness and the leasing of temporary generation units. On August 12, 2024, Texas Attorney General Ken Paxton opened an investigation to evaluate CenterPoint Energy's conduct during Hurricane Beryl. There are significant uncertainties around these inquiries and investigations and potential results and consequences, including whether any financial penalties will be assessed or changes to Houston Electric's system, service territories, operations and/or regulatory treatment will result therefrom.

Houston Electric announced an initial hurricane preparedness and response action plan to the PUCT on July 25, 2024 to enhance the resiliency of the electric system through various investments. Following a meeting with Texas Governor Abbott on August 1, 2024, Houston Electric publicly committed to accelerating its previously announced initial hurricane preparedness and response action plan. Additionally, Houston Electric announced that it was withdrawing both its base rate application and its application for approval of its transmission and distribution system resiliency plan with the PUCT in order to focus on addressing the impacts of Hurricane Beryl in its service territory and accelerating preparedness and resiliency efforts for the remaining storm season. The withdrawal of the system resiliency plan was granted by the PUCT. Subsequently, intervenors filed a motion to challenge the withdrawal of the base rate proceeding. On August 16, 2024, the ALJ issued an order denying the requested withdrawal of the base rate proceeding, leaving the base rate proceeding abated. Houston Electric filed an appeal of the ALJ's order to the PUCT, and on October 15, 2024, PUCT commissioners voted to consider the merits of Houston Electric's appeal at the PUCT's open meeting scheduled for November 14, 2024. The PUCT's decision on the withdrawal of the base rate proceeding is expected in the fourth quarter of 2024. CenterPoint Energy cannot predict the outcome of this proceeding.

On August 5, 2024, Houston Electric announced the launch of its GHRI. Subsequently, Houston Electric announced the completion of core resiliency actions as part of the first phase of its GHRI, which included certain vegetation management and pole installation goals. In September 2024, Houston Electric announced the launch of the second phase of its GHRI, which included a series of resiliency plans to install new poles, manage higher-risk vegetation and install certain automated devices prior to the start of the 2025 hurricane season as part of its efforts to strengthen grid resiliency, improve public and customer communications and strengthen local, community and emergency partnerships. Houston Electric also announced a longer-term proposal for approximately \$5 billion in resiliency investment from 2026 to 2028. Houston Electric intends to include this longer-term proposal in a new transmission and distribution system resiliency plan that is expected to be filed with the PUCT on or before January 31, 2025 following feedback from customers, external experts, elected officials, local agencies and other stakeholders. Additionally, Houston Electric announced its proposal to forego approximately \$110 million of profit related to its storm hardening and TEEEF efforts, which would be represented by (1) Houston Electric not seeking to recover approximately \$70 million in incremental storm hardening expenses incurred in connection with accelerated operational activities after

Hurricane Beryl; and (2) Houston Electric not filing, beginning in 2028, for approximately \$40 million in anticipated equity profit associated with load-shed orientated TEEEF leased by Houston Electric through the remaining regulatory life of the leases in 2032 as new dispatchable generation is likely to come online in the state of Texas as a result of the Texas Energy Fund.

For more information regarding regulatory impacts and the term loan facility to fund certain costs related to the May 2024 Storm Events and litigation related to Hurricane Beryl, see Notes 6, 11 and 13 to the Interim Condensed Financial Statements and "Liquidity and Capital Resources" below.

**Regulatory Proceedings.** For further information, see Note 6 to the Interim Condensed Financial Statements. For information related to our pending and completed regulatory proceedings to date in 2024, see "Liquidity and Capital Resources —Regulatory Matters" below.

**Debt Transactions.** For information about debt transactions to date in 2024, see Note 11 to the Interim Condensed Financial Statements.



## CENTERPOINT ENERGY CONSOLIDATED RESULTS OF OPERATIONS

For information regarding factors that may affect the future results of our consolidated operations, see "Risk Factors" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K and in Item 1A of Part II of this combined Form 10-Q.

Income available to common shareholders for the three and nine months ended September 30, 2024 and 2023 was as follows:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
	(in millions)					
Electric	\$ 226	\$ 290	\$ (64)	\$ 562	\$ 593	\$ (31)
Natural Gas	30	27	3	360	296	64
Total Utility Operations	256	317	(61)	922	889	33
Corporate & Other (1)	(63)	(61)	(2)	(151)	(214)	63
Total CenterPoint Energy	\$ 193	\$ 256	\$ (63)	\$ 771	\$ 675	\$ 96

(1) Includes energy performance contracting and sustainable infrastructure services through Energy Systems Group before June 30, 2023, the date of the sale of Energy Systems Group, unallocated corporate costs, interest income and interest expense, intercompany eliminations and the reduction of income allocated to preferred shareholders before September 1, 2023, the date of the redemption of all of the outstanding shares of the Series A Preferred Stock.

### Three months ended September 30, 2024 compared to three months ended September 30, 2023

Income available to common shareholders decreased \$63 million primarily due to the following items:

- a decrease in income available to common shareholders of \$64 million for the Electric reportable segment, as further discussed below;
- an increase in income available to common shareholders of \$3 million for the Natural Gas reportable segment, as further discussed below; and
- a decrease in income available to common shareholders of \$2 million for Corporate and Other, primarily due to \$9 million of higher state income taxes, \$7 million associated with corporate operating expenses, and \$6 million associated with increased borrowing costs. The decrease is partially offset by \$26 million of income allocated to holders of Series A Preferred Stock in the third quarter of 2023 prior to the redemption of all outstanding shares of Series A Preferred Stock in September 2023 as discussed in Note 18 to the Interim Condensed Financial Statements.

### Nine months ended September 30, 2024 compared to nine months ended September 30, 2023

Income available to common shareholders increased \$96 million primarily due to the following items:

- a decrease in income available to common shareholders of \$31 million for the Electric reportable segment, as further discussed below;
- an increase in income available to common shareholders of \$64 million for the Natural Gas reportable segment, as further discussed below; and
- an increase in income available to common shareholders of \$63 million for Corporate and Other, primarily due to \$50 million of income allocated to holders of Series A Preferred Stock in the nine months ended September 30, 2023 prior to the redemption of all outstanding shares of Series A Preferred Stock in September 2023 as discussed in Note 18 to the Interim Condensed Financial Statements, a loss on sale of \$12 million and current tax expense of \$33 million related to divestiture of Energy Systems Group recorded in the nine months ended June 30, 2023 further discussed in Note 3 to the Interim Condensed Financial Statements, as well as \$19 million due to remeasurement of deferred income tax balances recorded during the six months ended June 30, 2023. The increase is partially offset by \$29 million associated with increased borrowing costs, \$9 million of higher state income taxes, and \$7 million associated with corporate operating expenses.

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

# CENTERPOINT ENERGY'S RESULTS OF OPERATIONS BY REPORTABLE SEGMENT

CenterPoint Energy's CODM views net income as the measure of profit or loss for the reportable segments. Segment results include inter-segment interest income and expense, which may result in inter-segment profit and loss.

The following discussion of CenterPoint Energy's results of operations is separated into two reportable segments, Electric and Natural Gas.

## Electric (CenterPoint Energy)

For information regarding factors that may affect the future results of operations of CenterPoint Energy's Electric reportable segment, see "Risk Factors — Risk Factors Affecting Operations — Electric Generation, Transmission and Distribution," "— Risk Factors Affecting Regulatory, Environmental and Legal Risks," "— Risk Factors Affecting Financial, Economic and Market Risks," "— Risk Factors Affecting Safety and Security Risks" and "— General and Other Risks" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K and in Item 1A of Part II of this combined Form 10-Q.

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
(in millions, except operating statistics)						
Revenues	\$ 1,243	\$ 1,261	\$ (18)	\$ 3,499	\$ 3,250	\$ 249
Expenses:						
Utility natural gas, fuel and purchased power	58	51	(7)	151	130	(21)
Operation and maintenance	560	459	(101)	1,532	1,335	(197)
Depreciation and amortization	201	241	40	664	650	(14)
Taxes other than income taxes	73	73	—	228	208	(20)
Total expenses	892	824	(68)	2,575	2,323	(252)
Operating Income	351	437	(86)	924	927	(3)
Other Income (Expense):						
Interest expense and other finance charges	(88)	(81)	(7)	(276)	(213)	(63)
Other income, net	16	13	3	45	39	6
Income Before Income Taxes	279	369	(90)	693	753	(60)
Income tax expense	53	79	26	131	160	29
Net Income	\$ 226	\$ 290	\$ (64)	\$ 562	\$ 593	\$ (31)
Throughput (in GWh):						
Residential	11,807	13,851	(15) %	27,219	28,855	(6) %
Total	32,633	35,029	(7) %	84,730	84,794	— %
Weather (percentage of normal weather for service area):						
Cooling degree days	104 %	123 %	(19) %	109 %	117 %	(8) %
Heating degree days	— %	— %	— %	89 %	86 %	3 %
Number of metered customers at end of period:						
Residential	2,628,569	2,578,969	2 %	2,628,569	2,578,969	2 %
Total	2,959,281	2,906,307	2 %	2,959,281	2,906,307	2 %

The following table provides variance explanations for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 as well as for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 by major income statement caption for CenterPoint Energy's Electric reportable segment:

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2024 vs. 2023	Nine Months Ended September 30, 2024 vs. 2023
	(in millions)	
Revenues		
Transmission Revenues, including TCOS and TCRF, inclusive of costs billed by transmission providers, partially offset in operation and maintenance below	\$ 53	\$ 168
Customer rates and the impact of the change in rate design	32	121
Customer growth	9	22
Cost of fuel and purchased power, offset in utility natural gas, fuel and purchased power below	7	21
Energy efficiency, and other pass-through, offset in operation and maintenance below	5	3
Miscellaneous revenues, including service connections and off-system sales	(4)	2
Lost revenues as a result of outages associated with Hurricane Beryl	(10)	(10)
Equity return, related to the annual true-up of transition charges for amounts over or under collected in prior periods	(14)	(12)
Weather, efficiency improvements and other usage impacts	(41)	(29)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items below	(55)	(37)
Total	\$ (18)	\$ 249
Utility natural gas, fuel and purchased power		
Cost of purchased power, offset in revenues above	\$ (32)	\$ (78)
Cost of fuel, including coal, natural gas, and fuel oil, offset in revenues above	25	57
Total	\$ (7)	\$ (21)
Operation and maintenance		
Transmission costs billed by transmission providers, offset in revenues above	\$ (28)	\$ (90)
Incremental storm hardening expenses incurred in connection with accelerated operational activities after Hurricane Beryl	(70)	(70)
Contract services	(29)	(25)
Corporate support services	(4)	(9)
Labor and benefits	12	(4)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items	—	(1)
Energy efficiency, and other pass-through, offset in revenues above	(3)	(1)
All other operation and maintenance expense, including materials and supplies and insurance	21	3
Total	\$ (101)	\$ (197)

		Favorable (Unfavorable)	
		Three Months Ended September 30, 2024 vs. 2023	Nine Months Ended September 30, 2024 vs. 2023
		(in millions)	
Depreciation and amortization			
Ongoing additions to plant-in-service		\$ (13)	\$ (55)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items		53	41
	Total	\$ 40	\$ (14)
Taxes other than income taxes			
Incremental capital projects placed in service, and the impact of updated property tax rates		\$ —	\$ (14)
Franchise fees and other taxes		—	(6)
	Total	\$ —	\$ (20)
Interest expense and other finance charges			
Changes in outstanding debt		\$ (14)	\$ (46)
Other, primarily AFUDC and impacts of regulatory deferrals		6	(12)
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items		1	(5)
	Total	\$ (7)	\$ (63)
Other income, net			
Other income, including AFUDC - Equity		\$ 2	\$ 4
Bond Companies and SIGECO Securitization Subsidiary, offset in other line items		1	2
	Total	\$ 3	\$ 6

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

**Natural Gas (CenterPoint Energy)**

For information regarding factors that may affect the future results of operations of CenterPoint Energy's Natural Gas reportable segment, see "Risk Factors — Risk Factors Affecting Operations — Natural Gas," "— Risk Factors Affecting Regulatory, Environmental and Legal Risks," "— Risk Factors Affecting Financial, Economic and Market Risks," "— Risk Factors Affecting Safety and Security Risks" and "— General and Other Risks" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K.

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues	\$ 611	\$ 597	\$ 14	\$ 2,876	\$ 3,136	\$ (260)
Expenses:						
Utility natural gas and fuel	139	141	2	1,066	1,420	354
Non-utility cost of revenues, including natural gas	2	1	(1)	3	2	(1)
Operation and maintenance	214	198	(16)	637	648	11
Depreciation and amortization	129	130	1	403	380	(23)
Taxes other than income taxes	51	53	2	177	182	5
Total expenses	535	523	(12)	2,286	2,632	346
Operating Income	76	74	2	590	504	86
Other Income (Expense):						
Interest expense and other finance charges	(40)	(46)	6	(152)	(138)	(14)
Other income, net	3	8	(5)	10	14	(4)
Income Before Income Taxes	39	36	3	448	380	68
Income tax expense	9	9	—	88	84	(4)
Net Income	\$ 30	\$ 27	\$ 3	\$ 360	\$ 296	\$ 64
Throughput (in Bcf):						
Residential	16	14	14 %	141	138	2 %
Commercial and Industrial	91	84	8 %	321	308	4 %
Total	107	98	9 %	462	446	4 %
Weather (percentage of 10-year average for service area):						
Heating degree days	23 %	20 %	3 %	79 %	87 %	(8) %
Number of metered customers at end of period:						
Residential	4,031,298	3,967,080	2 %	4,031,298	3,967,080	2 %
Commercial and Industrial	300,709	299,915	— %	300,709	299,915	— %
Total	4,332,007	4,266,995	2 %	4,332,007	4,266,995	2 %

The following table provides variance explanations for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 as well as for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 by major income statement caption for CenterPoint Energy's Natural Gas reportable segment:

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2024 vs. 2023	Nine Months Ended September 30, 2024 vs. 2023
	(in millions)	
Revenues		
Cost of natural gas, offset in utility natural gas and fuel below	\$ (2)	\$ (354)
Energy efficiency and other pass-through, offset in operation and maintenance below	(5)	(25)
Gross receipts tax, offset in taxes other than income taxes below	2	(2)
Non-volumetric and miscellaneous revenue	(2)	(2)
Weather and usage	1	4
Customer growth	2	9
Non-utility revenues	1	10
Customer rates	17	100
Total	\$ 14	\$ (260)
Utility natural gas and fuel		
Cost of natural gas, offset in revenues above	\$ 2	\$ 354
Total	\$ 2	\$ 354
Non-utility costs of revenues, including natural gas		
Non-utility cost of revenues, including natural gas	\$ (1)	\$ (1)
Total	\$ (1)	\$ (1)
Operation and maintenance		
All other operations and maintenance expense, including bad debt expense	\$ (26)	\$ (17)
Contract services	(3)	(5)
Labor and benefits	2	1
Corporate support services	6	7
Energy efficiency and other pass-through, offset in revenues above	5	25
Total	\$ (16)	\$ 11
Depreciation and amortization		
Ongoing additions to plant-in-service	\$ 1	\$ (23)
Total	\$ 1	\$ (23)
Taxes other than income taxes		
Gross receipts tax, offset in revenues above	\$ (2)	\$ 2
Incremental capital projects placed in service, and the impact of updated property tax rates	4	3
Total	\$ 2	\$ 5
Interest expense and other finance charges		
Other, primarily AFUDC and impacts of regulatory deferrals	\$ 13	\$ (8)
Changes in outstanding debt	(7)	(6)
Total	\$ 6	\$ (14)
Other income, net		
Other income, including AFUDC - Equity	\$ 1	\$ 3
Other	(6)	(7)
Total	\$ (5)	\$ (4)

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

## HOUSTON ELECTRIC CONSOLIDATED RESULTS OF OPERATIONS

Houston Electric's CODM views net income as the measure of profit or loss for its single reportable segment. Houston Electric's results of operations are affected by seasonal fluctuations in the demand for electricity. Houston Electric's results of operations are also affected by, among other things, the actions of various governmental authorities having jurisdiction over rates Houston Electric charges, debt service costs, income tax expense, Houston Electric's ability to collect receivables from REPs and Houston Electric's ability to recover its regulatory assets. For more information regarding factors that may affect the future results of operations of Houston Electric's business, see "Risk Factors — Risk Factors Affecting Operations — Electric Generation, Transmission and Distribution," "— Risk Factors Affecting Regulatory, Environmental and Legal Risks," "— Risk Factors Affecting Financial, Economic and Market Risks," "— Risk Factors Affecting Safety and Security Risks" and "— General and Other Risks" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K and in Item 1A of Part II of this combined Form 10-Q.

The following table provides summary data of Houston Electric's single reportable segment:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
(in millions, except operating statistics)						
Revenues:						
TDU	\$ 1,057	\$ 1,027	\$ 30	\$ 2,926	\$ 2,655	\$ 271
Bond Companies	1	56	(55)	77	129	(52)
Total revenues	1,058	1,083	(25)	3,003	2,784	219
Expenses:						
Operation and maintenance, excluding Bond Companies	533	407	(126)	1,423	1,186	(237)
Depreciation and amortization, excluding Bond Companies	170	157	(13)	506	433	(73)
Taxes other than income taxes	71	70	(1)	221	201	(20)
Bond Companies	1	55	54	77	126	49
Total expenses	775	689	(86)	2,227	1,946	(281)
Operating Income	283	394	(111)	776	838	(62)
Other Income (Expense):						
Interest expense and other finance charges	(74)	(69)	(5)	(229)	(185)	(44)
Interest expense on Securitization Bonds	(1)	(2)	1	(3)	(6)	3
Other income, net	12	5	7	33	22	11
Income Before Income Taxes	220	328	(108)	577	669	(92)
Income tax expense	41	72	31	112	147	35
Net Income	\$ 179	\$ 256	\$ (77)	\$ 465	\$ 522	\$ (57)
Throughput (in GWh):						
Residential	11,364	13,410	(15) %	26,108	27,803	(6) %
Total	31,228	33,546	(7) %	81,059	80,984	— %
Weather (percentage of 10-year average for service area):						
Cooling degree days	104 %	123 %	(19) %	109 %	117 %	(8) %
Heating degree days	— %	— %	— %	92 %	87 %	5 %
Number of metered customers at end of period:						
Residential	2,495,669	2,443,150	2 %	2,495,669	2,443,150	2 %
Total	2,806,984	2,751,218	2 %	2,806,984	2,751,218	2 %

The following table provides variance explanations for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 as well as for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 by major income statement caption for Houston Electric:

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2024 vs. 2023	Nine Months Ended September 30, 2024 vs. 2023
	(in millions)	
Revenues		
Transmission Revenues, including TCOS and TCRF, inclusive of costs billed by transmission providers, partially offset in operation and maintenance below	\$ 53	\$ 168
Customer rates and the impact of the change in rate design	27	131
Customer growth	8	20
Energy efficiency, partially offset in operations and maintenance below	5	7
Miscellaneous revenues	1	2
Lost revenues as a result of outages associated with Hurricane Beryl	(10)	(10)
Equity return, related to the annual true-up of transition charges for amounts over or under collected in prior periods	(13)	(12)
Weather, efficiency improvements and other usage impacts	(41)	(35)
Bond Companies, offset in other line items below	(55)	(52)
Total	\$ (25)	\$ 219
Operation and maintenance, excluding Bond Companies		
Transmission costs billed by transmission providers, offset in revenues above	\$ (28)	\$ (90)
Incremental storm hardening expenses incurred in connection with accelerated operational activities after Hurricane Beryl	(70)	(70)
Contract services	(30)	(31)
All other operation and maintenance expense, including materials and supplies and insurance	(3)	(25)
Corporate support services	(2)	(8)
Energy efficiency, offset in revenues above	(5)	(7)
Labor and benefits	12	(6)
Total	\$ (126)	\$ (237)
Depreciation and amortization, excluding Bond Companies		
Ongoing additions to plant-in-service	\$ (13)	\$ (73)
Total	\$ (13)	\$ (73)
Taxes other than income taxes		
Incremental capital projects placed in service, and the impact of changes to tax rates	\$ (1)	\$ (20)
Total	\$ (1)	\$ (20)
Bond Companies expense		
Operations and maintenance and depreciation expense, offset in revenues above	\$ 54	\$ 49
Total	\$ 54	\$ 49
Interest expense and other finance charges		
Changes in outstanding debt	\$ (12)	\$ (40)
Other, primarily AFUDC and impacts of regulatory deferrals	7	(4)
Total	\$ (5)	\$ (44)
Interest expense on Securitization Bonds		
Lower outstanding principal balance, offset in revenues above	\$ 1	\$ 3
Total	\$ 1	\$ 3
Other income, net		
Other income, including AFUDC - Equity	\$ 7	\$ 11
Total	\$ 7	\$ 11

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



# CERC CONSOLIDATED RESULTS OF OPERATIONS

CERC's CODM views net income as the measure of profit or loss for its single reportable segment. CERC's results of operations are affected by seasonal fluctuations in the demand for natural gas. CERC's results of operations are also affected by, among other things, the actions of various federal, state and local governmental authorities having jurisdiction over rates CERC charges, debt service costs and income tax expense, CERC's ability to collect receivables from customers and CERC's ability to recover its regulatory assets. For more information regarding factors that may affect the future results of operations for CERC's business, see "Risk Factors — Risk Factors Affecting Operations — Natural Gas," "— Risk Factors Affecting Regulatory, Environmental and Legal Risks," "— Risk Factors Affecting Financial, Economic and Market Risks," "— Risk Factors Affecting Safety and Security Risks" and "— General and Other Risks" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Favorable (Unfavorable)	2024	2023	Favorable (Unfavorable)
	(in millions, except operating statistics)					
Revenues	\$ 600	\$ 583	\$ 17	\$ 2,791	\$ 3,045	\$ (254)
Expenses:						
Utility natural gas	140	141	1	1,046	1,399	353
Non-utility cost of revenues, including natural gas	1	1	—	2	2	—
Operation and maintenance	207	187	(20)	614	616	2
Depreciation and amortization	124	125	1	389	365	(24)
Taxes other than income taxes	51	53	2	176	181	5
Total expenses	523	507	(16)	2,227	2,563	336
Operating Income	77	76	1	564	482	82
Other Income (Expense):						
Interest expense and other finance charges	(38)	(44)	6	(145)	(131)	(14)
Other income, net	4	6	(2)	10	12	(2)
Income Before Income Taxes	43	38	5	429	363	66
Income tax expense	9	10	1	84	80	(4)
Net Income	\$ 34	\$ 28	\$ 6	\$ 345	\$ 283	\$ 62
Throughput (in Bcf):						
Residential	15	14	7 %	137	135	1 %
Commercial and Industrial	81	76	7 %	294	282	4 %
Total	96	90	7 %	431	417	3 %
Weather (percentage of 10-year average for service area):						
Heating degree days	24 %	21 %	3 %	79 %	88 %	(9) %
Number of metered customers at end of period:						
Residential	3,926,819	3,863,739	2 %	3,926,819	3,863,739	2 %
Commercial and Industrial	290,128	289,376	— %	290,128	289,376	— %
Total	4,216,947	4,153,115	2 %	4,216,947	4,153,115	2 %

The following table provides variance explanations for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 as well as for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 by major income statement caption for CERC:

	Favorable (Unfavorable)	
	Three Months Ended September 30, 2024 vs. 2023	Nine Months Ended September 30, 2024 vs. 2023
	(in millions)	
Revenues		
Cost of natural gas, offset in utility natural gas below	\$ (1)	\$ (353)
Energy efficiency and other pass-through, offset in operation and maintenance below	(3)	(18)
Gross receipts tax, offset in taxes other than income taxes below	2	(2)
Non-volumetric and miscellaneous revenue	(2)	(1)
Weather and usage	3	6
Customer growth	2	9
Non-utility revenues	1	10
Customer rates	15	95
Total	\$ 17	\$ (254)
Utility natural gas		
Cost of natural gas, offset in revenues above	\$ 1	\$ 353
Total	\$ 1	\$ 353
Operation and maintenance		
All other operations and maintenance expense, including bad debt expense	\$ (29)	\$ (20)
Contract services	(3)	(5)
Labor and benefits	3	2
Corporate support services	6	7
Energy efficiency and other pass-through, offset in revenues above	\$ 3	\$ 18
Total	\$ (20)	\$ 2
Depreciation and amortization		
Ongoing additions to plant-in-service	\$ 1	\$ (24)
Total	\$ 1	\$ (24)
Taxes other than income taxes		
Gross receipts tax, offset in revenues above	\$ (2)	\$ 2
Incremental capital projects placed in service, and the impact of updated property tax rates	4	3
Total	\$ 2	\$ 5
Interest expense and other finance charges		
Other, primarily AFUDC and impacts of regulatory deferrals	\$ 12	\$ (9)
Changes in outstanding debt	(6)	(5)
Total	\$ 6	\$ (14)
Other income, net		
Other income, including AFUDC - Equity	\$ 1	\$ 3
Other	(3)	(5)
Total	\$ (2)	\$ (2)

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

#### CERTAIN FACTORS AFFECTING FUTURE EARNINGS

For information on other developments, factors and trends that may impact the Registrants' future earnings, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Certain Factors Affecting Future Earnings" in Item 7 of Part II and "Risk Factors" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K, and "Cautionary Statement Regarding Forward-Looking Information" and "Risk Factors" in this combined Form 10-Q.

## LIQUIDITY AND CAPITAL RESOURCES

### Historical Cash Flows

The following table summarizes the net cash provided by (used in) operating, investing and financing activities during the nine months ended September 30, 2024 and 2023:

	Nine Months Ended September 30,					
	2024			2023		
	CenterPoint Energy	Houston Electric	CERC	CenterPoint Energy	Houston Electric	CERC
	(in millions)					
<b>Cash provided by (used in):</b>						
Operating activities	\$ 1,250	\$ 306	\$ 858	\$ 3,069	\$ 858	\$ 2,270
Investing activities	(2,559)	(1,044)	(982)	(3,190)	(2,132)	(1,320)
Financing activities	1,329	759	124	168	1,312	(949)

*Operating Activities.* The following items contributed to increased (decreased) net cash provided by operating activities for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Changes in net income after adjusting for non-cash items	\$ 219	\$ (107)	\$ 294
Changes in working capital	(243)	23	(398)
Changes in current regulatory assets and liabilities (1)	(1,264)	(7)	(1,218)
Changes in non-current regulatory assets and liabilities	(482)	(408)	(83)
Higher pension contribution	25	—	—
Other	(74)	(53)	(7)
	<u>\$ (1,819)</u>	<u>\$ (552)</u>	<u>\$ (1,412)</u>

(1) This change is primarily related to the receipt of proceeds at CenterPoint Energy and CERC from the Texas securitization program in 2023. For further details, see Note 6 to the Interim Condensed Financial Statements.

*Investing Activities.* The following items contributed to (increased) decreased net cash used in investing activities for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Net change in capital expenditures	\$ 822	\$ 553	\$ 192
Net change in notes receivable from affiliated companies	—	638	87
Proceeds from divestitures	(145)	—	—
Other	(46)	(103)	59
	<u>\$ 631</u>	<u>\$ 1,088</u>	<u>\$ 338</u>

**Financing Activities.** The following items contributed to (increased) decreased net cash provided by (used in) financing activities for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Net changes in commercial paper outstanding	\$ 976	\$ —	\$ 518
Net changes in proceeds from issuances of Common Stock	494	—	—
Net changes in long-term debt and term loans outstanding, excluding commercial paper	(1,167)	(702)	668
Net changes in debt issuance costs	25	8	9
Net changes in short-term borrowings	12	—	12
Redemption of Series A Preferred Stock	800	—	—
Increased payment of Common Stock dividends	(25)	—	—
Decreased payment of preferred stock dividends	49	—	—
Net change in notes payable from affiliated companies	—	713	—
Change in contribution from parent	—	(561)	(210)
Change in dividend to parent	—	(10)	77
Other	(3)	(1)	(1)
	<u>\$ 1,161</u>	<u>\$ (553)</u>	<u>\$ 1,073</u>

#### Future Sources and Uses of Cash

The liquidity and capital requirements of the Registrants are affected primarily by results of operations, capital expenditures, storm restoration costs, debt service requirements, tax payments, working capital needs and various regulatory actions. Capital expenditures (other than expenditures associated with the May 2024 Storm Events and Hurricane Beryl) are expected to be used for investment in infrastructure. These capital expenditures are anticipated to enhance reliability and safety, increase resiliency and expand our systems through value-added projects. Substantial capital expenditures are also expected for restoration costs associated with the May 2024 Storm Events and Hurricane Beryl, as further described below. In addition to dividend payments on CenterPoint Energy's Common Stock and interest payments on debt, the Registrants' principal anticipated cash requirements for the remainder of 2024 include the following:

	CenterPoint Energy	Houston Electric	CERC
	(in millions)		
Estimated capital expenditures (1)	\$ 1,248	\$ 805	\$ 322
Estimated restoration costs associated with May 2024 Storm Events (2)	8	8	—
Estimated restoration costs associated with Hurricane Beryl (2)	849	849	—
Scheduled principal payments on Securitization Bonds	88	81	—
Expected contributions to pension plans and other post-retirement plans	8	1	—

(1) Excludes expenditures for the restoration costs associated with the May 2024 Storm Events and Hurricane Beryl.

(2) Represents cash requirements associated with the estimated storm restoration costs for the remainder of 2024.

The Registrants expect that anticipated cash needs for the remainder of 2024 will be met with borrowings under their credit facilities, proceeds from the issuance of long-term debt, anticipated cash flows from operations, and, with respect to CenterPoint Energy and CERC, proceeds from commercial paper. Issuances of debt securities in the capital markets, funds raised in the commercial paper markets, term loans and additional credit facilities may not, however, be available on acceptable terms.

For more information regarding the May 2024 Storm Events and Hurricane Beryl, see Notes 6, 11 and 13 to the Interim Condensed Financial Statements as well as "Recent Events" in Part I, Item 2 and "Risk Factors" in Part II, Item 1A of this combined Form 10-Q.

## **Off-Balance Sheet Arrangements**

Other than Houston Electric's general mortgage bonds issued as collateral for tax-exempt long-term debt of CenterPoint Energy as discussed in Note 11 and guarantees as discussed in Note 13(b) to the Interim Condensed Financial Statements, we have no off-balance sheet arrangements.

## **Regulatory Matters**

### ***Hurricane Beryl***

For additional information about Hurricane Beryl, see Note 6 to the Interim Condensed Financial Statements as well as "Recent Events" in Part I, Item 2 and "Risk Factors" in Part II, Item 1A of this combined Form 10-Q.

### ***May 2024 Storm Events***

For additional information about the May 2024 Storm Events, see Note 6 to the Interim Condensed Financial Statements as well as "Recent Events" in Part I, Item 2 and "Risk Factors" in Part II, Item 1A of this combined Form 10-Q.

### ***February 2021 Winter Storm Event***

For further information about the February 2021 Winter Storm Event, see Note 6 to the Interim Condensed Financial Statements.

### ***Indiana Electric Securitization of Generation Retirements (CenterPoint Energy)***

For further information about the issuance of SIGECO Securitization Bonds, see Note 6 to the Interim Condensed Financial Statements.

### ***Indiana Electric CPCN (CenterPoint Energy)***

## **BTAs**

On February 23, 2021, Indiana Electric filed a CPCN with the IURC seeking approval to purchase the Posey Solar project. On October 27, 2021, the IURC issued an order approving the CPCN, authorizing Indiana Electric to purchase the Posey Solar project through a BTA to acquire its solar array assets for a fixed purchase price and approved recovery of costs via a levelized rate over the anticipated 35-year life. Due to community feedback and rising project costs caused by inflation and supply chain issues affecting the energy industry, Indiana Electric, along with Arevon, the developer, announced plans in January 2022 to downsize the Posey Solar project to 191 MW. Indiana Electric collaboratively agreed to the scope change, and on February 1, 2023, Indiana Electric entered into an amended and restated BTA that is contingent on further IURC review and approval. On February 7, 2023, Indiana Electric filed a CPCN with the IURC to approve the amended BTA. With the passage of the IRA, Indiana Electric can now pursue PTCs for solar projects. Indiana Electric requested that project costs, net of PTCs, be recovered in rate base rather than a levelized rate, through base rates or the CECA mechanism, depending on which provides more timely recovery. On September 6, 2023 the IURC issued an order approving the CPCN. The Posey Solar project is expected to be placed in service in 2025 and recovered through base rates.

On July 5, 2022, Indiana Electric entered into a BTA to acquire a 130 MW solar array in Pike County, Indiana through a special purpose entity for a capped purchase price. A CPCN for the project was filed with the IURC on July 29, 2022. On September 21, 2022, an agreement in principle was reached resolving all the issues between Indiana Electric and OUCC. The Stipulation and Settlement agreement was filed on October 6, 2022 and a settlement hearing was held on November 1, 2022. On January 11, 2023, the IURC issued an order approving the settlement agreement authorizing Indiana Electric to purchase and acquire the Pike County solar project through a BTA and approved the estimated cost. The IURC also designated the project as a clean energy project under applicable Indiana regulations, approved the proposed levelized rate and associated ratemaking and accounting treatment. Due to inflationary pressures, the developer disclosed that costs exceeded the agreed upon levels in the BTA. After negotiations, Indiana Electric and the developer were not able to agree upon updated pricing. As a result, on February 27, 2024, Indiana Electric provided notice that it was exercising its right to terminate the BTA, which terminated all further obligations of Indiana Electric with respect to the project.

On January 10, 2023, Indiana Electric filed a CPCN with the IURC to acquire a wind energy generating facility with installed capacity of 200 MWs through a BTA, consistent with its 2019/2020 IRP that calls for up to 300 MWs of wind

generation. The wind project is located in MISO's Central Region. Indiana Electric received approval from the IURC to recover the costs of the wind facility via the CECA mechanism, which is expected to be placed in service by the end of 2026. On June 6, 2023 the IURC issued an order approving the CPCN, thereby authorizing Indiana Electric to purchase the wind generating facility. However, as of the date of the filing of this Form 10-Q, Indiana Electric has not entered into any definitive agreement relating to this wind energy generating facility, and it is not certain that a definitive agreement will be entered into at all.

#### **PPAs**

Indiana Electric also sought approval in February 2021 for a 100 MW solar PPA with Clenera LLC in Warrick County, Indiana. The request accounted for increased cost of debt related to this PPA, which provides equivalent equity return to offset imputed debt during the 25 year life of the PPA. In October 2021, the IURC approved the Warrick County solar PPA but denied the request to preemptively offset imputed debt in the PPA cost. Due to rising project costs caused by inflation and supply chain issues affecting the energy industry, Clenera LLC and Indiana Electric were compelled to renegotiate terms of the agreement to increase the PPA price. On January 17, 2023, Indiana Electric filed a request with the IURC to amend the previously approved PPA with certain modifications. Revised purchase power costs are requested to be recovered through the fuel adjustment clause proceedings over the term of the amended PPA. On May 30, 2023, the IURC approved the Warrick County solar amended PPA; however, due to MISO interconnection study delays, the developer disclosed the project in-service date would be delayed to 2026.

On August 25, 2021, Indiana Electric filed with the IURC seeking approval to purchase 185 MW of solar power, under a 15-year PPA, from Oriden, which is developing a solar project in Vermillion County, Indiana, and 150 MW of solar power, under a 20-year PPA, from Origis, which is developing a solar project in Knox County, Indiana. On May 4, 2022, the IURC issued an order approving Indiana Electric to enter into both PPAs. In March 2022, when the results of the MISO interconnection study were completed, Origis advised Indiana Electric that the costs to construct the solar project in Knox County, Indiana had increased. The increase was largely driven by escalating commodity and supply chain costs impacting manufacturers worldwide. In August 2022, Indiana Electric and Origis entered into an amended PPA, which reiterated the terms contained in the 2021 PPA with certain modifications. On February 22, 2023, the IURC approved the Knox County solar amended PPA; however, due to MISO interconnection delays, the project in-service date will be delayed from 2024 to 2026. On January 17, 2023, Indiana Electric filed a request with the IURC to amend the previously approved PPA with Oriden with certain modifications. Revised purchase power costs were approved to be recovered through the fuel adjustment clause proceedings over the term of the amended PPA with Oriden. On May 30, 2023, the IURC approved the Vermillion County solar amended PPA; however, due to MISO interconnection study delays, the developer disclosed the project in-service date would be delayed to 2026.

On May 1, 2024, Indiana Electric filed with the IURC seeking approval to purchase 147 MW of wind power under a 25-year PPA with an affiliate of NextEra Energy, Inc., which is developing a wind project in Knox County, IL. The facility is targeted to be in operation in early 2026. Indiana Electric expects a decision from the IURC in the fourth quarter of 2024. If Indiana Electric's request is approved, the purchase power costs will be recovered through the fuel adjustment clause proceedings over the term of the PPA.

#### **Natural Gas Combustion Turbines**

On June 17, 2021, Indiana Electric filed a CPCN with the IURC seeking approval to construct two natural gas combustion turbines to replace portions of its existing coal-fired generation fleet. On June 28, 2022, the IURC approved the CPCN. The estimated \$334 million turbine facility is being constructed at the previous site of the A.B. Brown power plant in Posey County, Indiana and is expected to provide a combined output of 460 MW. Indiana Electric received approval for depreciation expense and post in-service carrying costs to be deferred in a regulatory asset until the date Indiana Electric's base rates include a return on and recovery of depreciation expense on the facility. A new approximately 23.5 mile pipeline will be constructed and operated by Texas Gas Transmission, LLC to supply natural gas to the turbine facility. FERC granted a certificate to construct the pipeline on October 20, 2022. The period to challenge FERC's certificate in a federal district court expired on February 20, 2023. Indiana Electric granted its contractor a full notice to proceed to construct the turbines on December 9, 2022. The facility is targeted to be operational by mid-year 2025. Recovery of the proposed natural gas combustion turbines and regulatory asset is included in the forecasted test year in the Indiana Electric rate case, which was filed with the IURC on December 5, 2023.

#### **Culley Unit 3 Operations**

In June 2022, F.B. Culley Unit 3, an Indiana Electric coal-fired electric generation unit with an installed generating capacity of 270 MW, experienced an operating issue relating to its boiler feed pump turbine. The unit returned to service in March 2023. In testimony filed September 13, 2023, the OUCC and an intervenor that represents industrial customers filed testimony with the IURC alleging that Indiana Electric did not act prudently which led to the unplanned outage and

recommended disallowances between \$21 million to \$27 million. On July 3, 2024, the IURC issued an order finding Indiana Electric acted reasonably and prudently with respect to the events that gave rise to the Culley Unit 3 outage and, in addition, did not approve the intervenors proposed disallowance. The order is now final and non-appealable.

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

On December 17, 2020, Houston Electric filed a CCN with the PUCT for approval to build a 345 kV transmission line in Wharton County, Texas connecting the Hillje substation on Houston Electric's transmission system to the planned 610 MW Space City Solar Generation facility being developed by third-party developer EDF Renewables. In November 2021, the PUCT approved a route that was estimated to cost \$25 million and issued a final order on January 12, 2022. There have been project delays due to supply chain constraints in the developer acquiring solar panels. Houston Electric substantially completed construction in the fall of 2023, and the transmission line is expected to be energized shortly after the generation facility is complete, which is anticipated to occur in the first half of 2025.

***Kilgore Transmission Project (CenterPoint Energy and Houston Electric)***

On August 30, 2023, Houston Electric filed a CCN application with the PUCT for approval to build a 138 kV double circuit transmission line in Chambers County, Texas that will loop the existing 138 kV Chevron to Langston circuit number 86 on Houston Electric's transmission system to Houston Electric's planned Kilgore substation. On March 7, the PUCT issued a final order approving a route that was estimated to cost \$60 million, including substation costs. The actual capital costs of the project, including the transmission line and the planned Kilgore substation, will depend on actual land acquisition costs, construction costs, and other factors. Completion of construction and energization of the line and substation is anticipated to occur in the second quarter of 2026.

***Mill Creek Transmission Project (CenterPoint Energy and Houston Electric)***

On November 17, 2023, Houston Electric filed a CCN application with the PUCT for approval to build a 138 kV double circuit transmission line in Harris and Montgomery counties, Texas that will connect Houston Electric's transmission system to Houston Electric's planned Mill Creek substation. The actual capital costs of the project, including the transmission line and the planned Mill Creek substation, will depend on actual land acquisition costs, construction costs, and other factors and have been estimated to be \$62 million to \$98 million, based on an amended CCN application filed by Houston Electric on February 26, 2024 and subsequent errata filed on May 9, 2024. On October 24, 2024, the PUCT heard oral arguments and indicated that they will issue a decision on this project on November 14, 2024.

***Texas Legislation (CenterPoint Energy, Houston Electric and CERC)***

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

- House Bill 1500 became effective on September 1, 2023 and continues the functions of the PUCT, the Office of Public Utility Counsel, and ERCOT through 2029. This bill also includes an amendment that clarifies the use cases under which TDUs may lease and operate temporary generation during "significant" power outages;
- House Bill 2263 became effective on June 12, 2023 and authorizes LDCs to offer programs to promote energy conservation and to recover costs prudently incurred to implement such programs under Railroad Commission authority;
- House Bill 2555 became effective on June 13, 2023 and allows an electric utility to file a transmission and distribution system resiliency plan with the PUCT and associated cost recovery to enhance its system through hardening, modernization, undergrounding certain lines, lightning mitigation measures, flood mitigation measures, information technology, cybersecurity, physical security, vegetation management and wildfire mitigation. On January 18, 2024, the PUCT issued an Order adopting its Resiliency Plan Rule (16 Tex. Admin. Code § 25.62);
- Senate Bill 947 became effective on September 1, 2023 and creates severe criminal offenses for intentional damage to critical infrastructure facilities that create extended power outages;
- Senate Bill 1015 became effective on June 18, 2023 and allows utilities to file the DCRF twice a year, on any day the PUCT is open (at least 185 days after filing a full base rate proceeding) and setting an administrative approval timeline of 60 days;
- Senate Bill 1016 became effective on May 5, 2023 and requires the PUCT to presume that all employee compensation and benefits are reasonable and necessary when establishing a utility's rates if based upon market compensation studies issued within the last three years; it includes exceptions for utility officer incentives that are based on financial metrics. Certain incentive compensation that is in-line with market studies will be presumed reasonable and recoverable; and

- Senate Bill 1076 became effective on June 2, 2023 and moves the timeline for the PUCT to approve CCN for transmission projects to 180 days after the date of filing, rather than the first anniversary of the day it was filed.

#### **Minnesota Legislation (CenterPoint Energy and CERC)**

The Natural Gas Innovation Act was passed by the Minnesota legislature in June 2021 with bipartisan support. This law establishes a regulatory framework to enable the state's investor-owned natural gas utilities to provide customers with access to renewable energy resources and innovative technologies, with the goal of reducing GHG emissions and advancing the state's clean energy future. The maximum allowable cost for an innovation plan will start at 1.75% of the utility's revenue in the state and could increase to 4% by 2033, subject to review and approval by the MPUC. Specifically, the Natural Gas Innovation Act allows a natural gas utility to submit an innovation plan for approval by the MPUC which could propose the use of renewable energy resources and innovative technologies such as:

- renewable natural gas (produces energy from organic materials such as wastewater, agricultural manure, food waste, agricultural or forest waste);
- renewable hydrogen gas (produces energy from water through electrolysis with renewable electricity such as solar);
- energy efficiency measures (avoids energy consumption in excess of the utility's existing conservation programs); and
- innovative technologies (reduces or avoids GHG emissions using technologies such as carbon capture).

On June 28, 2023, CERC submitted its first innovation plan to the MPUC; the five-year plan includes 18 pilot projects and seven smaller research-and-development projects. These projects will deploy and evaluate a broad array of innovative resources including made-in-Minnesota alternative gases such as renewable natural gas and green hydrogen as well as pioneering technologies such as a networked geothermal district energy system and end-use carbon capture. The proposed plan requires approval from the MPUC through a review process that is expected to take about one year. The MPUC requested comments by September 15, 2023 if parties believe that the filing is incomplete based on the reporting requirements or if parties do not believe that the MPUC's standard informal proceeding process is appropriate. No parties filed comments regarding completeness or raising concerns that the MPUC's standard informal procedural process is inappropriate. The initial comment period closed January 15, 2024, the reply comment period closed March 15, 2024 and the supplemental comment period closed May 15, 2024. On July 25, 2024, the MPUC voted to approve the plan with some minor modifications during its agenda meeting and a formal order was issued on October 9, 2024.

#### **Solar Panel Issues (CenterPoint Energy)**

CenterPoint Energy's current and future solar projects have been impacted by delays and/or increased costs. The potential delays and inflationary cost pressures communicated from the developers of our solar projects have been primarily due to (i) unavailability of solar panels and other uncertainties related to DOC anti-dumping and countervailing duties investigation(s), (ii) the December 2021 Uyghur Forced Labor Prevention Act on solar modules and other products manufactured in China's Xinjiang Uyghur Autonomous Region and (iii) persistent general global supply chain and labor availability issues. On May 15, 2024, based on a petition filed by the American Alliance for Solar Manufacturing Trade Committee, the DOC announced the initiation of antidumping and countervailing duty investigations of silicon photovoltaic cells from Cambodia, Malaysia, Thailand, and Vietnam. On October 1, 2024, the DOC's preliminary countervailing duty determination affirmed the petition and established preliminary duty rates. The DOC is expected to issue a preliminary antidumping determination in the fourth quarter of 2024 with final determinations expected in the first quarter of 2025. These impacts could result in cost increases for certain projects, and such impacts may require that we seek additional regulatory review and approvals. Additionally, significant changes to project costs and schedules as a result of these factors could impact the viability of the projects. For more information regarding potential delays, cancellations and supply chain disruptions, see "Risk Factors" in Item 1A of Part I of the Registrants' combined 2023 Form 10-K.

#### **TDSIC 2.0 (CenterPoint Energy)**

On May 24, 2023, Indiana Electric filed its petition and case-in-chief with the IURC requesting, among other things, approval of its five-year plan for transmission, distribution, and storage improvements (TDSIC Plan). Intervenor filed their case-in-chief on August 16, 2023 and Indiana Electric filed rebuttal on August 29, 2023. A hearing was held on September 13, 2023 and an order approving the TDSIC Plan was issued on December 27, 2023. The approved five-year TDSIC Plan, covering the period January 1, 2024 through December 31, 2028, consists of approximately \$454 million in proposed investments across seven different programs: (1) Distribution 12kV Circuit Rebuild, (2) Distribution Underground Rebuild, (3) Distribution Automation, (4) Wood Pole Replacement, (5) Transmission Line Rebuild, (6) Substation Rebuild, and (7) Substation Physical Security.

#### **Transmission and Distribution System Resiliency Plan (CenterPoint Energy and Houston Electric)**



House Bill 2555, codified as Tex. Util. Code § 38.078, was passed by the 88th Texas Legislature in 2023 and allows an electric utility to file a transmission and distribution system resiliency plan with the PUCT to enhance the resiliency of the utility's transmission system through at least one or more of the following measures: hardening, modernization, undergrounding certain lines, lightning mitigation measures, flood mitigation measures, information technology, cybersecurity measures, physical security measures, vegetation management, and wildfire mitigation and response. House Bill 2555 also allows an electric utility to establish a regulatory asset for distribution-related costs, including depreciation expense and carrying costs at the electric utility's weighted average cost of capital, relating to the implementation of a transmission and distribution system resiliency plan.

On April 29, 2024, Houston Electric filed its first transmission and distribution system resiliency plan with the PUCT, which proposed to implement 25 resiliency measures over a three-year period. On August 1, 2024, Houston Electric announced that it was withdrawing its application for approval of its transmission and distribution system resiliency plan in order to focus on addressing the impacts of Hurricane Beryl and accelerating preparedness and resiliency efforts for the remaining storm season. The ALJ granted Houston Electric's request for withdrawal of the transmission and distribution system resiliency plan on August 16, 2024.

On August 28, 2024, Houston Electric announced a series of resiliency actions, including a proposal for approximately \$5 billion in resiliency investment from 2026 to 2028, which Houston Electric intends to include in a transmission and distribution system resiliency plan that is expected to be filed with the PUCT on or before January 31, 2025 following feedback from customers, external experts and other stakeholders, including elected officials and local agencies.

#### **Rate Change Applications**

The Registrants are routinely involved in rate change applications before state regulatory authorities. Those applications include general rate cases, where the entire cost of service of the utility is assessed and reset. In addition, Registrants are periodically involved in proceedings to adjust its capital tracking mechanisms (e.g., CSIA, DCRF, DRR, GRIP, TCOS, ECA, CECA and TDSIC), its cost of service adjustments (e.g., RSP and RRA), its decoupling mechanism (e.g., decoupling and SRC), and its energy efficiency cost trackers (e.g., CIP, DSMA, EECR, EECRF, EEFC and EEFR).

**Texas Gas Rate Case.** On October 30, 2023, CERC filed an application with the Railroad Commission and municipal regulatory authorities to set new natural gas base rates that would be applied consistently across the approximately 1.9 million customers. The need for a rate change was primarily driven by the continuing investment in the safety and reliability of the natural gas system, including new Intelis natural gas meters that feature an integrated safety shutoff valve, changes to depreciation rates that better reflect the actual life and salvage characteristics of assets, and changes in other costs to serve customers. A settlement agreement was filed on April 23, 2024. The settlement agreement was approved by the Railroad Commission on June 25, 2024 and provides for a \$5 million annual increase in current revenues, establishes a 9.80% ROE and a 60.61% equity ratio for future GRIP filings. New rates will be effective beginning the month of December 2024.

**Minnesota Rate Case.** On November 1, 2023, CERC filed an application with the MPUC requesting an adjustment to delivery charges in 2024 and 2025 for the natural gas business in Minnesota. The requested increase is approximately 6.5% or \$85 million for 2024 and an additional approximately 3.7% or \$52 million for 2025. The need for a rate change is primarily driven by the continuing investment in the safety and reliability of the natural gas system, including new Intelis natural gas meters that feature an integrated safety shutoff valve, changes to depreciation rates that better reflect the actual life and salvage characteristics of assets, and changes in other costs to serve customers. The request reflects a proposed 10.3% ROE on a 52.5% equity ratio. Interim rates for 2024 of \$69 million, subject to refund, were implemented as of January 1, 2024. A request for interim rates of \$33 million for 2025 was filed on September 30, 2024 and decision on 2025 interim rates is expected in the fourth quarter of 2024. A pretrial and settlement conference is scheduled for December 16, 2024 and the anticipated decision date of the rate case is July 1, 2025.

**Indiana Electric Rate Case.** On December 5, 2023, Indiana Electric filed a petition with the IURC for authority to modify its rates and charges for electric utility service through a phase-in of rates. The requested increase is approximately 16% or \$119 million based on a forward looking 2025 test year. The need for a rate increase is primarily driven by the continuing investment that is being made to bolster the safety and reliability of the system and normal increases in operating expenses. The initial filing of the rate case reflected a proposed 10.4% ROE on a 55% equity ratio. On April 9, 2024 Indiana Electric filed rebuttal in the rate case. Indiana Electric reached a settlement agreement with less than all parties and submitted the agreement to the IURC on May 20, 2024. The settlement reflects a proposed 9.8% ROE on a 55% equity ratio. The requested increase was lowered to 11% with an updated requested increase of \$80 million. A hearing took place on September 10, 2024 through September 11, 2024. A final order is expected in the first half of 2025.

*Houston Electric Rate Case.* On March 6, 2024, Houston Electric filed an application with the PUCT requesting authority to change rates and charges for electric transmission and distribution service. The requested increase is approximately \$17 million (1%) for retail customers and \$43 million (6.6%) for wholesale transmission service, excluding TCRF and rate case expenses. Texas law mandates that electric utilities file a base rate proceeding no later than every four years from the date of their last base rate proceeding final order. Houston Electric's most recent base rate proceeding order was approved by the PUCT on March 9, 2020, in Docket No. 49421. Therefore, Houston Electric was required to file its next base rate proceeding no later than March 9, 2024. The need for a rate increase is primarily driven by the continuing investment that has been made to support customer growth and to bolster the safety and reliability of Houston Electric's transmission and distribution system. The request reflects a proposed 10.4% ROE and a 45% equity ratio. Errata testimony was filed to correct minor errors included in the initial filing which reduced the requested increase to \$56 million compared to current rates. Intervenor and PUCT staff testimony was filed in June 2024. Rebuttal testimony was due on July 12, 2024 and Houston Electric filed rebuttal testimony from 13 witnesses that covered issues other than operations; however, due to their significant operational responsibilities associated with Houston Electric's emergency operations plan and response to Hurricane Beryl, an extension was requested (and granted) for the operations witnesses. A hearing on the merits was scheduled to start in late July 2024. On July 17, 2024, Houston Electric filed an unopposed motion to abate the pending deadlines in order to provide additional time to facilitate the continued settlement discussions; the motion was granted on the same day. On August 1, 2024, Houston Electric announced that it was withdrawing its base rate application with the PUCT requesting authority to change rates and charges for electric transmission and distribution service in order to focus on addressing the impacts of Hurricane Beryl in its service territory and accelerating preparedness and resiliency efforts for the remaining storm season. Intervenors filed a motion to challenge the withdrawal of the base rate proceeding. PUCT staff and the Office of Public Utility Counsel filed a letter in support of such withdrawal. On August 16, 2024, the ALJ issued an order denying the requested withdrawal of the base rate proceeding, leaving the base rate proceeding abated. On August 23, 2024, Houston Electric filed an appeal of the ALJ's order to the PUCT. On September 12, 2024, the PUCT issued an order extending the time to act on Houston Electric's appeal. On October 24, 2024, the PUCT heard oral arguments on the appeal and indicated that they will decide the appeal on November 14, 2024.

*Ohio CEP.* On March 1, 2024, CEOH filed an application with the PUCO for authority to modify its CEP rates and charges. The requested increase is approximately \$3 million resulting in a proposed CEP rate for residential customers of \$1.54 per month. Per the PUCO's Opinion and Order in the 2018 general rate case, the CEP rate is capped at \$1.50 per month for residential customers. CEOH requested deferral of the 2023 CEP revenue requirement above the CEP rate cap of approximately \$155,000. On June 20, 2024, PUCO staff filed comments recommending that CEOH be permitted to collect \$1.50 in this annual rider. However, PUCO staff recommended that CEOH be denied the opportunity to collect deferrals that exceed \$1.50. PUCO staff also recommended that CEOH cease accruing deferrals until such time as a new CEP alternative regulation case has been approved and asserted the \$1.50 cap was reached at some point in 2023. CEOH filed comments on July 15, 2024, providing additional clarification on its interpretation of the 2018 rate case stipulation language. CEOH's interpretation is that CEOH has complied with the PUCO's Opinion and Order from the 2018 general rate case, and CEOH plans to file a Notice of Intent to file a rate case application prior to the \$1.50 cap being reached, allowing for the deferral to be maintained. CEOH filed a statement of resolution on July 30, 2024, indicating CEOH and PUCO staff agree to certain statements including: CEOH's existing deferral authority has not expired and will continue uninterrupted, provided CEOH files its notice of intent for its base rate case prior to the new CEP Rider charges taking effect. PUCO issued a Finding & Order on August 21, 2024, finding that the parties' resolution of the rate cap and deferral authority issues were reasonable.

*Ohio Gas Rate Case.* On August 27, 2024, CEOH filed a Notice of Intent with PUCO to begin the process of requesting an adjustment in natural gas base rates. CEOH plans to file its Application and Standard Filing Requirement by the end of October 2024 based on a hybrid test year of January through March 2024 results and April through December 2024 estimated financial data. Direct testimony will be filed with PUCO 14 days after the application filing. The need for a rate increase is primarily driven by the continuing investment that is being made to provide safe and reliable service of the system. CEOH's last base rate case was filed in 2018 with final PUCO approval August 28, 2019.

The table below reflects significant applications pending or completed since the Registrants' combined 2023 Form 10-K was filed with the SEC through the date of the filing of this Form 10-Q:

Mechanism	Annual Increase (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
<b>CenterPoint Energy and Houston Electric (PUCT)</b>					
DCRF	73	December 2023	April 2024	March 2024	Based on the net change in distribution invested capital since its last base rate proceeding of approximately \$2.5 billion for the period January 1, 2019 through September 30, 2023 for an incremental revenue increase of \$86 million, adjusted for load growth. On February 5, 2024, Houston Electric notified the ALJ that the parties reached an agreement in principle on all issues in this proceeding, and filed an agreed expedited motion for interim rates. On February 13, 2024, interim rates designed to collect \$220 million (\$73 million incremental) were approved by the ALJ, to be effective April 2024. A final order was issued by the PUCT March 7, 2024.
Rate Case	56	March 2024	TBD	TBD	See discussion above under <i>Houston Electric Rate Case</i> .
EECRF	15	May 2024	TBD	TBD	The requested \$65 million is comprised primarily of the following: 2025 program costs of \$50 million; a credit of \$0.5 million related to the over-recovery of 2023 program costs; the 2023 earned bonus of \$15 million; and 2025 projected evaluation, measurement and verification costs of \$0.5 million. On August 21, 2024, Houston Electric requested the proceeding be abated to facilitate settlement negotiations with the parties. On September 6, 2024, Houston Electric notified the ALJ that the parties reached an agreement in principal and requested the proceeding continue in abatement; the stipulation and settlement agreement was filed on October 17, 2024.
<b>CenterPoint Energy and CERC - Beaumont/East Texas, South Texas, Houston and Texas Coast (Railroad Commission)</b>					
Rate Case	5	October 2023	December 2024	June 2024	See discussion above under <i>Texas Gas Rate Case</i> .
Tax Act Rider	20	August 2024	TBD	TBD	Resulting from the Texas Gas Rate Case, the first Tax Act Rider Calculation was filed on August 1, 2024 pursuant to Docket No. OS-23-00015513 to recover the effects of the Inflation Reduction Act ("Tax Act 2022") and certain other tax-related costs for rates to become effective January 1, 2025. These effects include the return on the CAMT deferred tax asset ("DTA") resulting from the Tax Act 2022, income tax credits resulting from the Tax Act 2022, and the return on the increment or decrement in the NOL DTA included in rate base and in the standard service base revenue requirement approved in the Texas Gas Rate Case. CERC believes its filing is consistent with the Tax Act Rider tariff approved in Docket No. OS-23-00015513. On October 1, 2024, certain parties filed comments disputing the application. The Railroad Commission is currently seeking comments and a procedural schedule for review.
<b>CenterPoint Energy and CERC - Minnesota (MPUC)</b>					
CIP Financial Incentive	8	May 2024	TBD	TBD	CIP Financial Incentive based on 2023 CIP program activity.
Rate Case	136	November 2023	TBD	TBD	See discussion above under <i>Minnesota Rate Case</i> .
<b>CenterPoint Energy and CERC - Louisiana (LPSC)</b>					
RSP	12	September/October 2023	June 2024	April 2024	Based on ROE of 9.95% with 50 basis point (+/-) earnings band. The North Louisiana increase, net of TCJA effects considered outside of the earnings band and completion of COVID-19 asset recovery, is \$8 million based on a test year ended June 2023 and adjusted ROE of 3.67%. The South Louisiana increase, net of TCJA effects considered outside of the earnings band and completion of COVID-19 asset recovery, is \$5 million based on a test year ended June 2023 and adjusted ROE of 5.47%. The TCJA refund impact to North Louisiana and South Louisiana was \$0.6 million and \$0.4 million, respectively. South Louisiana interim rates were implemented on December 28, 2023, subject to refund. North Louisiana interim rates were implemented on January 29, 2024. Staff reports issued on January 31, 2024 recommended disallowances of \$0.3 million and \$0.2 million in North and South Louisiana, respectively. LPSC voted to approve the January 2024 staff reports on April 19, 2024. Implementation occurred in June 2024.
RSP	13	October 2024	TBD	TBD	Based on ROE of 9.95% with 50 basis point (+/-) earnings band. The North Louisiana increase, inclusive of TCJA effects considered outside of the earnings band, is \$7 million based on a test year ended June 2024 and adjusted ROE of 5.56%. The South Louisiana increase, inclusive of TCJA effects considered outside of the earnings band, is \$6 million based on a test year ended June 2024 and adjusted ROE of 5.96%. Interim rates, subject to refund, will be implemented December 19, 2024.

Mechanism	Annual Increase (1) (in millions)	Filing Date	Effective Date	Approval Date	Additional Information
<b>CenterPoint Energy and CERC - Mississippi (MPSC)</b>					
RRA	9	May 2024	September 2024	September 2024	Based on ROE of 10.263% with 100 basis points (+/-) earnings band. Revenue increase of approximately \$11 million based on 2023 test year adjusted earned ROE of 5.11%. Interim increase of approximately \$1.3 million implemented May 31, 2024. On September 5, 2024, MPSC approved a settlement revenue adjustment of \$9.4 million.
<b>CenterPoint Energy - Indiana South - Gas (IURC)</b>					
CSIA	4	April 2024	August 2024	July 2024	Requested an increase of \$35 million to rate base, which reflects approximately \$3.6 million annual increase in current revenues. An 80% of revenue requirement is included in the requested rate increase and 20% is deferred until the next rate case. The mechanism also includes a change in (over)/under-recovery variance of \$0.03 million annually. The Final IURC Order was issued July 31, 2024, approving CSIA rates as proposed effective August 1, 2024.
CSIA	2	October 2024	TBD	TBD	Requested an increase of \$18 million to rate base, which reflects approximately \$2.4 million annual increase in current revenues. 80% of revenue requirement is included in requested rate increase and 20% is deferred until the next rate case. The mechanism also includes a change in (over)/under-recovery variance of \$(1.0) million annually. OUCC to file testimony on December 4, 2024. Indiana South Rebuttal due December 18, 2024. Evidentiary Hearing to be scheduled for week of January 6, 2025.
<b>CenterPoint Energy and CERC - Indiana North - Gas (IURC)</b>					
CSIA	9	April 2024	August 2024	July 2024	Requested an increase of \$97 million to rate base, which reflects approximately \$9.4 million annual increase in current revenues. 80% of revenue requirement is included in requested rate increase and 20% is deferred until the next rate case. The mechanism also includes a change in (over)/under-recovery variance of \$1 million annually. Final IURC Order issued July 31, 2024, approving CSIA rates as proposed effective August 1, 2024.
CSIA	11	October 2024	TBD	TBD	Requested an increase of \$84 million to rate base, which reflects approximately \$11.0 million annual increase in current revenues. 80% of revenue requirement is included in requested rate increase and 20% is deferred until the next rate case. The mechanism also includes a change in (over)/under-recovery variance of \$(3.0) million annually. OUCC to file testimony on December 4, 2024. Indiana South Rebuttal due December 18, 2024. Evidentiary Hearing to be scheduled for week of January 6, 2025.
<b>CenterPoint Energy and CERC - Ohio - Gas (PUCO)</b>					
CEP	3	March 2024	September 2024	August 2024	See discussion above under <i>Ohio Capital Expenditure Program</i> .
DRR	12	May 2024	September 2024	August 2024	Requested an increase of \$77 million to rate base for investments made in 2023, which reflects a \$12 million annual increase in current revenues. A change in (over)/under-recovery variance of \$0.8 million annually is also included in rates. PUCO Opinion & Order was issued August 21, 2024, approving DRR rates as proposed. Revised rates effective September 1, 2024.
<b>CenterPoint Energy - Indiana Electric (IURC)</b>					
Rate Case	80	December 2023	TBD	TBD	See discussion above under <i>Indiana Electric Rate Case</i> .
TDSIC	5	February 2024	May 2024	May 2024	Requested an increase of \$36 million to rate base, which reflects a \$5 million annual increase in current revenues. 80% of the revenue requirement is included in requested rate increase and 20% is deferred until next rate case. An order approving the request was issued on May 17, 2024 and was effective May 16, 2024.
CECA	—	February 2024	May 2024	June 2024	Requested a decrease of \$1 million to rate base, which reflects no change in current revenues. The mechanism also includes a change in (over)/under-recovery variance of \$0.1 million. The final order was issued May 29, 2024, approving rates effective June 1, 2024.
ECA	6	May 2024	August 2024	August 2024	Requested an increase of \$48 million to rate base, which reflects a \$6 million annual increase in current revenues. Eighty percent of the revenue requirement is included in the requested rate increase and 20% is deferred until next rate case. The mechanism also includes a reduction in the under-recovery variance of \$1 million. The OUCC filed testimony on July 1, 2024 recommending approval. A final order approving the request was issued on August 28, 2024.

Mechanism	Annual Increase (1)	Filing	Effective Date	Approval Date	Additional Information
	(in millions)	Date			
TDSIC	5	August 2024	TBD	TBD	Requested an increase of \$30 million to rate base, which reflects a \$5 million annual increase in current revenues. An 80% of the revenue requirement is included in the requested rate increase and 20% is deferred until the next rate case. The OUCC filed testimony on September 30, 2024. An evidentiary hearing is scheduled for October 28, 2024.

(1) Represents proposed increases (decreases) when effective date and/or approval date is not yet determined. Approved rates could differ materially from proposed rates.

#### ***Inflation Reduction Act (IRA)***

On August 16, 2022, the IRA was signed into law. The new law extends or creates tax-related energy incentives for solar, wind and alternative clean energy sources, implements, subject to certain exceptions, a 1% tax on share repurchases after December 31, 2022, and implements a 15% CAMT based on the adjusted financial statement income of certain large corporations. Corporations are entitled to a CAMT credit to the extent CAMT liability exceeds regular tax liability, which can be carried forward indefinitely and used in future years when regular tax exceeds the CAMT. It is likely that the Registrants will owe CAMT in excess of their regular tax liability beginning in 2024. As a result, the Registrants may experience a temporary increase in federal cash tax liability due to this provision beginning in 2024. On September 12, 2024, the IRS issued proposed regulations addressing the application of the CAMT. The proposed regulations offer guidance for computing an entity's adjusted financial statement income, in addition to addressing other provisions of the CAMT. At this time, the Company does not anticipate changes to the applicability of CAMT to the Registrants as a result of the proposed regulations.

#### ***Greenhouse Gas Regulation and Compliance (CenterPoint Energy)***

On August 3, 2015, the EPA released its CPP rule, which required a 32% reduction in carbon emissions from 2005 levels. The final rule was published in the Federal Register on October 23, 2015, and that action was immediately followed by litigation ultimately resulting in the U.S. Supreme Court staying implementation of the rule. On July 8, 2019, the EPA published the ACE rule, which (i) repealed the CPP rule; (ii) replaced the CPP rule with a program that requires states to implement a program of energy efficiency improvement targets for individual coal-fired electric generating units; and (iii) amended the implementing regulations for Section 111(d) of the Clean Air Act. On January 19, 2021, the majority of the ACE rule — including the CPP repeal, CPP replacement, and the timing-related portions of the Section 111(d) implementing rule — was struck down by the U.S. Court of Appeals for the D.C. Circuit and on October 29, 2021, the U.S. Supreme Court agreed to consider four petitions filed by various coal interests and a coalition of 19 states. On June 30, 2022, the U.S. Supreme Court ruled that the EPA exceeded its authority in promulgating the CPP. On May 11, 2023, the EPA announced proposed emission limits and guidelines for carbon dioxide from fossil fuel-fired power plants under Section 111 of the Clean Air Act which, if finalized, apply new GHG performance standards for those existing coal-fired units expected to continue operation beyond December 31, 2029. On February 29, 2024, the EPA announced that it would be delaying the rulemaking as applied to existing natural gas-fired units. On April 25, 2024, the EPA released its New Source Performance Standards for Greenhouse Gas Emissions From New, Modified, Reconstructed Fossil Fuel-Fired Units; Emission Guidelines for Greenhouse Gas Emissions From Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the Affordable Clean Energy Rule. CenterPoint Energy is currently reviewing this rule, but would note that CenterPoint Energy does not currently have plans to operate any of its coal-fired units beyond December 2029.

The Biden administration recommitted the United States to the Paris Agreement, which has driven a renewed regulatory push to require further GHG emission reductions from the energy sector, and led negotiations at the global climate conference in Glasgow, Scotland. On April 22, 2021, President Biden announced new goals of 50% reduction of economy-wide GHG emissions, and 100% carbon-free electricity by 2035 from a 2021 baseline, which formed the basis of the U.S. commitments announced in Glasgow. In September 2021, CenterPoint Energy announced its net zero emissions goals for both Scope 1 emissions and certain Scope 2 emissions by 2035 as well as a goal to reduce certain Scope 3 emissions by 20% to 30% by 2035. Because Texas is an unregulated market, CenterPoint Energy's Scope 2 emissions estimates do not take into account Texas electric transmission and distribution assets in the line loss calculation and, in addition, exclude emissions related to purchased power in Indiana between 2024 and 2026 as estimated. CenterPoint Energy's Scope 3 emissions estimates are based on the total natural gas supply delivered to residential and commercial customers as reported in the U.S. Energy Information Administration (EIA) Form EIA-176 reports and do not take into account the emissions of transport customers and emissions related to upstream extraction. These emission goals are expected to be used to position CenterPoint Energy to comply with anticipated future regulatory requirements from the current and future administrations to further reduce GHG emissions. CenterPoint Energy's and CERC's revenues, operating costs and capital requirements could be adversely affected as a result of any regulatory action that would require installation of new control technologies or a modification of their operations or would have

the effect of reducing the consumption of natural gas. The IRA established the Methane Emissions Reduction Program, which imposes a charge on methane emissions from certain natural gas transmission facilities, and the EPA has proposed new regulations targeting reductions in methane emissions, which if implemented will increase costs related to production, transmission and storage of natural gas.

CenterPoint Energy's net zero emissions goals are aligned with Indiana Electric's generation transition plan and are expected to position Indiana Electric to comply with anticipated future regulatory requirements related to GHG emissions reductions. Houston Electric, in contrast to some electric utilities including Indiana Electric, does not generate electricity, other than TEEEF, and thus is not directly exposed to the risk of high capital costs and regulatory uncertainties that face electric utilities that burn fossil fuels to generate electricity. Nevertheless, Houston Electric's and Indiana Electric's revenues could be adversely affected to the extent any resulting regulatory action has the effect of reducing consumption of electricity by ultimate consumers within their respective service territories. Likewise, incentives to conserve energy or to use energy sources other than natural gas could result in a decrease in demand for the Registrants' services. For example, Minnesota has enacted the Natural Gas Innovation Act that seeks to provide customers with access to renewable energy resources and innovative technologies, with the goal of reducing GHG emissions. Further, certain local government bodies have introduced or are considering requirements and/or incentives to reduce energy consumption by certain specified dates. For example, Minneapolis has adopted carbon emission reduction goals in an effort to decrease reliance on natural gas. Additionally, cities in Minnesota within CenterPoint Energy's Natural Gas operational footprint are considering initiatives to eliminate natural gas use in buildings and focus on electrification. Also, Minnesota cities may consider seeking legislative authority for the ability to enact voluntary enhanced energy standards for all development projects. These initiatives could have a significant impact on CenterPoint Energy and its operations, and this impact could increase if other cities and jurisdictions in its service area enact similar initiatives. Further, our third-party suppliers, vendors and partners may also be impacted by climate change laws and regulations, which could impact CenterPoint Energy's business by, among other things, causing permitting and construction delays, project cancellations or increased project costs passed on to CenterPoint Energy. Conversely, regulatory actions that effectively promote the consumption of natural gas because of its lower emissions characteristics would be expected to benefit CenterPoint Energy and CERC and their natural gas-related businesses. At this time, however, we cannot quantify the magnitude of the impacts from possible new regulatory actions related to GHG emissions, either positive or negative, on the Registrants' businesses.

Compliance costs and other effects associated with climate change, reductions in GHG emissions and obtaining renewable energy sources remain uncertain. Although the amount of compliance costs remains uncertain, any new regulation or legislation relating to climate change will likely result in an increase in compliance costs. While the requirements of a federal or state rule remain uncertain, CenterPoint Energy will continue to monitor regulatory activity regarding GHG emission standards that may affect its business. Currently, CenterPoint Energy does not purchase carbon credits. In connection with its net zero emissions goals, CenterPoint Energy is expected to purchase carbon credits in the future; however, CenterPoint Energy does not currently expect the number of credits, or cost for those credits, to be material.

#### ***Climate Change Trends and Uncertainties***

As a result of increased attention regarding climate change, coupled with adverse economic conditions, availability of alternative energy sources, including private solar, microturbines, fuel cells, energy-efficient buildings and energy storage devices, and new regulations restricting emissions, including potential regulations of methane emissions, some consumers and companies may use less energy, meet their own energy needs through alternative energy sources or avoid expansions of their facilities, including natural gas facilities, resulting in less demand for the Registrants' services. As these technologies likely become more cost-competitive option over time, whether through cost effectiveness or government incentives and subsidies, certain customers may choose to meet their own energy needs and subsequently decrease usage of the Registrants' systems and services, which may result in, among other things, Indiana Electric's generating facilities becoming less competitive and economical. Further, evolving investor sentiment related to the use of fossil fuels and initiatives to restrict continued production of fossil fuels have had significant impacts on CenterPoint Energy's electric generation and natural gas businesses. For example, because Indiana Electric's current generating facilities substantially rely on coal for their operations, certain financial institutions choose not to participate in CenterPoint Energy's financing arrangements. Conversely, demand for the Registrants' services may increase as a result of customer changes in response to climate change. For example, as the expected utilization of electric vehicles increases, demand for electricity may increase, resulting in increased usage of CenterPoint Energy's systems and services. Any negative opinions with respect to CenterPoint Energy's environmental practices or its ability to meet the challenges posed by climate change formed by regulators, customers, investors, legislators or other stakeholders could harm its reputation.

To address these developments, CenterPoint Energy announced its net zero emissions goals for both Scope 1 emissions and certain Scope 2 emissions by 2035. Indiana Electric's 2019/2020 IRP identified a preferred portfolio that retires 730 MW of coal-fired generation facilities and replaces these resources with a mix of generating resources composed primarily of

renewables, including solar, wind, and solar with storage, supported by dispatchable natural gas combustion turbines including a pipeline to serve such natural gas generation. Indiana Electric continues to execute on its 2019/2020 IRP and has received initial approvals for 626 MWs of the 700-1,000 MWs identified within Indiana Electric's 2019/2020 IRP. Additionally, as reflected in its 10-year capital plan announced in September 2021, CenterPoint Energy anticipates spending over \$3 billion in cleaner energy investments and enablement, which may be used to support, among other things, renewable energy generation and electric vehicle expansion. CenterPoint Energy believes its planned investments in renewable energy generation and corresponding planned reduction in its GHG emissions as part of its net zero emissions goals support global efforts to reduce the impacts of climate change. Indiana Electric has conducted a new IRP, which was submitted to the IURC in May 2023, to identify an appropriate generation resource portfolio to satisfy the needs of its customers and comply with environmental regulations. The proposed preferred portfolio is the second evolution to the generation transition plan to move away from coal-fired generation to a more sustainable portfolio of resources. Under the proposed preferred portfolio, Indiana Electric plans to convert its last remaining coal unit to natural gas by the end of 2027 and to add a significant amount of additional renewable resources through 2033. For more information regarding CenterPoint Energy's net zero emission goals and the risks associated with them, see "Risk Factors — Risk Factors Affecting Regulatory, Environmental and Legal Risks — CenterPoint Energy is subject to operational and financial risks..." in Part I, Item 1A of the Registrants' combined 2023 Form 10-K.

To the extent climate changes result in warmer temperatures in the Registrants' service territories, financial results from the Registrants' businesses could be adversely impacted. For example, CenterPoint Energy's and CERC's Natural Gas could be adversely affected through lower natural gas sales. On the other hand, warmer temperatures in CenterPoint Energy's and Houston Electric's electric service territory may increase revenues from transmission and distribution and generation through increased demand for electricity used for cooling. Another possible result of climate change is more frequent and more severe weather events, such as hurricanes, tornadoes and flooding, including such storms as the February 2021 Winter Storm Event, the May 2024 Storm Events and Hurricane Beryl. Since many of the Registrants' facilities are located along or near the Texas gulf coast, increased or more severe weather events, such as hurricanes, tornadoes or flooding, could increase costs to repair damaged facilities and restore service to customers. CenterPoint Energy's current 10-year capital plan includes capital expenditures to enhance reliability and safety and increase resiliency of its systems as climate change may result in more frequent significant weather events. Houston Electric does not own or operate any electric generation facilities other than, since September 2021, its operation of TEEEF. Houston Electric transmits and distributes to customers of REPs electric power that the REPs obtain from power generation facilities owned by third parties. To the extent adverse weather conditions affect the Registrants' suppliers, results from their energy delivery businesses may suffer. For example, in Texas, the February 2021 Winter Storm Event caused an electricity generation shortage that was severely disruptive to Houston Electric's service territory and the wholesale generation market and also caused a reduction in available natural gas capacity. Additionally, the May 2024 Storm Events and Hurricane Beryl caused significant damage to Houston Electric's electric delivery system and resulted in electric service interruptions peaking at an estimated 922,000 customers and more than 2.1 million customers, respectively. When the Registrants cannot deliver electricity or natural gas to customers, or customers cannot receive services, the Registrants' financial results can be impacted by lost revenues, and they generally must seek approval from regulators to recover restoration costs. To the extent the Registrants are unable to recover those costs, or if higher rates resulting from recovery of such costs result in reduced demand for services, the Registrants' future financial results may be adversely impacted. Further, as the intensity and frequency of significant weather events continues, it may impact our ability to secure cost-efficient insurance.

On March 6, 2024, the SEC adopted final rules that require the Registrants to disclose certain climate-related information in registration statements and annual reports. The final rules require Registrants to disclose, among other things, material climate-related risks, activities to mitigate such risks and information about the Registrants' board of directors' oversight and management's role in managing material climate-related risks. The final rule also requires the Registrants to provide information related to any climate-related targets or goals that are material to the Registrants' businesses, results of operations, or financial condition. Litigation challenging the new rule was filed by multiple parties in multiple jurisdictions, which have been consolidated and assigned to the U.S. Court of Appeals for the Eighth Circuit. On April 4, 2024, the SEC announced that it is voluntarily delaying the implementation of the climate disclosure regulations while the U.S. Court of Appeals considers the litigation. While a majority of the reporting requirements would have been applicable to the Registrants in the fiscal year beginning in 2025, with the addition of assurance reporting for GHG inventories starting in 2029 for large accelerated filers, as of April 12, 2024, the effective date of the final rules has been delayed indefinitely and the SEC has indicated that it will publish a document in the Federal Register at the conclusion of the stay addressing a new effective date for the final rules. The Registrants continue to evaluate the impact of the final rules on their respective consolidated financial statements and related disclosures.

## Other Matters

### Credit Facilities

The Registrants may draw on their respective revolving credit facilities from time to time to provide funds used for general corporate and limited liability company purposes, including to backstop CenterPoint Energy's and CERC's commercial paper programs. The facilities may also be utilized to obtain letters of credit. For further details related to the Registrants' revolving credit facilities, see Note 11 to the Interim Condensed Financial Statements.

Based on the consolidated debt to capitalization covenant in the Registrants' revolving credit facilities, the Registrants would have been permitted to utilize the full capacity of such revolving credit facilities, which aggregated approximately \$4.0 billion as of September 30, 2024. As of October 21, 2024, the Registrants had the following revolving credit facilities and utilization of such facilities:

Registrant	Size of Facility	Amount Utilized as of October 21, 2024			Weighted Average Interest Rate	Termination Date
		Loans	Letters of Credit	Commercial Paper		
		(in millions)				
CenterPoint Energy	\$ 2,400	\$ —	\$ —	\$ 899	4.92%	December 6, 2027
CenterPoint Energy (1)	250	—	—	—	—%	December 6, 2027
Houston Electric	300	—	—	—	—%	December 6, 2027
CERC	1,050	—	1	427	4.90%	December 6, 2027
Total	\$ 4,000	\$ —	\$ 1	\$ 1,326		

(1) This credit facility was issued by SIGECO.

Borrowings under each of the revolving credit facilities are subject to customary terms and conditions. However, there is no requirement that the borrower makes representations prior to borrowing as to the absence of material adverse changes or litigation that could be expected to have a material adverse effect. Borrowings under each of the revolving credit facilities are subject to acceleration upon the occurrence of events of default that we consider customary. The revolving credit facilities also provide for customary fees, including commitment fees, administrative agent fees, fees in respect of letters of credit and other fees. In each of the revolving credit facilities, the spread to SOFR and the commitment fees fluctuate based on the borrower's credit rating. Each of the Registrant's credit facilities provide for a mechanism to replace SOFR with possible alternative benchmarks upon certain benchmark replacement events. The borrowers are currently in compliance with the various business and financial covenants in the four revolving credit facilities.

### Debt Transactions

For detailed information about the Registrants' debt transactions to date in 2024, see Note 11 to the Interim Condensed Financial Statements.

### Securities Registered with the SEC

On May 17, 2023, the Registrants filed a joint shelf registration statement with the SEC registering indeterminate principal amounts of Houston Electric's general mortgage bonds, CERC Corp.'s senior debt securities and CenterPoint Energy's senior debt securities and junior subordinated debt securities and an indeterminate number of shares of Common Stock, shares of preferred stock, depositary shares, as well as stock purchase contracts and equity units. The joint shelf registration statement will expire on May 17, 2026. For information related to the Registrants' debt issuances in 2024, see Note 11 to the Interim Condensed Financial Statements.

Additionally, for information related to shares of Common Stock sold during the nine months ended September 30, 2024, see Note 18 to the Interim Condensed Financial Statements.

### Temporary Investments

As of October 21, 2024, the Registrants had no temporary investments.



### Money Pool

The Registrants participate in a money pool through which they and certain of their subsidiaries can borrow or invest on a short-term basis. Funding needs are aggregated and external borrowing or investing is based on the net cash position. The net funding requirements of the CenterPoint Energy money pool are expected to be met with borrowings under CenterPoint Energy's revolving credit facility or the sale of CenterPoint Energy's commercial paper. The net funding requirements of the CERC money pool are expected to be met with borrowings under CERC's revolving credit facility or the sale of CERC's commercial paper. The money pool may not provide sufficient funds to meet the Registrants' cash needs.

The table below summarizes CenterPoint Energy money pool activity by Registrant as of October 21, 2024:

	Weighted Average Interest		
	Rate	Houston Electric	CERC
		(in millions)	
Money pool borrowings	4.98%	\$ 221	\$ —

### Impact on Liquidity of a Downgrade in Credit Ratings

The interest rate on borrowings under the credit facilities is based on each respective borrower's credit ratings. As of October 21, 2024, Moody's, S&P and Fitch had assigned the following credit ratings to the borrowers:

Registrant	Borrower/Instrument	Moody's		S&P		Fitch	
		Rating	Outlook (1)	Rating	Outlook (2)	Rating	Outlook (3)
CenterPoint Energy	CenterPoint Energy Senior Unsecured Debt	Baa2	Negative	BBB	Negative	BBB	Negative
CenterPoint Energy	Vectren Corp. Issuer Rating	n/a	Negative	BBB+	Negative	n/a	n/a
CenterPoint Energy	SIGECO Senior Secured Debt	A1	Stable	A	Negative	n/a	n/a
Houston Electric	Houston Electric Senior Secured Debt	A2	Negative	A	Negative	A	Negative
CERC	CERC Corp. Senior Unsecured Debt	A3	Stable	BBB+	Negative	A-	Negative
CERC	Indiana Gas Senior Unsecured Debt	n/a	n/a	BBB+	Negative	n/a	n/a

- (1) A Moody's rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term.  
(2) An S&P outlook assesses the potential direction of a long-term credit rating over the intermediate to longer term.  
(3) A Fitch rating outlook indicates the direction a rating is likely to move over a one- to two-year period.

The Registrants cannot assure that the ratings set forth above will remain in effect for any given period of time or that one or more of these ratings will not be lowered or withdrawn entirely by a rating agency. The Registrants note that these credit ratings are included for informational purposes and are not recommendations to buy, sell or hold the Registrants' securities and may be revised or withdrawn at any time by the rating agency. Each rating should be evaluated independently of any other rating. Any future reduction or withdrawal of one or more of the Registrants' credit ratings could have a material adverse impact on the Registrants' ability to obtain short- and long-term financing, the cost of such financings and the execution of the Registrants' commercial strategies.

A decline in credit ratings could increase borrowing costs under the Registrants' revolving credit facilities. If the Registrants' credit ratings had been downgraded one notch by S&P and Moody's from the ratings that existed as of September 30, 2024, the impact on the borrowing costs under the four revolving credit facilities would have been insignificant. A decline in credit ratings would also increase the interest rate on long-term debt to be issued in the capital markets and could negatively impact the Registrants' ability to complete capital market transactions and to access the commercial paper market. Additionally, a decline in credit ratings could increase cash collateral requirements and reduce earnings of CenterPoint Energy's and CERC's Natural Gas reportable segments.

Pipeline tariffs and contracts typically provide that if the credit ratings of a shipper or the shipper's guarantor drop below a threshold level, which is generally investment grade ratings from both Moody's and S&P, cash or other collateral may be demanded from the shipper in an amount equal to the sum of three months' charges for pipeline services plus the unrecouped cost of any lateral built for such shipper. If the credit ratings of CERC Corp. decline below the applicable threshold levels, CERC might need to provide cash or other collateral of up to \$180 million as of September 30, 2024. The amount of collateral will depend on seasonal variations in transportation levels.

### ***ZENS and Securities Related to ZENS (CenterPoint Energy)***

If CenterPoint Energy's creditworthiness were to drop such that ZENS holders thought CenterPoint Energy's liquidity was adversely affected or the market for the ZENS were to become illiquid, some ZENS holders might decide to exchange their ZENS for cash. Funds for the payment of cash upon exchange could be obtained from the sale of the shares of ZENS-Related Securities that CenterPoint Energy owns or from other sources. CenterPoint Energy owns shares of ZENS-Related Securities equal to approximately 100% of the reference shares used to calculate its obligation to the holders of the ZENS. ZENS exchanges result in a cash outflow because tax deferrals related to the ZENS and shares of ZENS-Related Securities would typically cease when ZENS are exchanged or otherwise retired and shares of ZENS-Related Securities are sold. The ultimate tax liability related to the ZENS and ZENS-Related Securities continues to increase by the amount of the tax benefit realized each year, and there could be a significant cash outflow when the taxes are paid as a result of the retirement or exchange of the ZENS. If all ZENS had been exchanged for cash on September 30, 2024, deferred taxes of approximately \$787 million would have been payable in 2024. If all the ZENS-Related Securities had been sold on September 30, 2024, capital gains taxes of approximately \$78 million would have been payable in 2024 based on 2024 tax rates in effect. For additional information about ZENS, see Note 10 to the Interim Condensed Financial Statements.

### ***Cross Defaults***

Under the Registrants' respective revolving credit facilities, a payment default on, or a non-payment default, event or condition that permits acceleration of, any indebtedness for borrowed money and certain other specified types of obligations (including guarantees) exceeding \$125 million by the borrower or any of their respective significant subsidiaries will cause a default under such borrower's respective credit facility or term loan agreement. Under SIGECO's revolving credit facility, a payment default on, or a non-payment default, event or condition that permits acceleration of, any indebtedness for borrowed money and certain other specific types of obligations (including guarantees) exceeding \$75 million by SIGECO or any of its significant subsidiaries will cause a default under SIGECO's credit facility. A default by CenterPoint Energy would not trigger a default under its subsidiaries' debt instruments or revolving credit facilities.

### ***Possible Acquisitions, Divestitures and Joint Ventures***

From time to time, the Registrants consider the acquisition or the disposition of assets or businesses or possible joint ventures, strategic initiatives or other joint ownership arrangements with respect to assets or businesses. Any determination to take action in this regard will be based on market conditions and opportunities existing at the time, and accordingly, the timing, size or success of any efforts and the associated potential capital commitments are unpredictable. The Registrants may seek to fund all or part of any such efforts with proceeds from debt and/or equity issuances. Debt or equity financing may not, however, be available to the Registrants at that time due to a variety of events, including, among others, maintenance of our credit ratings, industry conditions, general economic conditions, market conditions and market perceptions. CenterPoint Energy has increased its planned capital expenditures in its Electric and Natural Gas businesses multiple times over the recent years to support rate base growth and may continue to do so in the future. The Registrants may continue to explore asset sales as a means to efficiently finance a portion of its increased capital expenditures in the future, subject to the considerations listed above. For further information, see Note 3 to the Interim Condensed Financial Statements.

On February 19, 2024, CenterPoint Energy, through its subsidiary CERC Corp., entered into the LAMS Asset Purchase Agreement to sell its Louisiana and Mississippi natural gas LDC businesses. The transaction is expected to close in the first quarter of 2025. For further information, see Note 3 to the Interim Condensed Financial Statements.

### ***Hedging of Interest Expense for Future Debt Issuances***

From time to time, the Registrants may enter into interest rate agreements to hedge, in part, volatility in the U.S. treasury rates by reducing variability in cash flows related to interest payments. For further information, see Note 7(a) to the Interim Condensed Financial Statements.

### ***Collection of Receivables from REPs (CenterPoint Energy and Houston Electric)***

Houston Electric's receivables from the distribution of electricity are collected from REPs that supply the electricity Houston Electric distributes to their customers. Before conducting business, a REP must register with the PUCT and must meet certain financial qualifications. Nevertheless, adverse economic conditions, weather events such as the February 2021 Winter Storm Event, structural problems in the market served by ERCOT or financial difficulties of one or more REPs could impair the ability of these REPs to pay for Houston Electric's services or could cause them to delay such payments. Houston Electric depends on these REPs to remit payments on a timely basis, and any delay or default in payment by REPs could adversely affect Houston Electric's cash flows. In the event of a REP default, Houston Electric's tariff provides a number of remedies,

including the option for Houston Electric to request that the PUCT suspend or revoke the certification of the REP. Applicable regulatory provisions require that customers be shifted to another REP or a provider of last resort if a REP cannot make timely payments. However, Houston Electric remains at risk for payments related to services provided prior to the shift to the replacement REP or the provider of last resort. If a REP were unable to meet its obligations, it could consider, among various options, restructuring under the bankruptcy laws, in which event such REP might seek to avoid honoring its obligations and claims might be made against Houston Electric involving payments it had received from such REP. If a REP were to file for bankruptcy, Houston Electric may not be successful in recovering accrued receivables owed by such REP that are unpaid as of the date the REP filed for bankruptcy. However, PUCT regulations authorize utilities, such as Houston Electric, to defer bad debts resulting from defaults by REPs for recovery in future rate cases, subject to a review of reasonableness and necessity.

#### ***Other Factors that Could Affect Cash Requirements***

In addition to the above factors, the Registrants' liquidity and capital resources could also be negatively affected by:

- cash collateral requirements that could exist in connection with certain contracts, including weather hedging arrangements, and natural gas purchases, natural gas price and natural gas storage activities of CenterPoint Energy's and CERC's Natural Gas reportable segment;
- acceleration of payment dates on certain gas supply contracts, under certain circumstances, as a result of increased natural gas prices, and concentration of natural gas suppliers (CenterPoint Energy and CERC);
- increased costs related to the acquisition of natural gas (CenterPoint Energy and CERC);
- increases in interest expense in connection with debt refinancings and borrowings under credit facilities or term loans or the use of alternative sources of financings, including financings due to the May 2024 Storm Events and Hurricane Beryl;
- various legislative or regulatory actions, including such actions in response to the May 2024 Storm Events and Hurricane Beryl;
- incremental collateral, if any, that may be required due to regulation of derivatives (CenterPoint Energy);
- the ability of REPs, including REP affiliates of NRG and Vistra Energy Corp., to satisfy their obligations to CenterPoint Energy and Houston Electric;
- slower customer payments and increased write-offs of receivables due to higher natural gas prices, changing economic conditions, public health threats or severe weather events, such as the May 2024 Storm Events and Hurricane Beryl (CenterPoint Energy and CERC);
- the satisfaction of any obligations pursuant to guarantees;
- the outcome of litigation, including litigation related to the February 2021 Winter Storm Event and Hurricane Beryl;
- contributions to pension and postretirement benefit plans;
- recovery of any losses under applicable insurance policies;
- restoration costs and revenue losses resulting from future natural disasters such as hurricanes or other severe weather events, such as the May 2024 Storm Events and Hurricane Beryl, and the timing of and amounts sought for recovery of such restoration costs; and
- various other risks identified in "Risk Factors" in [Part I, Item 1A of the Registrants' combined 2023 Form 10-K](#), which are incorporated herein by reference, in Item 1A of Part II of this combined Form 10-Q, and in other reports that the Registrants file from time to time with the SEC.

#### ***Certain Contractual Limits on Our Ability to Issue Securities and Borrow Money***

Certain provisions in certain note purchase agreements relating to debt issued by CERC have the effect of restricting the amount of secured debt issued by CERC and debt issued by subsidiaries of CERC Corp. Additionally, Houston Electric and SIGECO are limited in the amount of mortgage bonds they can issue by the General Mortgage and SIGECO's mortgage indenture, respectively. For information about the total debt to capitalization financial covenants in the Registrants' and SIGECO's revolving credit facilities, see Note 11 to the Interim Condensed Financial Statements.

### **CRITICAL ACCOUNTING POLICIES**

A critical accounting policy is one that is both important to the presentation of the Registrants' financial condition and results of operations and requires management to make difficult, subjective or complex accounting estimates. An accounting estimate is an approximation made by management of a financial statement element, item or account in the financial statements. Accounting estimates in the Registrants' historical consolidated financial statements measure the effects of past business transactions or events, or the present status of an asset or liability. The accounting estimates described below require the Registrants to make assumptions about matters that are highly uncertain at the time the estimate is made. Additionally, different estimates that the Registrants could have used or changes in an accounting estimate that are reasonably likely to occur could have a material impact on the presentation of their financial condition, results of operations or cash flows. The circumstances

that make these judgments difficult, subjective and/or complex have to do with the need to make estimates about the effect of matters that are inherently uncertain. Estimates and assumptions about future events and their effects cannot be predicted with certainty. The Registrants base their estimates on historical experience and on various other assumptions that they believe to be reasonable under the circumstances, the results of which form the basis for making judgments. These estimates may change as new events occur, as more experience is acquired, as additional information is obtained and as the Registrants' operating environment changes.

#### **Assets Held for Sale**

Generally, a long-lived asset to be sold is classified as held for sale in the period in which management, with approval from the Board of Directors, as applicable, commits to a plan to sell, and a sale is expected to be completed within one year. The Registrants record assets and liabilities held for sale, or the disposal group, at the lower of their carrying value or their estimated fair value less cost to sell. If a disposal group reflects a component of a reporting unit and meets the definition of a business, the goodwill within that reporting unit is allocated to the disposal group based on the relative fair value of the components representing a business that will be retained and disposed. Goodwill is not allocated to a portion of a reporting unit that does not meet the definition of a business.

During the nine months ended September 30, 2024, as described further in Note 3 to the Interim Condensed Financial Statements, certain assets and liabilities representing the Louisiana and Mississippi natural gas LDC businesses met the held for sale criteria. The sale will be considered an asset sale for tax purposes, requiring net deferred tax liabilities to be excluded from held for sale balances.

Fair value is the amount at which an asset, liability or business could be bought or sold in a current transaction between willing parties and may be estimated using a number of techniques, including quoted market prices, present value techniques based on estimates of cash flows, or multiples of earnings or revenue performance measures. The fair value could be different if different estimates and assumptions in these valuation techniques were applied.

Fair value measurements require significant judgment and often unobservable inputs, including (i) projected timing and amount of future cash flows, which factor in planned growth initiatives, (ii) the regulatory environment, as applicable, and (iii) discount rates reflecting risk inherent in the future market prices. Changes in these assumptions could have a significant impact on the resulting fair value.

Other than the assets held for sale analysis discussed above, there have been no significant changes in our critical accounting policies during the nine months ended September 30, 2024, as compared to the critical accounting policies disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Registrants' combined 2023 Form 10-K.

#### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

*Houston Electric and CERC meet the conditions specified in General Instruction H(1)(a) and (b) to Form 10-Q and are therefore permitted to use the reduced disclosure format for wholly-owned subsidiaries of reporting companies. Accordingly, Houston Electric and CERC have omitted from this report the information called for by Item 3 (Quantitative and Qualitative Disclosures About Market Risk) of Part I of the Form 10-Q.*

#### **Interest Rate Risk (CenterPoint Energy)**

As of September 30, 2024, the Registrants had outstanding long-term debt and lease obligations and CenterPoint Energy had obligations under its ZENS that subject them to the risk of loss associated with movements in market interest rates. The Registrants seek to manage interest rate exposure by monitoring the effects of changes in market interest rates and using a combination of fixed and variable rate debt. Additionally, interest rate swaps are used to mitigate interest rate exposure when deemed appropriate. See Note 7 to the Interim Condensed Financial Statements.

CenterPoint Energy's floating rate obligations aggregated \$1.3 billion and \$1.9 billion as of September 30, 2024 and December 31, 2023, respectively. If the floating interest rates were to increase by 100 basis points from September 30, 2024 rates, CenterPoint Energy's combined interest expense would increase by approximately \$13 million annually.

As of September 30, 2024 and December 31, 2023, CenterPoint Energy had outstanding fixed-rate debt (excluding indexed debt securities) aggregating \$18.7 billion and \$16.9 billion, respectively, in principal amount and having a fair value of \$18.1 billion and \$16.1 billion, respectively. Because these instruments are fixed-rate, they do not expose CenterPoint Energy to the risk of loss in earnings due to changes in market interest rates. However, the fair value of these instruments would

increase by approximately \$715 million if interest rates were to decline by 10% from levels at September 30, 2024. In general, such an increase in fair value would impact earnings and cash flows only if CenterPoint Energy were to reacquire all or a portion of these instruments in the open market prior to their maturity.

The ZENS obligation is bifurcated into a debt component and a derivative component. The debt component of \$3 million as of September 30, 2024 was a fixed-rate obligation and, therefore, did not expose CenterPoint Energy to the risk of loss in earnings due to changes in market interest rates. However, the fair value of the debt component would increase by less than \$1 million if interest rates were to decline by 10% from levels at September 30, 2024. Changes in the fair value of the derivative component, a \$591 million recorded liability at September 30, 2024, are recorded in CenterPoint Energy's Condensed Statements of Consolidated Income and, therefore, it is exposed to changes in the fair value of the derivative component as a result of changes in the underlying risk-free interest rate. If the risk-free interest rate were to increase by 10% from September 30, 2024 levels, the fair value of the derivative component liability would decrease by \$1 million, which would be recorded as a gain on indexed debt securities in CenterPoint Energy's Condensed Statements of Consolidated Income.

#### **Equity Market Value Risk (CenterPoint Energy)**

CenterPoint Energy is exposed to equity market value risk through its ownership of 10.2 million shares of AT&T Common, 0.9 million shares of Charter Common and 2.5 million shares of WBD Common, which CenterPoint Energy holds to facilitate its ability to meet its obligations under the ZENS. See Note 10 to the Interim Condensed Financial Statements for a discussion of CenterPoint Energy's ZENS obligation. Changes in the fair value of the ZENS-Related Securities held by CenterPoint Energy are expected to substantially offset changes in the fair value of the derivative component of the ZENS. A decrease of 10% from the September 30, 2024 aggregate market value of these shares would result in a net loss of less than \$1 million, which would be recorded on a gross basis as both a gain on indexed debt securities and as a loss on equity securities in CenterPoint Energy's Condensed Statements of Consolidated Income.

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

CenterPoint Energy's regulated operations are exposed to commodity price risk during severe weather events such as hurricanes, tornadoes and severe winter weather conditions. Severe weather events can increase commodity prices related to natural gas, coal and purchased power, which may increase our costs of providing service, and those costs may not be recoverable in rates. Recovery of cost increases driven by rising commodity prices during severe weather events could be resisted by our regulators and our regulators might attempt to deny or defer timely recovery of those costs.

However, CenterPoint Energy's and CERC's regulated operations in Indiana have limited exposure to commodity price risk for transactions involving purchases and sales of natural gas, coal and purchased power for the benefit of retail customers due to current state regulations, which, subject to compliance with those regulations, allow for recovery of the cost of such purchases through natural gas and fuel cost adjustment mechanisms. CenterPoint Energy's and CERC's utility natural gas operations in Indiana have regulatory authority to lock in pricing for up to 50% of annual natural gas purchases using arrangements with an original term of up to 10 years. This authority has been utilized to secure fixed price natural gas using both physical purchases and financial derivatives. As of September 30, 2024, the recorded fair value of non-trading energy derivative liabilities was \$7 million and \$6 million, respectively, for CenterPoint Energy's and CERC's utility natural gas operations in Indiana.

Although CenterPoint Energy's and CERC's regulated operations are exposed to limited commodity price risk, natural gas and coal prices have other effects on working capital requirements, interest costs, and some level of price-sensitivity in volumes sold or delivered. Constructive regulatory orders, such as those authorizing lost margin recovery, other innovative rate designs and recovery of unaccounted for natural gas and other natural gas-related expenses, also mitigate the effect natural gas costs may have on CenterPoint Energy's financial condition. In 2008, the PUCO approved an exit of the merchant function in CenterPoint Energy's and CERC's Ohio natural gas service territory, allowing Ohio customers to purchase substantially all natural gas directly from retail marketers rather than from CenterPoint Energy or CERC.

#### **Item 4. CONTROLS AND PROCEDURES**

In accordance with Exchange Act Rules 13a-15 and 15d-15, the Registrants carried out separate evaluations, under the supervision and with the participation of each company's management, including the principal executive officer and principal financial officer, of the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report. Based on those evaluations, the principal executive officer and principal financial officer, in each case, concluded that the disclosure controls and procedures were effective as of September 30, 2024 to provide assurance that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and such information is accumulated and communicated to management,

including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding disclosure.

There has been no change in the Registrants' internal controls over financial reporting that occurred during the three months ended September 30, 2024 that has materially affected, or is reasonably likely to materially affect, the Registrants' internal controls over financial reporting.

## PART II. OTHER INFORMATION

### Item 1. LEGAL PROCEEDINGS

For a description of material legal and regulatory proceedings, including environmental legal proceedings that involve a governmental authority as a party and that the Registrants reasonably believe would result in \$1,000,000 or more of monetary sanctions, exclusive of interest and costs, under federal, state and local laws that have been enacted or adopted regulating the discharge of materials into the environment or primarily for the purpose of protecting the environment, affecting the Registrants, see Note 13(c) to the Interim Condensed Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Future Sources and Uses of Cash" and "— Regulatory Matters," each of which is incorporated herein by reference. See also "[Business — Regulation](#)" and "[— Environmental Matters](#)" in Part I, Item 1 and "[Legal Proceedings](#)" in Part I, Item 3 of the Registrants' combined 2023 Form 10-K.

### Item 1A. RISK FACTORS

Other than with respect to the risk factors set forth below, there have been no material changes from the risk factors disclosed in the Registrants' combined 2023 Form 10-K.

***Hurricane Beryl caused severe disruptions to our operations, customers and markets in certain of our service territories and could have a material adverse impact on our financial condition, results of operations, cash flows and liquidity.***

In July 2024, Hurricane Beryl made landfall in Texas, bringing sustained winds, storm surges and torrential rain, which impacted our operations, customers and personnel in our Texas gulf coast markets. Hurricane Beryl caused significant damage to Houston Electric's electric delivery system, resulting in a substantial number of its customers (peaking at more than 2.1 million customers out of 2.8 million customers) being without power, many for extended periods of time.

The total cost for the restoration of Houston Electric's electric delivery facilities as a result of Hurricane Beryl is currently estimated to be \$1.1 billion, excluding carrying costs, but such estimate is preliminary and restoration costs could vary from that estimate. Houston Electric believes it is entitled to recover prudently incurred storm restoration costs in accordance with applicable regulatory and legal principles. However, neither the amount nor timing of the recovery is certain. Houston Electric's failure to recover costs incurred as a result of Hurricane Beryl could adversely affect our liquidity, cash flows and financial condition.

Various federal, state and local governmental and regulatory agencies and other entities, such as the Texas Governor's office, the Texas Legislature and the PUCT, have called for or are conducting inquiries and investigations into Hurricane Beryl and the efforts made by Houston Electric to prepare for, and respond to, this event, including the electric service outage issues. Moreover, additional governmental and regulatory agencies and other entities may conduct such inquiries and investigations, as well. Texas Lieutenant Governor Patrick has publicly urged the PUCT to hold Houston Electric, rather than ratepayers, responsible for paying \$800 million, which was the amount the PUCT had previously approved Houston Electric to recover from ratepayers pursuant to Texas legislation passed after the 2021 Winter Storm Event relating to emergency responsiveness and the leasing of temporary generation units. On August 12, 2024, Texas Attorney General Ken Paxton opened an investigation to evaluate CenterPoint Energy's conduct during Hurricane Beryl. There are significant uncertainties around these inquiries and investigations and potential results and consequences, including whether any financial penalties will be assessed or changes to Houston Electric's system, service territories, operations and/or regulatory treatment will result therefrom. If these or other inquiries, investigations or reviews ultimately result in changes to Houston Electric's system, service territories, operations and/or regulatory treatment, such changes could have a material adverse impact on our business, results of operations, cash flows and financial condition.

CenterPoint Energy and Houston Electric are subject to current and potential future litigation and claims arising out of Hurricane Beryl, which litigation and claims could include allegations of, among other things, personal injury, property damage, various economic losses in connection with loss of power, unlawful business practices, and others. Several lawsuits have been filed against CenterPoint Energy and/or Houston Electric, including three putative class actions claiming losses due

to power outages following Hurricane Beryl and each seeking damages in excess of \$100 million for, among other things, business interruption, property damage and loss, cost of repair, loss of use and market value, lost income, nuisance, extreme mental anguish and/or punitive damages. CenterPoint Energy and its subsidiaries have general and excess liability insurance policies that provide coverage for third party bodily injury and property damage claims. Given the nature of some allegations, it is possible that the insurers could dispute coverage for some types of claims or damages that may be alleged by plaintiffs, and one of CenterPoint Energy's insurers has denied indemnity coverage in the putative class actions based on the failure to supply exclusion and has also reserved its rights with respect to coverage in those actions. CenterPoint Energy and Houston Electric intend to continue to pursue all available insurance coverage for all of these matters. While CenterPoint Energy and Houston Electric intend to vigorously defend themselves against the lawsuits, final resolution of these matters, or any potential future claims or liabilities, may require expenditures that may be in excess of established insurance or reserves and may have a material adverse effect on the Registrants' financial condition, results of operation, cash flows and liquidity.

## Item 5. OTHER INFORMATION

### Rule 10b5-1 Trading Arrangements

During the three months ended September 30, 2024, no director or officer of CenterPoint Energy, Houston Electric or CERC adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

## Item 6. EXHIBITS

Exhibits filed herewith are designated by a cross (†); all exhibits not so designated are incorporated by reference to a prior filing as indicated. Agreements included as exhibits are included only to provide information to investors regarding their terms. The agreements listed below may contain representations, warranties and other provisions that were made, among other things, to provide the parties thereto with specified rights and obligations and to allocate risk among them, and such agreements should not be relied upon as constituting or providing any factual disclosures about the Registrants, any other persons, any state of affairs or other matters.

Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrants have not filed as exhibits to this combined Form 10-Q certain long-term debt instruments, including indentures, under which the total amount of securities authorized does not exceed 10% of the total assets of the Registrants and its subsidiaries on a consolidated basis. The Registrants hereby agree to furnish a copy of any such instrument to the SEC upon request.

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference	CenterPoint Energy	Houston Electric	CERC
2.1*	<a href="#">Agreement and Plan of Merger, dated as of April 21, 2018, by and among Vectren Corporation, CenterPoint Energy, Inc. and Pacer Merger Sub, Inc.</a>	CenterPoint Energy's Form 8-K dated April 21, 2018	1-31447	2.1	x		
2.2*	<a href="#">Asset Purchase Agreement, dated February 19, 2024, among CenterPoint Energy Resources Corp. and Delta Utilities No. LA, LLC, Delta Utilities S. LA, LLC, Delta Utilities MS, LLC, and Delta Shared Services Co., LLC</a>	CenterPoint Energy's Form 8-K dated February 19, 2024	1-31447	1.1	x		x
3.1	<a href="#">Restated Articles of Incorporation of CenterPoint Energy</a>	CenterPoint Energy's Form 8-K dated July 24, 2008	1-31447	3.2	x		
3.2	<a href="#">Restated Certificate of Formation of Houston Electric</a>	Houston Electric's Form 10-Q for the quarter ended June 30, 2011	1-3187	3.1		x	
3.3	<a href="#">Certificate of Incorporation of RERC Corp.</a>	CERC Form 10-K for the year ended December 31, 1997	1-13265	3(a)(1)			x
3.4	<a href="#">Certificate of Merger merging former NorAm Energy Corp. with and into HI Merger, Inc. dated August 6, 1997</a>	CERC Form 10-K for the year ended December 31, 1997	1-13265	3(a)(2)			x
3.5	<a href="#">Certificate of Amendment changing the name to Reliant Energy Resources Corp.</a>	CERC Form 10-K for the year ended December 31, 1998	1-13265	3(a)(3)			x

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference	CenterPoint Energy	Houston Electric	CERC
3.6	<a href="#">Certificate of Amendment changing the name to CenterPoint Energy Resources Corp.</a>	CERC Form 10-Q for the quarter ended June 30, 2003	1-13265	3(a)(4)			x
3.7	<a href="#">Fourth Amended and Restated Bylaws of CenterPoint Energy</a>	CenterPoint Energy's Form 10-K for the year ended December 31, 2023	1-31447	3(h)	x		
3.8	<a href="#">Amended and Restated Limited Liability Company Agreement of Houston Electric</a>	Houston Electric's Form 10-Q for the quarter ended June 30, 2011	1-3187	3.2		x	
3.9	<a href="#">Bylaws of RERC Corp.</a>	CERC Form 10-K for the year ended December 31, 1997	1-13265	3(b)			x
3.10	<a href="#">Statement of Resolutions Deleting Shares Designated Series A Preferred Stock of CenterPoint Energy</a>	CenterPoint Energy's Form 10-K for the year ended December 31, 2011	1-31447	3(c)	x		
†4.1	<a href="#">Junior Subordinated Indenture, dated as of August 14, 2024, between CenterPoint Energy, Inc. and The Bank of New York Mellon Trust Company, National Association, as trustee</a>				x		
†4.2	<a href="#">Supplemental Indenture, dated as of August 14, 2024, to Exhibit 4.1</a>				x		
4.3	<a href="#">Amended and Restated Indenture of Mortgage and Deed of Trust dated as of January 1, 2023, between Southern Indiana Gas and Electric Company and Deutsche Bank Trust Company Americas, as Trustee</a>	CenterPoint Energy's Form 8-K dated February 1, 2023	1-31447	10.2	x		
4.4	<a href="#">Third Supplemental Indenture dated as of August 29, 2024, between Southern Indiana Gas and Electric Company and Deutsche Bank Trust Company Americas, as Trustee</a>	CenterPoint Energy's Form 8-K dated August 29, 2024	1-31447	4.2	x		
4.5	<a href="#">Form of the Fourth Supplemental Indenture to be dated as of January 31, 2025 or such earlier time as SIGECO may select, between Southern Indiana Gas and Electric Company and Deutsche Bank Trust Company Americas, as Trustee</a>	CenterPoint Energy's Form 8-K dated August 29, 2024	1-31447	4.3	x		
10.1	<a href="#">Bond Purchase Agreement dated August 29, 2024 among Southern Indiana Gas and Electric Company and the purchasers listed on Schedule B thereto</a>	CenterPoint Energy's Form 8-K dated August 29, 2024	1-31447	10.1	x		
†31.1.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Jason P. Wells</a>				x		
†31.1.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Darin M. Carroll</a>					x	
†31.1.3	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Richard C. Leger</a>						x
†31.2.1	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Christopher A. Foster</a>				x		
†31.2.2	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Christopher A. Foster</a>					x	
†31.2.3	<a href="#">Rule 13a-14(a)/15d-14(a) Certification of Christopher A. Foster</a>						x
†32.1.1	<a href="#">Section 1350 Certification of Jason P. Wells</a>				x		
†32.1.2	<a href="#">Section 1350 Certification of Darin M. Carroll</a>					x	
†32.1.3	<a href="#">Section 1350 Certification of Richard C. Leger</a>						x
†32.2.1	<a href="#">Section 1350 Certification of Christopher A. Foster</a>				x		
†32.2.2	<a href="#">Section 1350 Certification of Christopher A. Foster</a>					x	



Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference	CenterPoint Energy	Houston Electric	CERC
†32.2.3	<a href="#">Section 1350 Certification of Christopher A. Foster</a>						x
†101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document				x	x	x
†101.SCH	Inline XBRL Taxonomy Extension Schema Document				x	x	x
†101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document				x	x	x
†101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document				x	x	x
†101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document				x	x	x
†101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document				x	x	x
†104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				x	x	x

\* Schedules to this agreement have been omitted pursuant to Items 601(a)(5) and 601(b)(2) of Regulation S-K. A copy of any omitted schedules will be furnished supplementally to the SEC upon request; provided, however, that the parties may request confidential treatment pursuant to Rule 24b-2 of the Exchange Act for any document so furnished.

## SIGNATURES

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

CENTERPOINT ENERGY, INC.  
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC  
CENTERPOINT ENERGY RESOURCES CORP.

By: /s/ Kristie L. Colvin  
Kristie L. Colvin  
Senior Vice President and Chief Accounting Officer  
(Duly Authorized Officer and Principal Accounting Officer)

Date: October 28, 2024

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**CENTERPOINT ENERGY, INC.**

**To**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL  
ASSOCIATION,**

**Trustee**

**JUNIOR SUBORDINATED INDENTURE**

**Dated as of August 14, 2024**

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**CERTAIN SECTIONS OF THIS INDENTURE RELATING TO  
SECTIONS 310 THROUGH 318,  
INCLUSIVE, OF THE TRUST INDENTURE ACT OF 1939:**

TRUST INDENTURE ACT SECTION	INDENTURE SECTION(S)
Section 3.10(a)(1)	6.09
(a)(2)	6.09
(a)(3)	Not Applicable
(a)(4)	Not Applicable
(b)	6.08, 6.10
Section 3.11(a)	6.13
(b)	6.13
Section 3.12(a)	7.01, 7.02
(b)	7.02
(c)	7.02
Section 3.13(a)	7.03
(b)	7.03
(c)	7.03
(d)	7.03
Section 3.14(a)	7.04
(a)(4)	1.01, 10.04
(b)	Not Applicable
(c)(1)	1.02
(c)(2)	1.02
(c)(3)	Not Applicable
(d)	Not Applicable
(e)	1.02
Section 3.15(a)	6.01
(b)	6.02
(c)	6.01
(d)	6.01
(e)	5.14
Section 3.16(a)	1.01
(a)(1)(A)	5.02, 5.12
(a)(1)(B)	5.13
(a)(2)	Not Applicable
(b)	5.08
(c)	1.04
Section 3.17(a)(1)	5.03
(a)(2)	5.04
(b)	10.03
Section 3.18(a)	1.07

NOTE: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Indenture.

## TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION .....	1
Section 1.01 Definitions.....	1
Section 1.02 Compliance Certificates and Opinions .....	8
Section 1.03 Form of Documents Delivered to Trustee .....	9
Section 1.04 Acts of Holders; Record Dates .....	9
Section 1.05 Notices, Etc., to Trustee and Company.....	11
Section 1.06 Notice to Holders; Waiver .....	11
Section 1.07 Conflict with Trust Indenture Act.....	12
Section 1.08 Effect of Headings and Table of Contents .....	12
Section 1.09 Successors and Assigns.....	12
Section 1.10 Separability Clause .....	12
Section 1.11 Benefits of Indenture.....	12
Section 1.12 Governing Law .....	13
Section 1.13 Legal Holidays .....	13
ARTICLE II SECURITY FORMS .....	13
Section 2.01 Forms Generally.....	13
Section 2.02 Form of Face of Security .....	14
Section 2.03 Form of Reverse of Security .....	15
Section 2.04 Form of Legend for Global Securities .....	21
Section 2.05 Form of Trustee's Certificate of Authentication.....	21
ARTICLE III THE SECURITIES .....	21
Section 3.01 Amount Unlimited; Issuable in Series .....	21
Section 3.02 Denominations .....	25
Section 3.03 Execution, Authentication, Delivery and Dating.....	25
Section 3.04 Temporary Securities .....	26
Section 3.05 Registration, Registration of Transfer and Exchange .....	27
Section 3.06 Mutilated, Destroyed, Lost and Stolen Securities.....	28
Section 3.07 Payment of Interest; Interest Rights Preserved; Optional Interest Reset .....	29
Section 3.08 Optional Extension of Maturity .....	32
Section 3.09 Persons Deemed Owners .....	32
Section 3.10 Cancellation .....	33
Section 3.11 Computation of Interest; Usury Not Intended .....	33
Section 3.12 CUSIP Numbers.....	34
ARTICLE IV SATISFACTION AND DISCHARGE .....	34
Section 4.01 Satisfaction and Discharge of Indenture .....	34
Section 4.02 Application of Trust Money.....	35
ARTICLE V REMEDIES .....	35
Section 5.01 Events of Default .....	35
Section 5.02 Acceleration of Maturity; Rescission and Annulment.....	37
Section 5.03 Collection of Indebtedness and Suits for Enforcement by Trustee.....	38

Section 5.04	Trustee May File Proofs of Claim .....	38
Section 5.05	Trustee May Enforce Claims Without Possession of Securities.....	39
Section 5.06	Application of Money Collected.....	39
Section 5.07	Limitation on Suits.....	39
Section 5.08	Unconditional Right of Holders to Receive Principal, Premium and Interest..	40
Section 5.09	Restoration of Rights and Remedies.....	40
Section 5.10	Rights and Remedies Cumulative.....	40
Section 5.11	Delay or Omission Not Waiver.....	41
Section 5.12	Control by Holders.....	41
Section 5.13	Waiver of Past Defaults .....	41
Section 5.14	Undertaking for Costs .....	41
Section 5.15	Waiver of Usury, Stay or Extension Laws.....	42
ARTICLE VI THE TRUSTEE .....		42
Section 6.01	Certain Duties and Responsibilities .....	42
Section 6.02	Notice of Defaults .....	42
Section 6.03	Certain Rights of Trustee .....	42
Section 6.04	Not Responsible for Recitals or Issuance of Securities .....	44
Section 6.05	May Hold Securities .....	44
Section 6.06	Money Held in Trust.....	44
Section 6.07	Compensation and Reimbursement .....	44
Section 6.08	Conflicting Interests.....	45
Section 6.09	Corporate Trustee Required; Eligibility.....	45
Section 6.10	Resignation and Removal; Appointment of Successor.....	46
Section 6.11	Acceptance of Appointment by Successor .....	47
Section 6.12	Merger, Conversion, Consolidation or Succession to Business .....	48
Section 6.13	Preferential Collection of Claims Against Company.....	48
Section 6.14	Appointment of Authenticating Agent.....	49
ARTICLE VII HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY.....		50
Section 7.01	Company to Furnish Trustee Names and Addresses of Holders .....	50
Section 7.02	Preservation of Information; Communications to Holders.....	50
Section 7.03	Reports by Trustee .....	51
Section 7.04	Reports by Company.....	51
ARTICLE VIII CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE .		51
Section 8.01	Company May Consolidate, Etc., Only on Certain Terms .....	51
Section 8.02	Successor Substituted.....	52
ARTICLE IX SUPPLEMENTAL INDENTURES .....		53
Section 9.01	Supplemental Indentures Without Consent of Holders .....	53
Section 9.02	Supplemental Indentures With Consent of Holders.....	54
Section 9.03	Execution of Supplemental Indentures .....	55
Section 9.04	Effect of Supplemental Indentures.....	56
Section 9.05	Conformity with Trust Indenture Act .....	56
Section 9.06	Reference in Securities to Supplemental Indentures .....	56
ARTICLE X COVENANTS.....		56

Section 10.01	Payment of Principal, Premium and Interest .....	56
Section 10.02	Maintenance of Office or Agency.....	56
Section 10.03	Money for Securities Payments to Be Held in Trust .....	57
Section 10.04	Statement by Officers as to Default .....	58
Section 10.05	Existence .....	58
Section 10.06	Waiver of Certain Covenants.....	58
ARTICLE XI REDEMPTION OF SECURITIES .....		58
Section 11.01	Applicability of Article .....	58
Section 11.02	Election to Redeem; Notice to Trustee .....	59
Section 11.03	Selection by Trustee of Securities to Be Redeemed .....	59
Section 11.04	Notice of Redemption .....	60
Section 11.05	Deposit of Redemption Price .....	60
Section 11.06	Securities Payable on Redemption Date .....	61
Section 11.07	Securities Redeemed in Part .....	61
ARTICLE XII SINKING FUNDS.....		61
Section 12.01	Applicability of Article .....	61
Section 12.02	Satisfaction of Sinking Fund Payments with Securities .....	62
Section 12.03	Redemption of Securities for Sinking Fund.....	62
ARTICLE XIII REPAYMENT AT THE OPTION OF THE HOLDERS .....		62
Section 13.01	Applicability of Article .....	62
Section 13.02	Repayment of Securities .....	62
Section 13.03	Exercise of Option .....	63
Section 13.04	When Securities Presented for Repayment Become Due and Payable.....	63
Section 13.05	Securities Repaid in Part.....	64
ARTICLE XIV DEFEASANCE AND COVENANT DEFEASANCE.....		64
Section 14.01	Company's Option to Effect Defeasance or Covenant Defeasance.....	64
Section 14.02	Defeasance and Discharge .....	64
Section 14.03	Covenant Defeasance.....	64
Section 14.04	Conditions to Defeasance or Covenant Defeasance .....	65
Section 14.05	Acknowledgment of Discharge By Trustee .....	67
Section 14.06	Deposited Money and U.S. Government Obligations to Be Held in Trust;	
Miscellaneous Provisions .....		67
Section 14.07	Reinstatement.....	67
ARTICLE XV IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS, DIRECTORS AND EMPLOYEES .....		68
Section 15.01	Exemption from Individual Liability .....	68
ARTICLE XVI SUBORDINATION.....		68
Section 16.01	Securities Subordinate to Senior Debt .....	68
Section 16.02	Payment over of Proceeds Upon Dissolution, Etc. ....	69
Section 16.03	No Payment When Senior Debt in Default.....	69
Section 16.04	Prior Payment to Senior Debt Upon Acceleration of Securities.....	70

Section 16.05	Payment Permitted in Certain Situations .....	70
Section 16.06	Subrogation to Rights of Holders of Senior Debt .....	70
Section 16.07	Provisions Solely to Define Relative Rights.....	71
Section 16.08	Trustee to Effectuate Subordination .....	71
Section 16.09	No Waiver of Subordination Provisions .....	71
Section 16.10	Notice to Trustee.....	72
Section 16.11	Reliance on Judicial Order or Certificate of Liquidating Agent.....	73
Section 16.12	Trustee Not Fiduciary for Holders of Senior Debt .....	73
Section 16.13	Rights of Trustee as Holder of Senior Debt; Preservation of Trustee's Rights	73
Section 16.14	Article Applicable to Paying Agents .....	73
Section 16.15	Certain Conversions or Exchanges Deemed Payment.....	74
Section 16.16	Defeasance of This Article XVI .....	74



JUNIOR SUBORDINATED INDENTURE (herein called this “Indenture”), dated as of August 14, 2024, between CenterPoint Energy, Inc., a corporation duly organized and existing under the laws of the State of Texas (herein called the “Company”), having its principal office at 1111 Louisiana, Houston, Texas 77002, and The Bank of New York Mellon Trust Company, National Association, a New York state banking corporation having an office in Houston, Texas, as Trustee (herein called the “Trustee”).

## RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its junior subordinated debentures, notes or other evidences of indebtedness (herein called the “Securities”), to be issued in one or more series as in this Indenture provided.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of any series thereof, as follows:

## ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

### Section 1.01 Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article I have the meanings assigned to them in this Article I and include the plural as well as the singular;

(b) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States of America, and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States of America at the date of such computation, provided that when two or more principles are so generally accepted, it shall mean that set of principles consistent with those in use by the Company;

(d) unless the context otherwise requires, any reference to an “Article” or a “Section” refers to an Article or a Section, as the case may be, of this Indenture;

(e) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;

(f) words importing any gender include the other genders;

(g) references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to;

(h) references to “writing” include printing, typing, lithography, electronic mail and other means of reproducing words in a tangible, visible form;

(i) the words “including,” “includes” and “include” shall be deemed to be followed by the words “without limitation”; and

(j) unless otherwise provided, references to agreements and other instruments shall be deemed to include all amendments and other modifications to such agreements and instruments, but only to the extent such amendments and other modifications are not prohibited by the terms of this Indenture.

“Act”, when used with respect to any Holder, has the meaning specified in Section 1.04.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Authenticating Agent” means any Person authorized by the Trustee pursuant to Section 6.14 to act on behalf of the Trustee to authenticate Securities of one or more series.

“Board of Directors” means either the board of directors of the Company or any duly authorized committee of that board.

“Board Resolution” means a copy of a resolution certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company to have been duly adopted by the Board of Directors, or such committee of the Board of Directors or officers of the Company to which authority to act on behalf of the Board of Directors has been delegated, and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Business Day”, when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.

“Commission” means the Securities and Exchange Commission, from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument

such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Company” means the Person named as the “Company” in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“Company Request” or “Company Order” mean, respectively, a written request or order signed in the name of the Company by its Chair of the Board, its Chief Executive Officer, a Vice Chair of the Board, its Chief Financial Officer, its President or a Vice President, and by its Treasurer, an Assistant Treasurer, its Corporate Secretary or an Assistant Corporate Secretary, and delivered to the Trustee.

“Corporate Trust Office” means the principal office of the Trustee at which at any particular time its corporate trust business shall be administered, which, in the case of The Bank of New York Mellon Trust Company, National Association, shall be as follows: (a) for payment, registration, transfer and exchange of the Securities: 500 Ross Street, Suite 625, Pittsburgh, Pennsylvania 15219, Attention: Bondholder Communications; telephone: (800) 254-2826; and (b) for all other communications relating to the Securities: 601 Travis Street, 16th Floor, Houston, Texas 77002, Attention: Global Corporate Trust; telephone: (713) 483-6529.

“Corporation” means a corporation, association, company, limited liability company, joint-stock company or business trust.

“Covenant Defeasance” has the meaning specified in Section 14.03.

“Defaulted Interest” has the meaning specified in Section 3.07(a).

“Defeasance” has the meaning specified in Section 14.02.

“Depository” means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as Depository for such Securities as contemplated by Section 3.01.

“Event of Default” has the meaning specified in Section 5.01.

“Exchange Act” means the Securities Exchange Act of 1934 and any statute successor thereto, in each case as amended from time to time.

“Exchange Rate” has the meaning specified in Section 5.01.

“Expiration Date” has the meaning specified in Section 1.04.

“Extension Notice” has the meaning specified in Section 3.08.

“Extension Period” has the meaning specified in Section 3.08.

“Final Maturity” has the meaning specified in Section 3.08.

“Global Security” means a Security that evidences all or part of the Securities of any series and bears the legend set forth in Section 2.04 (or such legend as may be specified as contemplated by Section 3.01 for such Securities).

“Holder” means a Person in whose name a Security is registered in the Security Register.

“Indenture” means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term “Indenture” shall also include the terms of particular series of Securities established as contemplated by Section 3.01.

“Interest”, when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

“Interest Payment Date”, when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

“Investment Company Act” means the Investment Company Act of 1940 and any statute successor thereto, in each case as amended from time to time.

“Junior Securities” has the meaning specified in Section 16.15.

“Maturity”, when used with respect to any Security, means the date on which the principal of such Security or an installment of principal or premium, if any, becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

“Maximum Interest Rate” has the meaning specified in Section 3.11.

“Notice of Default” means a written notice of the kind specified in Section 5.01(d).

“Officers’ Certificate” means a certificate signed by the Chair of the Board, the Chief Executive Officer, a Vice Chair of the Board, the Chief Financial Officer, the President or a Vice President, and by the Treasurer, an Assistant Treasurer, the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for the Company (and who may be an employee of the Company), and who shall be acceptable to the Trustee.

“Optional Reset Date” has the meaning specified in Section 3.07(b).

“Original Issue Discount Security” means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02.

“Original Stated Maturity” has the meaning specified in Section 3.08.

“Outstanding”, when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities for which payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and irrevocably segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;

(c) Securities as to which Defeasance has been effected pursuant to Section 14.02; and

(d) Securities which have been paid pursuant to Section 3.06 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company; provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given, made or taken any request, demand, authorization, direction, notice, consent, waiver or other action hereunder as of any date, (A) the principal amount of an Original Issue Discount Security which shall be deemed to be Outstanding shall be the amount of the principal thereof which would be due and payable as of such date upon acceleration of the Maturity thereof to such date pursuant to Section 5.02, (B) if, as of such date, the principal amount payable at the Stated Maturity of a Security is not determinable, the principal amount of such Security which shall be deemed to be Outstanding shall be the amount as specified or determined as contemplated by Section 3.01, (C) the principal amount of a Security denominated in one or more foreign currencies or currency units which shall be deemed to be Outstanding shall be the U.S. dollar equivalent, determined as of such date in the manner provided as contemplated by Section 3.01, of the principal amount of such Security (or, in the case of a Security described in Clause (A) or (B) above, of the amount determined as provided in such Clause), and (D) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, waiver or other action, only Securities which the Trustee knows to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

“Paying Agent” means any Person authorized by the Company to pay the principal of or any premium or interest on any Securities on behalf of the Company. The Company initially authorizes and appoints the Trustee as the Paying Agent for the Securities.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Place of Payment”, when used with respect to the Securities of any series, means the place or places where the principal of and any premium and interest on the Securities of that series are payable as specified as contemplated by Section 3.01.

“Predecessor Security” of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.06 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

“Redemption Price”, when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

“Regular Record Date” for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 3.01.

“Repayment Date” means, when used with respect to any Security to be repaid at the option of the Holder, the date fixed for such repayment by or pursuant to this Indenture.

“Reset Notice” has the meaning specified in Section 3.07(b).

“Responsible Officer,” when used with respect to The Bank of New York Mellon Trust Company, National Association, as Trustee, means an officer in the Institutional Trust Services department of the Trustee having direct responsibility for administration of this Indenture and, when used with respect to any successor Trustee, means the chairman or any vice chairman of the board of directors, the chairman or any vice chairman of the executive committee of the board of directors, the chairman of the trust committee, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Securities” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.



“Securities Act” means the Securities Act of 1933 and any statute successor thereto, in each case as amended from time to time.

“Security Register” and “Security Registrar” have the respective meanings specified in Section 3.05.

“Senior Debt” shall mean, with respect to the Company, the principal, premium, if any, and interest on

(a) all indebtedness and obligations of, or guaranteed or assumed by, the Company for borrowed money or evidenced by bonds, debentures, notes or other similar instruments, whether outstanding on the date hereof or hereafter created, incurred or assumed,

(b) all amendments, renewals, extensions, modifications and refundings of any indebtedness or obligations of that kind, unless in any instrument or instruments evidencing or securing such indebtedness, guarantee or other obligation, or pursuant to which the same is outstanding, or in any such amendment, renewal, extension or refunding, it is expressly provided that such indebtedness is not superior in right of payment to the Securities of any series; provided that Senior Debt shall not include (A) indebtedness of the Company to any Subsidiary and (B) trade accounts payable and accrued liabilities arising in the ordinary course of business. The Senior Debt shall continue to be Senior Debt and entitled to the benefits of the subordination provisions irrespective of any amendment, modification or waiver of any term of the Senior Debt or extension or renewal of the Senior Debt (except to the extent otherwise expressly provided in such amendment, modification, waiver, extension or renewal). Without limiting the generality of the foregoing, “Senior Debt” of the Company shall include, but not be limited to, any debt of the Company issued at the date hereof pursuant to the Senior Subordinated Indenture.

“Senior Indenture” means that certain Indenture, dated as of May 19, 2003, between the Company and The Bank of New York Mellon Trust Company, National Association (successor to JPMorgan Chase Bank, National Association (formerly JPMorgan Chase Bank)), as trustee, as the same may be amended from time to time.

“Senior Subordinated Indenture” means that certain Indenture, dated as of September 1, 1999, between Reliant Energy, Incorporated and The Bank of New York Mellon Trust Company, National Association (successor to Chase Bank of Texas, National Association), as trustee, as the same may be amended from time to time.

“Special Record Date” for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 3.07(a).

“Stated Maturity”, when used with respect to any Security or any installment of principal thereof or premium, if any, or interest thereon, means the date specified in such Security as the fixed date on which the principal of or premium, if any, on such Security or such installment of principal or interest is due and payable.

“Subsequent Interest Period” has the meaning specified in Section 3.07(b).

“Subsidiary” means a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, “voting stock” means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

“Trust Indenture Act” means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; provided, however, that in the event the Trust Indenture Act of 1939 is amended after such date, “Trust Indenture Act” means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

“Trustee” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean or include each Person who is then a Trustee hereunder, and if at any time there is more than one such Person, “Trustee” as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

“U.S. Government Obligation” has the meaning specified in Section 14.04.

“Vice President”, when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title “vice president”.

“Yield to Maturity” means the yield to maturity, computed at the time of issuance of a Security (or, if applicable, at the most recent redetermination of interest on such Security) and as set forth in such Security in accordance with generally accepted United States bond yield computation principles.

#### Section 1.02 Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers’ Certificate, if to be given by an officer of the Company, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirements set forth in this Indenture.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;



(c) a statement that, in the opinion of each such individual, the individual has made or caused to be made such examination or investigation as is necessary to enable such individual to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such individual, such condition or covenant has been complied with.

#### Section 1.03 Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons may certify or give an opinion as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such officer's certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

#### Section 1.04 Acts of Holders; Record Dates.

Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.01) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section 1.04.

The fact and date of the execution by any Person of any such instrument or writing may be proved in any reasonable manner which the Trustee deems sufficient. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall

also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

The ownership of Securities shall be proved by the Security Register.

Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

The Company may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to give, make or take any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Indenture to be given, made or taken by Holders of Securities of such series, provided that the Company may not set a record date for, and the provisions of this paragraph shall not apply with respect to, the giving or making of any notice, declaration, request or direction referred to in the next paragraph. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities of the relevant series on such record date, and no other Holders, shall be entitled to take the relevant action, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Company from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record date previously set shall automatically and with no action by any Person be canceled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Company, at its own expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Trustee in writing (including by electronic mail in accordance with accepted practices or procedures at the Depositary) and to each Holder of Securities of the relevant series in the manner set forth in Section 1.06.

The Trustee may set any day as a record date for the purpose of determining the Holders of Outstanding Securities of any series entitled to join in the giving or making of (i) any Notice of Default, (ii) any declaration of acceleration referred to in Section 5.02, (iii) any request to institute proceedings referred to in Section 5.07(2) or (iv) any direction referred to in Section 5.12, in each case with respect to Securities of such series. If any record date is set pursuant to this paragraph, the Holders of Outstanding Securities of such series on such record date, and no other Holders, shall be entitled to join in such notice, declaration, request or direction, whether or not such Holders remain Holders after such record date; provided that no such action shall be effective hereunder unless taken on or prior to the applicable Expiration Date by Holders of the requisite principal amount of Outstanding Securities of such series on such record date. Nothing in this paragraph shall be construed to prevent the Trustee from setting a new record date for any action for which a record date has previously been set pursuant to this paragraph (whereupon the record

date previously set shall automatically and with no action by any Person be canceled and of no effect), and nothing in this paragraph shall be construed to render ineffective any action taken by Holders of the requisite principal amount of Outstanding Securities of the relevant series on the date such action is taken. Promptly after any record date is set pursuant to this paragraph, the Trustee, at the Company's expense, shall cause notice of such record date, the proposed action by Holders and the applicable Expiration Date to be given to the Company in writing and to each Holder of Securities of the relevant series in the manner set forth in Section 1.06.

With respect to any record date set pursuant to this Section 1.04, the party hereto which sets such record dates may designate any day as the "Expiration Date" and from time to time may change the Expiration Date to any earlier or later day; provided that no such change shall be effective unless notice of the proposed new Expiration Date is given to the other party hereto in writing, and to each Holder of Securities of the relevant series in the manner set forth in Section 1.06, on or prior to the existing Expiration Date. If an Expiration Date is not designated with respect to any record date set pursuant to this Section 1.04, the party hereto which set such record date shall be deemed to have initially designated the 180th day after such record date as the Expiration Date with respect thereto, subject to its right to change the Expiration Date as provided in this paragraph. Notwithstanding the foregoing, no Expiration Date shall be later than the 180th day after the applicable record date.

Without limiting the foregoing, a Holder entitled hereunder to take any action hereunder with regard to any particular Security may do so with regard to all or any part of the principal amount of such Security or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount.

Section 1.05 Notices, Etc., to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with

(a) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Institutional Trust Services, or

(b) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid (or by electronic mail in accordance with accepted practices or procedures at the Depositary), to the Company addressed to the attention of the Treasurer of the Company at the address of the Company's principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company.

Section 1.06 Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid (or by electronic mail in accordance with accepted practices or procedures at the Depositary), to each Holder affected by such event, at his address as it appears in the Security

Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 1.07 Conflict with Trust Indenture Act.

If any provision of this Indenture limits, qualifies or conflicts with a provision of the Trust Indenture Act which is required under such Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act which may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

Section 1.08 Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.09 Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

Section 1.10 Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.11 Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the holders of Senior Debt (to the extent contemplated herein) and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.12 Governing Law.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

Section 1.13 Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities (other than a provision of any Security which specifically states that such provision shall apply in lieu of this Section 1.13)) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, and no additional interest shall accrue as the result of such delayed payment.

**ARTICLE II**  
**SECURITY FORMS**

Section 2.01 Forms Generally.

The Securities of each series and the Trustee's certificate of authentication shall be in substantially the form set forth in this Article II, or in such other form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with applicable tax laws or the rules of any securities exchange or automated quotation system on which the Securities of such series may be listed or traded or Depositary therefor or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution thereof. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 3.03 for the authentication and delivery of such Securities.

The definitive Securities of each series shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods, if required by any securities exchange or automated quotation system on which the Securities of such series may be listed or traded, on steel engraved borders or may be produced in any other manner permitted by the rules of any securities exchange or automated quotation system on which the Securities of such series may be listed or traded, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.



Section 2.02 Form of Face of Security.

[INSERT ANY LEGEND REQUIRED BY THE INTERNAL REVENUE CODE  
AND THE REGULATIONS THEREUNDER.]

CENTERPOINT ENERGY, INC.

(Title of Security)

No.

\$  
CUSIP No.

CenterPoint Energy, Inc., a corporation duly organized and existing under the laws of the State of Texas (herein called the “Company”, which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to \_\_\_\_, or registered assigns, the principal sum of \_\_\_\_ Dollars \_\_\_\_ on [if the Security is to bear interest prior to Maturity, insert —, and to pay interest thereon from or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on \_\_\_\_ and \_\_\_\_ in each year, commencing \_\_\_\_, at the rate of % per annum, until the principal hereof is paid or made available for payment [if applicable, insert —, provided that any principal and premium, and any such installment of interest, which is overdue shall bear interest at the rate of \_\_\_\_% per annum (to the extent permitted by applicable law), from the dates such amounts are due until they are paid or made available for payment, and such interest shall be payable on demand]. [If applicable, insert — The amount of interest payable for any period shall be computed on the basis of twelve 30-day months and a 360-day year. The amount of interest payable for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the days elapsed in any partial month. In the event that any date on which interest is payable on this Security is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) with the same force and effect as if made on the date the payment was originally payable. A “Business Day” shall mean, when used with respect to any Place of Payment, each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or executive order to close.] The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the \_\_\_\_ or \_\_\_\_ (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which the Securities of this series may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, all as more fully provided in said Indenture.

[If the Security is not to bear interest prior to Maturity, insert — The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal and any overdue premium shall bear interest at the rate of \_\_\_\_% per annum (to the extent that the payment of such interest shall be legally enforceable), from the dates such amounts are due until they are paid or made available for payment. Interest on any overdue principal or premium shall be payable on demand.]

Payment of the principal of (and premium, if any) and [if applicable, insert — any such] interest on this Security will be made at the office or agency of the Paying Agent maintained for that purpose in \_\_\_\_, in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts [if applicable, insert — ; provided, however, that at the option of the Company payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or (ii) by wire transfer in immediately available funds at such place and to such account as may be designated in writing by the Person entitled thereto as specified in the Security Register].

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

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

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

Dated: \_\_\_\_\_ CENTERPOINT ENERGY, INC.

By: \_\_\_\_\_

Attest:

\_\_\_\_\_

**Section 2.03 Form of Reverse of Security.**

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued in one or more series under a Junior Subordinated Indenture, dated as of August 14, 2024 (herein called the “Indenture”, which term shall have the meaning assigned to it in such instrument), between the Company and The Bank of New York Mellon Trust Company, National Association, as Trustee (herein called the “Trustee”, which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, the holders of the Senior Debt (to the extent contemplated in the Indenture) and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof [if applicable, insert —, limited in aggregate

principal amount to \$\_\_\_\_; provided, however, that the authorized aggregate principal amount of the Securities may be increased above such amount by a Board Resolution to such effect].

[If applicable, insert— The interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) on this Security may be reset by the Company on \_\_\_\_ (each an “Optional Reset Date”). The Company may exercise such option with respect to this Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to an Optional Reset Date for this Security. Not later than 40 days prior to each Optional Reset Date, the Trustee shall transmit, in the manner provided for in Section 1.06 of the Indenture, to the Holder of this Security a notice (the “Reset Notice”) indicating whether the Company has elected to reset the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable), and if so (i) such new interest rate (or such new spread or spread multiplier, if applicable) and (ii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or if there is no such next Optional Reset Date, to the Stated Maturity of this Security (each such period a “Subsequent Interest Period”), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) provided for in the Reset Notice and establish an interest rate (or a spread or spread multiplier used to calculate such interest rate, if applicable) that is higher than the interest rate (or the spread or spread multiplier, if applicable) provided for in the Reset Notice, for the Subsequent Interest Period by causing the Trustee to transmit, in the manner provided for in Section 1.06 of the Indenture, notice of such higher interest rate (or such higher spread or spread multiplier, if applicable) to the Holder of this Security. Such notice shall be irrevocable. All Securities of this series with respect to which the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) is reset on an Optional Reset Date, and with respect to which the Holders of such Securities have not tendered such Securities for repayment (or have validly revoked any such tender) pursuant to the next succeeding paragraph, will bear such higher interest rate (or such higher spread or spread multiplier, if applicable).

The Holder of this Security will have the option to elect repayment by the Company of the principal of this Security on each Optional Reset Date at a price equal to the principal amount hereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedures set forth in Article XIII of the Indenture for repayment at the option of Holders except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to such Optional Reset Date and except that, if the Holder has tendered this Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustee, revoke such tender or repayment until the close of business on the tenth day before such Optional Reset Date.]

[If applicable, insert — The Stated Maturity of this Security may be extended at the option of the Company for \_\_\_\_ (each an “Extension Period”) up to but not beyond \_\_\_\_ (the “Final Maturity”). The Company may exercise such option with respect to this Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to the Stated Maturity of this



Security in effect prior to the exercise of such option (the "Original Stated Maturity"). If the Company exercises such option, the Trustee shall transmit, in the manner provided for in Section 1.06 of the Indenture, to the Holder of this Security not later than 40 days prior to the Original Stated Maturity a notice (the "Extension Notice") indicating (i) the election of the Company to extend the Maturity, (ii) the new Stated Maturity, (iii) the interest rate applicable to the Extension Period and (iv) the provisions, if any, for redemption during such Extension Period. Upon the Trustee's transmittal of the Extension Notice, the Stated Maturity of this Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, this Security will have the same terms as prior to the transmittal of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days before the Original Stated Maturity of this Security, the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustee to transmit, in the manner provided for in Section 1.06 of the Indenture, notice of such higher interest rate to the Holder of this Security. Such notice shall be irrevocable. All Securities of this series with respect to which the Stated Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of this Security, the Holder will have the option to elect repayment of this Security by the Company on the Original Stated Maturity at a price equal to the principal amount hereof, plus interest accrued to such date. In order to obtain repayment on the Original Stated Maturity once the Company has extended the Maturity hereof, the Holder hereof must follow the procedures set forth in Article XIII of the Indenture for repayment at the option of Holders, except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to the Original Stated Maturity and except that, if the Holder has tendered this Security for repayment pursuant to an Extension Notice, the Holder may, by written notice to the Trustee, revoke such tender for repayment until the close of business on the tenth day before the Original Stated Maturity.]

[If applicable, insert — The Securities of this series are subject to redemption upon not less than 10 days' notice by mail, [if applicable, insert — (1) on \_\_\_\_ in any year commencing with the year \_\_\_\_ and ending with the year \_\_\_\_ through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, and (2)] at any time [if applicable, insert — on or after \_\_\_, 20\_\_\_], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed [if applicable, insert — on or before \_\_\_, \_\_%, and if redeemed] during the 12-month period beginning \_\_\_ of the years indicated,

<u>Year</u>	<u>Redemption Price</u>	<u>Year</u>	<u>Redemption Price</u>
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and thereafter at a Redemption Price equal to \_\_\_% of the principal amount, together in the case of any such redemption [if applicable, insert — (whether through operation of the sinking fund or otherwise)] with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities,

or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[If applicable, insert — The Securities of this series are subject to redemption upon not less than 10 days' notice by mail, (1) on \_\_\_ in any year commencing with the year \_\_\_ and ending with the year \_\_\_ through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [if applicable, insert — on or after \_\_\_], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning \_\_\_ of the years indicated,

Year	Redemption Price For Redemption Through Operation of the Sinking Fund	Redemption Price For Redemption Otherwise Than Through Operation of the Sinking Fund
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and thereafter at a Redemption Price equal to \_\_\_% of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[If applicable, insert — Notwithstanding the foregoing, the Company may not, prior to \_\_\_, redeem any Securities of this series as contemplated by [if applicable, insert — Clause (2) of] the preceding paragraph as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than \_\_\_% per annum.]

[If applicable, insert — The sinking fund for this series provides for the redemption on \_\_\_ in each year beginning with the year \_\_\_ and ending with the year of \_\_\_ [if applicable, insert — not less than \$\_\_ (“mandatory sinking fund”) and not more than] \$\_\_ aggregate principal amount of Securities of this series. Securities of this series acquired or redeemed by the Company otherwise than through [if applicable, insert — mandatory] sinking fund payments may be credited against subsequent [if applicable, insert — mandatory] sinking fund payments otherwise required to be made [if applicable, insert —, in the inverse order in which they become due].]

[If the Security is subject to redemption of any kind, insert — In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.]

[If applicable, insert — The Securities of this series are not subject to redemption by the Company prior to their Stated Maturity and will not be entitled to the benefit of any sinking fund.]

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinate and junior in right of payment to the prior payment in full of all Senior Debt, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his or her attorney-in-fact for any and all such purposes. Each Holder hereof, by his or her acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Debt, whether now outstanding or hereafter incurred, and waives reliance by each such Holder upon said provisions.

[If applicable, insert—The Securities shall [not be superior in right of payment to, and shall] rank pari passu with[.]—insert description of existing debt of the Company that is intended to rank on a parity with the Securities.]

The Indenture contains provisions for satisfaction and discharge of the entire indebtedness of this Security upon compliance by the Company with certain conditions set forth in the Indenture.

[If applicable, insert — The Indenture contains provisions for defeasance at any time of [the entire indebtedness of this Security] [or] [certain restrictive covenants and Events of Default with respect to this Security] [, in each case] upon compliance with certain conditions set forth in the Indenture.]

[If the Security is not an Original Issue Discount Security, insert — If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.]

[If the Security is an Original Issue Discount Security, insert — If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to — insert formula for determining the amount. Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal, premium and interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and premium and interest, if any, on the Securities of this series shall terminate.]

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this

Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless (i) such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, (ii) the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, (iii) the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and (iv) the Trustee shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Securities of this series are issuable only in registered form without coupons in denominations of \$\_\_\_ and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

THE INDENTURE AND THIS SECURITY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

Section 2.04 Form of Legend for Global Securities.

Unless otherwise specified as contemplated by Section 3.01 for the Securities evidenced thereby, every Global Security authenticated and delivered hereunder shall, in addition to the provisions contained in Sections 2.02 and 2.03, bear a legend in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY.

Section 2.05 Form of Trustee's Certificate of Authentication.

The Trustee's certificates of authentication shall be in substantially the following form:

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

Date of authentication: \_\_\_\_\_  
As Trustee

By: \_\_\_\_\_  
Authorized Signatory

**ARTICLE III  
THE SECURITIES**

Section 3.01 Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and, subject to Section 3.03, set forth, or determined in the manner provided, in an Officers' Certificate or in a Company Order, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series:



(a) the title of the Securities of the series (which shall distinguish the Securities of the series from Securities of any other series);

(b) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 3.04, 3.05, 3.06, 9.06 or 11.07 and except for any Securities which, pursuant to Section 3.03, are deemed never to have been authenticated and delivered hereunder); provided, however, that the authorized aggregate principal amount of such series may be increased above such amount by a Board Resolution to such effect;

(c) the date or dates on which the principal of any Securities of the series is payable, or the method by which such date or dates shall be determined or extended;

(d) the rate or rates at which the Securities of the series shall bear interest, if any, or the method by which such rate or rates shall be determined, the date or dates from which such interest shall accrue, or the method by which such date or dates shall be determined, the Interest Payment Dates on which such interest shall be payable and the Regular Record Date, if any, for the interest payable on any Interest Payment Date, or the method by which such date or dates shall be determined, and the basis upon which interest shall be calculated if other than that of a 360-day year of twelve 30-day months, the right, if any, to extend or defer interest payments and the duration of such extension or deferral;

(e) the place or places where the principal of and any premium and interest on any Securities of the series shall be payable, the place or places where the Securities of such series may be presented for registration of transfer or exchange, and the place or places where notices and demands to or upon the Company in respect of the Securities of such series may be made;

(f) the period or periods within or the date or dates on which, the price or prices at which and the term and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

(g) the obligation or the right, if any, of the Company to redeem or purchase any Securities of the series pursuant to any sinking fund, amortization or analogous provisions or at the option of the Holder thereof and the period or periods within which, the price or prices at which, the currency or currencies (including currency unit or units) in which and the other terms and conditions upon which any Securities of the series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(h) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;

(i) if the amount of principal of or any premium or interest on any Securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts shall be determined;

(j) if other than the currency of the United States of America, the currency, currencies or currency units, including composite currencies, in which the principal of or any premium or interest on any Securities of the series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of “Outstanding” in Section 1.01;

(k) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the period or periods within or the date or dates on which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

(l) the percentage of the principal amount at which such Securities will be issued and, if other than the principal amount thereof, the portion of the principal amount of Securities of the series that shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 5.02 or the method by which such portion shall be determined;

(m) if the principal amount payable at the Stated Maturity of any Securities of the series will not be determinable as of any one or more dates prior to the Stated Maturity, the amount which shall be deemed to be the principal amount of such Securities as of any such date for any purpose thereunder or hereunder, including the principal amount thereof which shall be due and payable upon any Maturity other than the Stated Maturity or which shall be deemed to be Outstanding as of any date prior to the Stated Maturity (or, in any such case, the manner in which such amount deemed to be the principal amount shall be determined);

(n) if applicable, that the Securities of the series, in whole or any specified part, shall not be defeasible or shall be defeasible in a manner varying from Section 14.02 and Section 14.03 and, if other than by a Board Resolution, the manner in which any election by the Company to defease such Securities shall be evidenced;

(o) whether the Securities of the series, or any portion thereof, shall initially be issuable in the form of a temporary Global Security representing all or such portion of the Securities of such series and provisions for the exchange of such temporary Global Security for definitive Securities of such series;

(p) if applicable, that any Securities of the series, or any portion thereof, shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective Depositaries for such Global Securities, the form of any legend or legends which shall be borne by any such Global Security in addition to or in lieu of that set forth in Section 2.04 and any circumstances in addition to or in lieu of those set forth in Clause (2) of the last paragraph of Section 3.05 in which any such Global Security may be exchanged in whole or in part for Securities registered, and any transfer of such Global Security in whole or in part may be registered, in the name or names of Persons other than the Depositary for such Global Security or a nominee thereof;

(q) if applicable, that the Securities of the series, in whole or any specified part, shall be subject to the optional interest reset provisions of Section 3.07(b);

(r) if applicable, that the Securities of the series, in whole or any specified part, shall be subject to the optional extension of maturity provisions of Section 3.08;

(s) any addition to or change in the Events of Default which applies to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to declare the principal amount thereof due and payable pursuant to Section 5.02;

(t) any addition to or change in the covenants set forth in Article X which applies to Securities of the series;

(u) the additions or changes, if any, to this Indenture with respect to the Securities of such series as shall be necessary to permit or facilitate the issuance of the Securities of such series in bearer form, registrable or not registrable as to principal, and with or without interest coupons;

(v) the appointment of any Paying Agent or Agents for the Securities of such series, if other than the Company;

(w) if the Securities are subordinate other than in accordance with Article XVI, such other subordination provisions;

(x) the terms of any right to convert or exchange Securities of such series into any other securities or property of the Company or of any other corporation or Person, and the additions or changes, if any, to this Indenture with respect to the Securities of such series to permit or facilitate such conversion or exchange;

(y) the terms and conditions, if any, pursuant to which the Securities of the series are secured;

(z) any restriction or condition on the transferability of the Securities of such series; and

(aa) any other terms of the Securities of such series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 9.01(e)).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided herein or in or pursuant to the Board Resolution referred to above and (subject to Section 3.03) set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

If any of the terms of the Securities of any series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate or Company Order setting forth the terms of the series.



All Securities shall be subordinated in right of payment to Senior Debt as provided in Article XVI and/or as specified as contemplated by this Section.

Section 3.02 Denominations.

The Securities of each series shall be issuable only in registered form without coupons and only in such denominations as shall be specified as contemplated by Section 3.01. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

Section 3.03 Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by its Chair of the Board, its Chief Executive Officer, its Vice Chair of the Board, its Chief Financial Officer, its President or one of its Vice Presidents, and attested by its Corporate Secretary or one of its Assistant Corporate Secretaries. The signature of any of these officers on the Securities may be manual, electronic or facsimile.

Securities bearing the manual, electronic or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the Trustee in accordance with the Company Order shall authenticate and deliver such Securities. If the form or terms of the Securities of the series have been established by or pursuant to one or more Board Resolutions as permitted by Sections 2.01 and 3.01, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 6.01) shall be fully protected in relying upon, an Opinion of Counsel stating,

(a) if the form of such Securities has been established by or pursuant to Board Resolution as permitted by Section 2.01, that such form has been established in conformity with the provisions of this Indenture;

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 3.01, that such terms have been established in conformity with the provisions of this Indenture; and

(c) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 3.01 and of the preceding paragraph, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate or Company Order otherwise required pursuant to Section 3.01 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by the manual or electronic signature of one of its authorized signatories, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustee for cancellation as provided in Section 3.10, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits of this Indenture.

#### Section 3.04 Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities of such series in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor one or more definitive Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series and tenor.

Section 3.05 Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency of the Company in a Place of Payment being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided. If any indenture supplemental hereto refers to any transfer agents (in addition to the Security Registrar) initially designated by the Company with respect to any series of Securities, the Company may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, provided that the Company maintains a transfer agent in each Place of Payment for such series. The Company may at any time designate additional transfer agents with respect to any series of Securities.

Upon surrender for registration of transfer of any Security of a series at the office or agency of the Company in a Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities.

If the Securities of any series are to be redeemed in part, neither the Trustee nor the Company shall be required, pursuant to the provisions of this Section 3.05, (A) to issue, register the transfer of or exchange any Securities of any series (or of any series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of any such Securities selected for redemption under Section

11.03 and ending at the close of business on the day of such mailing, or (B) to register the transfer of or exchange any Security so selected for redemption, in whole or in part, except, in the case of any Security to be redeemed in part, any portion not to be redeemed.

The provisions of Clauses (a), (b), (c) and (d) below shall apply only to Global Securities:

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

(b) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (A) such Depositary (i) has notified the Company that it is unwilling or unable to continue as Depositary for such Global Security, (ii) defaults in the performance of its duties as Depositary, or (iii) has ceased to be a clearing agency registered under the Exchange Act at a time when the Depositary is required to be so registered to act as depositary, in each case, unless the Company has approved a successor Depositary within 90 days, (B) the Company in its sole discretion determines that such Global Security will be so exchangeable or transferable or (C) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by Section 3.01.

(c) Subject to Clause (b) above, any exchange of a Global Security for other Securities may be made in whole or in part, and all Securities issued in exchange for a Global Security or any portion thereof shall be registered in such names as the Depositary for such Global Security shall direct.

(d) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Section 3.05, Section 3.04, 3.06, 9.06 or 11.07 or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depositary for such Global Security or a nominee thereof.

Section 3.06 Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee together with such security or indemnity as may be required by the Company or the Trustee to save each of them harmless, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding and shall cancel and destroy such mutilated Security.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor

and principal amount and bearing a number not contemporaneously outstanding. If, after the delivery of such new Security, a bona fide purchaser of the original Security in lieu of which such new Security was issued presents for payment or registration such original Security, the Trustee shall be entitled to recover such new Security from the party to whom it was delivered or any party taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Company and the Trustee in connection therewith and shall cancel and destroy such new Security.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section 3.06, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of counsel to the Company and the fees and expenses of the Trustee, its agents and counsel) connected therewith.

Every new Security of any series issued pursuant to this Section 3.06 in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section 3.06 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

#### Section 3.07 Payment of Interest; Interest Rights Preserved; Optional Interest Reset.

(a) Except as otherwise provided as contemplated by Section 3.01 with respect to any series of Securities, interest on any Security of any series which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest in respect of Securities of such series, except that, unless otherwise provided in the Securities of such series, interest payable on the Stated Maturity of the principal of a Security shall be paid to the Person to whom principal is paid. The initial payment of interest on any Security of any series which is issued between a Regular Record Date and the related Interest Payment Date shall be payable as provided in such Security or in the Board Resolution pursuant to Section 3.01 with respect to the related series of Securities. Except in the case of a Global Security, at the option of the Company, interest on any series of Securities may be paid (i) by check mailed to the address of the Person entitled thereto as it shall appear on the Security Register of such series or (ii) by wire transfer in immediately available funds at such place and to such account as designated in writing by the Person entitled thereto as specified in the Security Register of such series.

Any Paying Agents will be identified in a supplemental indenture hereto. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying



Agent; however, the Company at all times will be required to maintain a Paying Agent in each Place of Payment for each series of Securities.

Unless otherwise provided as contemplated by Section 3.01 with respect to any series of Securities, any interest on any Security of any series which is payable, but is not timely paid or duly provided for, on any Interest Payment Date for Securities of such series (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in Clause (i) or (ii) below:

(i) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series in respect of which interest is in default (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this Clause (1). Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given to each Holder of Securities of such series in the manner set forth in Section 1.06, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (2).

(ii) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange or automated quotation system on which such Securities may be listed or traded, and upon such notice as may be required by such exchange or automated quotation system, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this Clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 3.07, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

(b) The provisions of this Section 3.07(b) may be made applicable to any series of Securities pursuant to Section 3.01 (with such modifications, additions or substitutions as may

be specified pursuant to such Section 3.01). The interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) on any Security of such series may be reset by the Company on the date or dates specified on the face of such Security (each an "Optional Reset Date"). The Company may exercise such option with respect to such Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to an Optional Reset Date for such Security. Not later than 40 days prior to each Optional Reset Date, the Trustee shall transmit, in the manner provided for in Section 1.06, to the Holder of any such Security a notice (the "Reset Notice") indicating whether the Company has elected to reset the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable), and if so (i) such new interest rate (or such new spread or spread multiplier, if applicable) and (ii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or if there is no such next Optional Reset Date, to the Stated Maturity of such Security (each such period a "Subsequent Interest Period"), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) provided for in the Reset Notice and establish an interest rate (or a spread or spread multiplier used to calculate such interest rate, if applicable) that is higher than the interest rate (or the spread or spread multiplier, if applicable) provided for in the Reset Notice, for the Subsequent Interest Period by causing the Trustee to transmit, in the manner provided for in Section 1.06, notice of such higher interest rate (or such higher spread or spread multiplier, if applicable) to the Holder of such Security. Such notice shall be irrevocable. All Securities with respect to which the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) is reset on an Optional Reset Date, and with respect to which the Holders of such Securities have not tendered such Securities for repayment (or have validly revoked any such tender) pursuant to the next succeeding paragraph, will bear such higher interest rate (or such higher spread or spread multiplier, if applicable).

The Holder of any such Security will have the option to elect repayment by the Company of the principal of such Security on each Optional Reset Date at a price equal to the principal amount thereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedures set forth in Article XIII for repayment at the option of Holders except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to such Optional Reset Date and except that, if the Holder has tendered any Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustee, revoke such tender or repayment until the close of business on the tenth day before such Optional Reset Date.

Subject to the foregoing provisions of this Section 3.07 and Section 3.05, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

### Section 3.08 Optional Extension of Maturity.

The provisions of this Section 3.08 may be made applicable to any series of Securities pursuant to Section 3.01 (with such modifications, additions or substitutions as may be specified pursuant to such Section 3.01). The Stated Maturity of any Security of such series may be extended at the option of the Company for the period or periods specified on the face of such Security (each an "Extension Period") up to but not beyond the date (the "Final Maturity") set forth on the face of such Security. The Company may exercise such option with respect to any Security by notifying the Trustee of such exercise at least 50 but not more than 60 days prior to the Stated Maturity of such Security in effect prior to the exercise of such option (the "Original Stated Maturity"). If the Company exercises such option, the Trustee shall transmit, in the manner provided for in Section 1.06, to the Holder of such Security not later than 40 days prior to the Original Stated Maturity a notice (the "Extension Notice") indicating (i) the election of the Company to extend the Maturity, (ii) the new Stated Maturity, (iii) the interest rate applicable to the Extension Period and (iv) the provisions, if any, for redemption during such Extension Period. Upon the Trustee's transmittal of the Extension Notice, the Stated Maturity of such Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, such Security will have the same terms as prior to the transmittal of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days before the Original Stated Maturity of such Security, the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustee to transmit, in the manner provided for in Section 1.06, notice of such higher interest rate to the Holder of such Security. Such notice shall be irrevocable. All Securities with respect to which the Stated Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of any Security, the Holder will have the option to elect repayment of such Security by the Company on the Original Stated Maturity at a price equal to the principal amount thereof, plus interest accrued to such date. In order to obtain repayment on the Original Stated Maturity once the Company has extended the Maturity thereof, the Holder must follow the procedures set forth in Article XIII for repayment at the option of Holders, except that the period for delivery or notification to the Trustee shall be at least 25 but not more than 35 days prior to the Original Stated Maturity and except that, if the Holder has tendered any Security for repayment pursuant to an Extension Notice, the Holder may, by written notice to the Trustee, revoke such tender for repayment until the close of business on the tenth day before the Original Stated Maturity.

### Section 3.09 Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name such Security is registered on the applicable record date as the owner of such Security for the purpose of receiving payment of principal of and any premium and (subject to Section 3.07) any interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.



Section 3.10 Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly canceled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to the Trustee (or to any other Person for delivery to the Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly canceled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section 3.10, except as expressly permitted by this Indenture. All canceled Securities held by the Trustee shall be treated in accordance with its document retention policies.

Section 3.11 Computation of Interest; Usury Not Intended.

Except as otherwise specified as contemplated by Section 3.01 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months and interest on the Securities of each series for any partial period shall be computed on the basis of a 360-day year of twelve 30-day months and the number of days elapsed in any partial month.

The amount of interest (or amounts deemed to be interest under applicable law) payable or paid on any Security shall be limited to an amount which shall not exceed the lesser of (i) the maximum nonusurious rate of interest allowed by the applicable laws of the State of Texas or (ii) the maximum nonusurious rate of interest allowed by the applicable laws of the State of New York, or any applicable law of the United States permitting a higher maximum nonusurious rate that preempts such applicable Texas and New York laws, which could lawfully be contracted for, taken, reserved, charged or received (the "Maximum Interest Rate"). If, as a result of any circumstances whatsoever, the Company or any other Person is deemed to have paid interest (or amounts deemed to be interest under applicable law) or any Holder of a Security is deemed to have contracted for, taken, reserved, charged or received interest (or amounts deemed to be interest under applicable law), in excess of the Maximum Interest Rate, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of validity, and if from any such circumstance, the Trustee, acting on behalf of the Holders, or any Holder shall ever receive interest or anything that might be deemed interest under applicable law that would exceed the Maximum Interest Rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing on the applicable Security or Securities and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of any such Security or Securities, such excess shall be refunded to the Company. In addition, for purposes of determining whether payments in respect of any Security are usurious, all sums paid or agreed to be paid with respect to such Security for the use, forbearance or detention of money shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such Security.

Section 3.12 CUSIP Numbers.

The Company in issuing the Securities may use “CUSIP” numbers (if then generally in use), and, if so, the Trustee shall use “CUSIP” numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company shall promptly notify the Trustee in writing of any change in “CUSIP” numbers.

**ARTICLE IV  
SATISFACTION AND DISCHARGE**

Section 4.01 Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for and as otherwise provided in this Section 4.01), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(a) either

(i) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.06 and (ii) Securities for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 10.03) have been delivered to the Trustee for cancellation; or

(ii) all such Securities not theretofore delivered to the Trustee for cancellation

(A) have become due and payable, or

(B) will become due and payable at their Stated Maturity within one year of the date of deposit, or

(C) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company, and the Company, in the case of (A), (B) or (C) above, has deposited or caused to be deposited with the Trustee as trust funds in trust for such purpose money in an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal and any premium and interest to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 6.07, the obligations of the Trustee to any Authenticating Agent under Section 6.14 and, if money shall have been deposited with the Trustee pursuant to subclause (ii) of Clause (A) of this Section 4.01, the obligations of the Trustee under Section 4.02 and the last paragraph of Section 10.03 shall survive.

Section 4.02 Application of Trust Money.

Subject to the provisions of the last paragraph of Section 10.03, all money deposited with the Trustee pursuant to Section 4.01 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and any premium and interest for whose payment such money has been deposited with the Trustee.

**ARTICLE V  
REMEDIES**

Section 5.01 Events of Default.

"Event of Default", wherever used herein with respect to the Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article XVI or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any interest upon any Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days; or

(b) default in the payment of the principal of or any premium on any Security of that series at its Maturity; or

(c) default in the deposit of any sinking fund payment, when and as due by the terms of a Security of that series; or

(d) default in the performance, or breach, in any material respect, of any covenant or warranty of the Company in this Indenture with respect to a Security of that series (other than a covenant or warranty a default in the performance of which or the breach of which is elsewhere in this Section 5.01 specifically dealt with or which has expressly been included in this Indenture solely for the benefit of series of Securities other than that series), and continuance of such default or breach for a period of 90 days after there has been given, by registered or certified

mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Securities of that series a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" under this Indenture; or

(e) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(f) the commencement by the Company of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or the making by it of an assignment of a substantial part of its property for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action; or

(g) any other Event of Default provided with respect to Securities of that series; provided, however, that no event described in Clause (d) above shall constitute an Event of Default hereunder until a Responsible Officer assigned to and working in the Trustee's corporate trust department has received written notice thereof as contemplated in Section 6.02.

Notwithstanding the foregoing provisions of this Section 5.01, if the principal or any premium or interest on any Security is payable in a currency other than the currency of the United States of America and such currency is not available to the Company for making payment thereof due to the imposition of exchange controls or other circumstances beyond the control of the Company, the Company will be entitled to satisfy its obligations to Holders of the Securities by making such payment in the currency of the United States of America in an amount equal to the currency of the United States of America equivalent of the amount payable in such other currency, as determined by the Trustee by reference to the noon buying rate in The City of New York for cable transfers for such currency ("Exchange Rate"), as such Exchange Rate is reported or otherwise made available by the Federal Reserve Bank of New York on the date of such payment, or, if such rate is not then available, on the basis of the most recently available Exchange Rate. Notwithstanding the foregoing provisions of this Section 5.01, any payment made under such

circumstances in the currency of the United States of America where the required payment is in a currency other than the currency of the United States of America will not constitute an Event of Default under this Indenture.

Section 5.02 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default (other than (a) an Event of Default specified in Section 5.01(g) which is common to all Outstanding series of Securities or (b) an Event of Default specified in Section 5.01(e) or 5.01(f)) with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series may declare the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable. If an Event of Default under Section 5.01(g) which is common to all Outstanding series of Securities occurs and is continuing, then in such case, the Trustee or the Holders of not less than 25% in aggregate principal amount of all the Securities then Outstanding hereunder (treated as one class), by a notice in writing to the Company (and to the Trustee if given by Holders) may declare the principal amount (or, if any Securities are Original Issue Discount Securities, such portion of the principal amount as may be specified by the terms thereof) of all the Securities then Outstanding to be due and payable immediately, and upon any such declaration such principal amount (or specified amount) shall become immediately due and payable. If an Event of Default specified in Section 5.01(e) or 5.01(f) with respect to the Securities of any series at the time Outstanding occurs, then in such case the principal amount of all the Securities of that series (or, if any Securities of that series are Original Issue Discount Securities, such portion of the principal amount of such Securities as may be specified by the terms thereof) shall automatically, and without any declaration or other action on the part of the Trustee or any Holder, become immediately due and payable.

At any time after such a declaration of acceleration with respect to Securities of any series has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided in this Article V, the Event of Default giving rise to such declaration of acceleration shall, without further act, be deemed to have been waived, and such declaration and its consequences shall, without further act, be deemed to have been rescinded and annulled, if:

- (a) the Company has paid or deposited with the Trustee a sum sufficient to pay:
  - (i) all overdue installments of interest on all Securities of that series,
  - (ii) the principal of (and premium, if any, on) any Securities of that series which have become due otherwise than by such declaration of acceleration and any interest thereon at the rate or rates prescribed therefor in such Securities,
  - (iii) to the extent that payment of such interest is lawful, interest upon overdue interest at the rate or rates prescribed therefor in such Securities, and



(iv) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(b) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

#### Section 5.03 Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if:

(a) default is made in the payment of any interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or

(b) default is made in the payment of the principal of (or premium, if any, on) any Security at the Maturity thereof, the Company will, upon demand of the Trustee, pay to the Trustee, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and any premium and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal and premium and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, all amounts owing the Trustee, its agents and counsel under Section 6.07.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

#### Section 5.04 Trustee May File Proofs of Claim.

In case of any judicial proceeding relative to the Company (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due it and any predecessor Trustee under Section 6.07.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to

authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding; provided, however, that the Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' or other similar committee.

Section 5.05 Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of all amounts owing the Trustee and any predecessor Trustee under Section 6.07, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

Section 5.06 Application of Money Collected.

Any money or property collected or to be applied by the Trustee with respect to a series of Securities pursuant to this Article V shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money or property on account of principal or any premium or interest, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee, including in its other capacities provided for herein, under Section 6.07;

SECOND: Subject to Article XVI, to the payment of the amounts then due and unpaid for principal of and any premium and interest on such series of Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such series of Securities for principal and any premium and interest, respectively; and

THIRD: To the payment of the remainder, if any, to the Company.

Section 5.07 Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver, assignee, trustee, liquidator or sequestrator (or other similar official), or for any other remedy hereunder, unless

(a) such Holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the Securities of that series;

(b) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(c) such Holder or Holders have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of security or indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing itself of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Securities, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all such Holders.

**Section 5.08 Unconditional Right of Holders to Receive Principal, Premium and Interest.**

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and any premium and (subject to Section 3.07) interest on such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

**Section 5.09 Restoration of Rights and Remedies.**

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

**Section 5.10 Rights and Remedies Cumulative.**

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 3.06, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.



Section 5.11 Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article V or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

Section 5.12 Control by Holders.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Securities of such series, provided that

(a) such direction shall not be in conflict with any rule of law or with this Indenture,

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(c) subject to the provisions of Section 6.01, the Trustee shall have the right to decline to follow such direction if a Responsible Officer or Officers of the Trustee shall, in good faith, determine that the proceeding so directed would involve the Trustee in personal liability or would otherwise be contrary to applicable law.

Section 5.13 Waiver of Past Defaults.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past default hereunder with respect to such series and its consequences, except a default

(a) in the payment of the principal of or any premium or interest on any Security of such series or

(b) in respect of a covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 5.14 Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for

any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and such court may in its discretion assess reasonable costs including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section 5.14 shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder or group of Holders holding in the aggregate more than 10% in principal amount of the Outstanding Securities, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or interest on any Security, on or after the respective due dates expressed in such Security. Neither this Section 5.14 nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or such an assessment in any proceeding instituted by the Company.

Section 5.15 Waiver of Usury, Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any usury, stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

**ARTICLE VI**  
**THE TRUSTEE**

Section 6.01 Certain Duties and Responsibilities.

The duties and responsibilities of the Trustee shall be as provided by the Trust Indenture Act.

Section 6.02 Notice of Defaults.

If a default occurs hereunder with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; provided, however, that in the case of any default of the character specified in Section 5.01(d) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section 6.02, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

The Trustee is not required to take notice or deemed to have notice of any Event of Default with respect to the Securities, unless a Responsible Officer shall have received written notice of such Event of Default from the Company, any Subsidiary or the Holder of any Security.

Section 6.03 Certain Rights of Trustee.

Subject to the provisions of Section 6.01:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors shall be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) the Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture;

(i) in the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of Securities, each representing less than a majority in aggregate principal amount of the Securities Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken;

(j) the Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend

to the Trustee's officers, directors, agents and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal and final payment of the Securities; and

(k) except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Securities, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Securities.

#### Section 6.04 Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

#### Section 6.05 May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 6.08 and 6.13, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

#### Section 6.06 Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Company.

#### Section 6.07 Compensation and Reimbursement.

The Company agrees:

(a) to pay to the Trustee from time to time such compensation for all services rendered by it hereunder in such amounts as the Company and the Trustee shall agree in writing from time to time (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or willful misconduct; and

(c) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, except those attributable to its negligence or willful misconduct.

The Trustee shall notify the Company promptly of any claim for which it may seek indemnity under this Section 6.07. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and, in the event the subject matter of the claim involves a conflict of interest between the Company and the Trustee, the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent. The provisions of this Section 6.07 shall survive the resignation or removal of the Trustee and the termination of this Indenture.

In the event the Trustee incurs expenses or renders services in any proceedings which result from an Event of Default under Section 5.01(e) or (f), or from any default which, with the passage of time, would become such Event of Default, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

#### Section 6.08 Conflicting Interests.

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. To the extent permitted by such Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee under this Indenture with respect to Securities of more than one series or a trustee under the Senior Indenture with respect to one or more series of Senior Debt.

#### Section 6.09 Corporate Trustee Required; Eligibility.

There shall at all times be one (and only one) Trustee hereunder with respect to the Securities of each series, which may be Trustee hereunder for Securities of one or more other series. Each Trustee shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section 6.09 and to the extent permitted by the Trust Indenture Act, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee with respect to the Securities of any series shall cease to be eligible in accordance with the provisions of this Section 6.09, it shall resign immediately in the manner and with the effect hereinafter specified in this Article VI.

Section 6.10 Resignation and Removal; Appointment of Successor.

No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article VI shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 6.11.

The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 6.11 shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

If at any time:

(a) the Trustee shall fail to comply with Section 6.08 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(b) the Trustee shall cease to be eligible under Section 6.09 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(c) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, (i) the Company, acting pursuant to the authority of a Board Resolution, may remove the Trustee with respect to all Securities, or (ii) subject to Section 5.14, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series) and shall comply with the applicable requirements of Section 6.11. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 6.11, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed



by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 6.11, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 1.06. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

#### Section 6.11 Acceptance of Appointment by Successor.

In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (a) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (b) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (c) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustee's co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor

Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article VI.

Section 6.12 Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article VI, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated, and in case any Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor Trustee or in the name of such successor Trustee, and in all cases the certificate of authentication shall have the full force which it is provided anywhere in the Securities or in this Indenture that the certificate of the Trustee shall have.

Section 6.13 Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor). For purposes of Section 3.11(b)(4) and (6) of the Trust Indenture Act:

(a) “cash transaction” means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks and payable upon demand; and

(b) “self-liquidating paper” means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company (or any such obligor) for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security; provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company (or any such obligor) arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.



Section 6.14 Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series issued upon original issue and upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 3.06, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by federal or state authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section 6.14, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.14, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section 6.14.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to all or substantially all of the corporate agency or corporate trust business of an Authenticating Agent shall be the successor Authenticating Agent hereunder, provided such corporation shall be otherwise eligible under this Section 6.14, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.14, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give notice of such appointment in the manner provided in Section 1.06 to all Holders of Securities of the series with respect to which such Authenticating Agent will serve. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section 6.14.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section 6.14, and the Trustee shall be entitled to be reimbursed for such payments, subject to the provisions of Section 6.07.

If an appointment with respect to one or more series is made pursuant to this Section 6.14, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternative certificate of authentication in the following form:

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

Dated: \_\_\_\_\_

\_\_\_\_\_,  
as Trustee

By: \_\_\_\_\_,  
as Authenticating Agent

By: \_\_\_\_\_,  
Authorized Officer

#### **ARTICLE VII HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY**

##### **Section 7.01 Company to Furnish Trustee Names and Addresses of Holders.**

The Company will furnish or cause to be furnished to the Trustee

(a) semi-annually, not later than January 15 and July 15 in each year, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of each series as of the preceding January 1 or July 1 as the case may be, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished; provided, however, that if and so long as the Trustee shall be Security Registrar for Securities of a series, no such list need be furnished with respect to such series of Securities.

##### **Section 7.02 Preservation of Information; Communications to Holders.**

The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 7.01 and the names and addresses of Holders received by the Trustee in its capacity as Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 7.01 upon receipt of a new list so furnished.

The rights of Holders to communicate with other Holders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided in the Trust Indenture Act.

Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

#### Section 7.03 Reports by Trustee.

The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

Reports so required to be transmitted at stated intervals of not more than 12 months shall be transmitted no later than January 31 in each calendar year, commencing with the first January 31 after the first issuance of Securities under this Indenture.

A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any stock exchange.

#### Section 7.04 Reports by Company.

The Company shall file with the Trustee and the Commission, and transmit to Holders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided in the Trust Indenture Act; provided that any such information, documents or reports required to be filed with the Commission pursuant to Section 13 or 15(d) of the Exchange Act shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission.

### **ARTICLE VIII CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE**

#### Section 8.01 Company May Consolidate, Etc., Only on Certain Terms.

The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, unless:

(a) in case the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation, partnership, trust or other entity, shall be organized and validly existing under the laws of the United States of America, any state thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto,

executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and any premium and interest on all the Securities and the performance or observance of every covenant of this Indenture on the part of the Company to be performed or observed;

(b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing; and

(c) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article VIII and that all conditions precedent herein provided for relating to such transaction have been complied with; provided, however, that the delivery of an Officers' Certificate or an Opinion of Counsel is not required with respect to any consolidation, merger, conveyance, transfer or lease involving the Company and any wholly owned subsidiary of the Company.

#### Section 8.02 Successor Substituted.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 8.01, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; and in the event of any such conveyance or transfer (but not in the case of a lease) the Company shall be discharged from all obligations and covenants under the Indenture and the Securities and may be dissolved and liquidated.

Such successor Person may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of the Securities issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such successor Person instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Securities which previously shall have been signed and delivered by the officers of the Company to the Trustee for authentication pursuant to such provisions and any Securities which such successor Person thereafter shall cause to be signed and delivered to the Trustee on its behalf for the purpose pursuant to such provisions. All the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale, conveyance or lease, such changes in phraseology and form may be made in the Securities thereafter to be issued as may be appropriate.

**ARTICLE IX**  
**SUPPLEMENTAL INDENTURES**

Section 9.01 Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by the successor corporation of the covenants, agreements and obligations of the Company pursuant to Article VIII; or

(b) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or

(c) to add any additional Events of Default for the benefit of the Holders of all or any series of Securities (and if such additional Events of Default are to be for the benefit of less than all series of Securities, stating that such additional Events of Default are expressly being included solely for the benefit of such series), provided, however, that in respect of any such additional Events of Default such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default or may limit the right of the Holders of a majority in aggregate principal amount of that or those series of Securities to which such additional Events of Default apply to waive such default; or

(d) to add to or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons, or to permit or facilitate the issuance of Securities in uncertificated form; or

(e) to add to, change or eliminate any of the provisions of this Indenture in respect of one or more series of Securities, including any of the provisions of Article XVI; provided, however, that if such addition, change or elimination shall adversely affect the interests of Holders of Securities of any series, such addition, change or elimination shall become effective with respect to such series only when no such Security of such series remains Outstanding; or

(f) to convey, transfer, assign, mortgage or pledge any property to or with the Trustee or to surrender any right or power herein conferred upon the Company; or

(g) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 3.01; or

(h) to provide for uncertificated securities in addition to certificated securities;  
or

(i) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 6.11; or

(j) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture, provided that such action pursuant to this Clause (j) shall not adversely affect the interests of the Holders of Securities of any series; or

(k) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Sections 4.01, 14.02 and 14.03; provided that any such action shall not adversely affect the interests of the holders of Securities of such series or any other series of Securities; or

(l) to comply with the rules or regulations of any securities exchange or automated quotation system on which any of the Securities may be listed or traded; or

(m) to add to, change or eliminate any of the provisions of this Indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act, provided that such action does not adversely affect the rights or interests of any Holder of Securities.

#### Section 9.02 Supplemental Indentures With Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture (treated as one class), by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(a) except to the extent permitted by Section 3.07(b) or Section 3.08 or otherwise specified in the form or terms of the Securities of any series as permitted by Sections 2.01 and 3.01 with respect to extending the Stated Maturity of any Security of such series, change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof, or reduce the amount of the principal of an Original Issue Discount Security or any other Security which would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or



(b) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(c) modify any of the provisions of this Section 9.02, Section 5.13 or Section 10.06, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to “the Trustee” and concomitant changes in this Section 9.02 and Section 10.06, or the deletion of this proviso, in accordance with the requirements of Sections 6.11 and 9.01(i), or

(d) if the Securities of any series are convertible or exchangeable into any other securities or property of the Company, make any change that adversely affects the right to convert or exchange any Security of such series (except as permitted by Section 9.01) or decrease the conversion or exchange rate or increase the conversion price of any such Security of such series,

(e) modify the provisions of this Indenture with respect to the subordination of any Security in a manner adverse to the Holder thereof; or

(f) if the Securities of any series are secured, change the terms and conditions pursuant to which the Securities of such series are secured in a manner adverse to the Holders of the secured Securities of such series.

An amendment under this Section may not make any change that adversely affects the rights under Article XVI of any holder of Senior Debt unless the holders of each issue of Senior Debt pursuant to its terms consent to the change.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this Section 9.02 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

#### Section 9.03 Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article IX or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 6.01) shall be fully protected in relying upon, an Officers’ Certificate and an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee’s own rights, duties or immunities under this Indenture or otherwise.

Section 9.04 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article IX, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

Section 9.05 Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article IX shall conform to the requirements of the Trust Indenture Act.

Section 9.06 Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article IX may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

## **ARTICLE X COVENANTS**

Section 10.01 Payment of Principal, Premium and Interest.

The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay the principal of and any premium and interest on the Securities of that series in accordance with the terms of the Securities and this Indenture.

Section 10.02 Maintenance of Office or Agency.

The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company initially appoints the Trustee, acting through its Corporate Trust Office, as its agent for said purpose. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such



designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in each Place of Payment for Securities of any series for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

Section 10.03 Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of or any premium or interest on any of the Securities of that series, segregate to the extent required by law and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and any premium and interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will provide to a Paying Agent a sum sufficient to pay the principal of or any premium or interest on any Securities of that series, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 10.03, that such Paying Agent will (a) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (b) during the continuance of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment in respect of the Securities of that series, upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent for payment in respect of the Securities of that series.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of or any premium or interest on any Security of any series and remaining unclaimed for two years after such principal, premium or interest has become due and payable may be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in The City of New York, notice that such money

remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

Section 10.04 Statement by Officers as to Default.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officers' Certificate, one of the signers of which shall be the principal executive, principal accounting or principal financial officer of the Company, stating whether or not to the best knowledge of the signers thereof, the Company is in default in the performance and observance of any of the terms, provisions, covenants and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

Section 10.05 Existence.

Subject to Article VIII and the Company's ability to convert into a limited liability company, limited partnership or limited liability partnership under applicable law, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence. On and after any conversion of the Company into a limited liability company, limited partnership or limited liability partnership under applicable law, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its limited liability company, limited partnership or limited liability partnership existence, as applicable.

Section 10.06 Waiver of Certain Covenants.

Except as otherwise specified as contemplated by Section 3.01 for Securities of such series, the Company may, with respect to the Securities of any series, omit in any particular instance to comply with any term, provision or condition set forth in any covenant provided pursuant to Section 3.01(t), 9.01(b) or 9.01(g) for the benefit of the Holders of such series or in Section 10.05, if the Holders of at least a majority in principal amount of the Outstanding Securities of such series shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

**ARTICLE XI  
REDEMPTION OF SECURITIES**

Section 11.01 Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 3.01 for such Securities) in accordance with this Article XI.

Section 11.02 Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 3.01 for such Securities. In case of any redemption at the election of the Company of less than all the Securities of any series (including any such redemption affecting only a single Security), the Company shall, not less than 10 nor more than 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date, of the principal amount of Securities of such series to be redeemed and, if applicable, of the tenor of the Securities to be redeemed. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate and an Opinion of Counsel evidencing compliance with such restriction.

Section 11.03 Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed (unless all the Securities of such series and of a specified tenor are to be redeemed or unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by lot or by such other customary method prescribed by the Depositary, if applicable, and which may provide for the selection for redemption of a portion of the principal amount of any Security of such series, provided that the unredeemed portion of the principal amount of any Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security. If less than all the Securities of such series and of a specified tenor are to be redeemed (unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series and specified tenor not previously called for redemption in accordance with the preceding sentence.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption as aforesaid and, in case of any Securities selected for partial redemption as aforesaid, the principal amount thereof to be redeemed.

The provisions of the two preceding paragraphs shall not apply with respect to any redemption affecting only a single Security, whether such Security is to be redeemed in whole or in part. In the case of any such redemption in part, the unredeemed portion of the principal amount of the Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed. If the Company shall so direct, Securities registered in the name of the Company, any Affiliate or any Subsidiary thereof shall not be included in the Securities selected for redemption.

Section 11.04 Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 10 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

With respect to Securities of each series to be redeemed, each notice of redemption shall identify the Securities to be redeemed (including CUSIP numbers) and shall state:

- (a) the Redemption Date,
- (b) the Redemption Price,
- (c) if less than all the Outstanding Securities of any series consisting of more than a single Security are to be redeemed, the identification (and, in the case of partial redemption of any such Securities, the principal amounts) of the particular Securities to be redeemed and, if less than all the Outstanding Securities of any series consisting of a single Security are to be redeemed, the principal amount of the particular Security to be redeemed,
- (d) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,
- (e) the place or places where each such Security is to be surrendered for payment of the Redemption Price, and
- (f) that the redemption is for a sinking fund, if such is the case.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company and shall be irrevocable. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. In any case, a failure to give such notice by mail or any defect in the notice to the Holder of any Security designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security.

Section 11.05 Deposit of Redemption Price.

On or before the Redemption Date specified in the notice of redemption given as provided in Section 11.04, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.03) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

Section 11.06 Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest) such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that, unless otherwise specified as contemplated by Section 3.01, installments of interest whose Stated Maturity is on or prior to the Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.07.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and any premium shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

Section 11.07 Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series and of like tenor, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

**ARTICLE XII  
SINKING FUNDS**

Section 12.01 Applicability of Article.

The provisions of this Article XII shall be applicable to any sinking fund for the retirement of Securities of any series except as otherwise specified as contemplated by Section 3.01 for such Securities.

The minimum amount of any sinking fund payment provided for by the terms of any Securities of any series is herein referred to as a “mandatory sinking fund payment”, and any sinking fund payment in excess of such minimum amount which is permitted to be made by the terms of such Securities is herein referred to as an “optional sinking fund payment”. If provided for by the terms of any Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 12.02. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of such Securities.



Section 12.02 Satisfaction of Sinking Fund Payments with Securities.

The Company (a) may deliver Outstanding Securities of a series (other than any previously called for redemption) and (b) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to any Securities of such series required to be made pursuant to the terms of such Securities as and to the extent provided for by the terms of such Securities; provided that the Securities to be so credited have not been previously so credited. The Securities to be so credited shall be received and credited for such purpose by the Trustee at the Redemption Price, as specified in the Securities so to be redeemed, for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

Section 12.03 Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for such Securities pursuant to the terms of such Securities, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities pursuant to Section 12.02 and will also deliver to the Trustee any Securities to be so delivered. Not less than 45 days prior to each such sinking fund payment date, the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 11.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 11.04. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 11.06 and 11.07.

**ARTICLE XIII**  
**REPAYMENT AT THE OPTION OF THE HOLDERS**

Section 13.01 Applicability of Article.

Repayment of securities of any series before their Stated Maturity at the option of Holders thereof shall be made in accordance with the terms of such Securities and (except as otherwise specified as contemplated by Section 3.01 for Securities of any series) in accordance with this Article XIII.

Section 13.02 Repayment of Securities.

Securities of any series subject to repayment in whole or in part at the option of the Holders thereof will, unless otherwise provided in the terms of such Securities, be repaid at a price equal to the principal amount thereof, together with interest and/or premium, if any, thereon accrued to the Repayment Date specified in or pursuant to the terms of such Securities. The Company covenants that on or before the Repayment Date it will deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.03) an amount of money sufficient to pay the principal (or, if so provided by the terms of the Securities of any series, a percentage of the principal) of, the premium, if any, and

(except if the Repayment Date shall be an Interest Payment Date) accrued interest on, all the Securities or portions thereof, as the case may be, to be repaid on such date.

Section 13.03 Exercise of Option.

Securities of any series subject to repayment at the option of the Holders thereof will contain an "Option to Elect Repayment" form on the reverse of such Securities. To be repaid at the option of the Holder, any Security so providing for such repayment, with the "Option to Elect Repayment" form on the reverse of such Security duly completed by the Holder (or by the Holder's attorney duly authorized in writing), must be received by the Company at the Place of Payment therefor specified in the terms of such Security (or at such other place or places of which the Company shall from time to time notify the Holders of such Securities) not earlier than 45 days nor later than 30 days prior to the Repayment Date. If less than the entire principal amount of such Security is to be repaid in accordance with the terms of such Security, the principal amount of such Security to be repaid, in increments of the minimum denomination for Securities of such series, the premium, if any, to be paid, and the denomination or denominations of the Security or Securities to be issued to the Holder for the portion of the principal amount of such Security surrendered that is not to be repaid, must be specified. The principal amount of any Security providing for repayment at the option of the Holder thereof may not be repaid in part if, following such repayment, the unpaid principal amount of such Security would be less than the minimum authorized denomination of Securities of the series of which such Security to be repaid is a part. Except as otherwise may be provided by the terms of any Security providing for repayment at the option of the Holder thereof and as provided in Sections 3.07(b) and 3.08, exercise of the repayment option by the Holder shall be irrevocable unless waived by the Company.

Section 13.04 When Securities Presented for Repayment Become Due and Payable.

If Securities of any series providing for repayment at the option of the Holders thereof shall have been surrendered as provided in this Article XIII and as provided by or pursuant to the terms of such Securities, such Securities or the portions thereof, as the case may be, to be repaid shall become due and payable and shall be paid by the Company on the Repayment Date therein specified, and on and after such Repayment Date (unless the Company shall default in the payment of such Securities on such Repayment Date) such Securities shall, if the same were interest-bearing, cease to bear interest. Upon surrender of any such Security for repayment in accordance with such provisions, the principal amount of such Security so to be repaid shall be paid by the Company, together with accrued interest and/or premium, if any, to (but excluding) the Repayment Date; provided, however, that installments of interest, if any, whose Stated Maturity is on or prior to the Repayment Date shall be payable (but without interest thereon, unless the Company shall default in the payment thereof) to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.07.

If the principal amount of any Security surrendered for repayment shall not be so repaid upon surrender thereof, such principal amount (together with interest, if any, thereon accrued to such Repayment Date) shall, until paid, bear interest from the Repayment Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

Section 13.05 Securities Repaid in Part.

Upon surrender of any Security which is to be repaid in part only, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge and at the expense of the Company, a new Security or Securities of the same series, of any authorized denomination specified by the Holder, in an aggregate principal amount equal to and in exchange for the portion of the principal of such Security so surrendered which is not to be repaid.

**ARTICLE XIV  
DEFEASANCE AND COVENANT DEFEASANCE**

Section 14.01 Company's Option to Effect Defeasance or Covenant Defeasance.

The Company may elect, at its option at any time, to have Section 14.02 or Section 14.03 applied to any Securities or any series of Securities, as the case may be, (unless designated pursuant to Section 3.01 as not being defeasible pursuant to such Section 14.02 or 14.03), in accordance with any applicable requirements provided pursuant to Section 3.01 and upon compliance with the conditions set forth below in this Article XIV. Any such election shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 3.01 for such Securities.

Section 14.02 Defeasance and Discharge.

Upon the Company's exercise of its option (if any) to have this Section 14.02 applied to any Securities or any series of Securities, as the case may be, the Company shall be deemed to have been discharged from its obligations, and the provisions of Article XVI shall cease to be effective, with respect to such Securities as provided in this Section 14.02 on and after the date the conditions set forth in Section 14.04 are satisfied (hereinafter called "Defeasance"). For this purpose, such Defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such Securities and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), subject to the following which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of such Securities to receive, solely from the trust fund described in Section 14.04 and as more fully set forth in such Section 14.04, payments in respect of the principal of and any premium and interest on such Securities when payments are due, (b) the Company's obligations with respect to such Securities under Sections 3.04, 3.05, 3.06, 10.02 and 10.03, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (d) this Article XIV. Subject to compliance with this Article XIV, the Company may exercise its option (if any) to have this Section 14.02 applied to any Securities notwithstanding the prior exercise of its option (if any) to have Section 14.03 applied to such Securities.

Section 14.03 Covenant Defeasance.

Upon the Company's exercise of its option (if any) to have this Section 14.03 applied to any Securities or any series of Securities, as the case may be, (a) the Company shall be released from its obligations under any covenants provided pursuant to Section 3.01(t), 9.01(b) or 9.01(g) for the benefit of the Holders of such Securities, (b) the occurrence of any event specified in



Sections 5.01(d) (with respect to any such covenants provided pursuant to Section 3.01(t), 9.01(b) or 9.01(g)) shall be deemed not to be or result in an Event of Default, and (c) the provisions of Article XVI shall cease to be effective in each case with respect to such Securities as provided in this Section 14.03 on and after the date the conditions set forth in Section 14.04 are satisfied (hereinafter called "Covenant Defeasance"). For this purpose, such Covenant Defeasance means that, with respect to such Securities, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such specified Section (to the extent so specified in the case of Section 5.01(d)) or Article, whether directly or indirectly by reason of any reference elsewhere herein to any such Section or Article or by reason of any reference in any such Section or Article to any other provision herein or in any other document, but the remainder of this Indenture and such Securities shall be unaffected thereby.

#### Section 14.04 Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to the application of Section 14.02 or Section 14.03 to any Securities or any series of Securities, as the case may be:

(a) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee which satisfies the requirements contemplated by Section 6.09 and agrees to comply with the provisions of this Article XIV applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefits of the Holders of such Securities, (A) money in an amount, or (B) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment, money in an amount, or (C) a combination thereof, in each case sufficient, in the opinion of a nationally recognized independent registered public accounting firm expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or any such other qualifying trustee) to pay and discharge, the principal of and any premium and interest on such Securities on the respective Stated Maturities, in accordance with the terms of this Indenture and such Securities. As used herein, "U.S. Government Obligation" means (x) any security which is (i) a direct obligation of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) an obligation of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case (i) or (ii), is not callable or redeemable at the option of the issuer thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any U.S. Government Obligation which is specified in Clause (x) above and held by such bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any U.S. Government Obligation which is so specified and held, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

(b) In the event of an election to have Section 14.02 apply to any Securities or any series of Securities, as the case may be, the Company shall have delivered to the Trustee an

Opinion of Counsel stating that (i) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (ii) since the date of this instrument, there has been a change in the applicable federal income tax law, in either case (i) or (ii) to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities will not recognize gain or loss for federal income tax purposes as a result of the deposit, Defeasance and discharge to be effected with respect to such Securities and will be subject to federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, Defeasance and discharge were not to occur.

(c) In the event of an election to have Section 14.03 apply to any Securities or any series of Securities, as the case may be, the Company shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such Securities will not recognize gain or loss for federal income tax purposes as a result of the deposit and Covenant Defeasance to be effected with respect to such Securities and will be subject to federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and Covenant Defeasance were not to occur.

(d) The Company shall have delivered to the Trustee an Officers' Certificate to the effect that neither such Securities nor any other Securities of the same series, if then listed on any securities exchange, will be delisted as a result of such deposit.

(e) No event which is, or after notice or lapse of time or both would become, an Event of Default with respect to such Securities or any other Securities shall have occurred and be continuing at the time of such deposit or, with regard to any such event specified in Sections 5.01(e) and (f), at any time on or prior to the 90th day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until after such 90th day).

(f) Such Defeasance or Covenant Defeasance shall not cause the Trustee to have a conflicting interest within the meaning of the Trust Indenture Act (assuming all Securities are in default within the meaning of such Act).

(g) Such Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which it is bound.

(h) Such Defeasance or Covenant Defeasance shall not result in the trust arising from such deposit constituting an investment company within the meaning of the Investment Company Act unless such trust shall be registered under the Investment Company Act or exempt from registration thereunder.

(i) The Company shall have delivered to the Trustee an agreement whereby the Company irrevocably agrees to forfeit its right, if any, (i) to reset the interest rate of such Securities pursuant to Section 3.07(b) and (ii) to extend the Stated Maturity of such Securities pursuant to Section 3.08.

(j) The Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such Defeasance or Covenant Defeasance have been complied with.

Section 14.05 Acknowledgment of Discharge By Trustee.

Subject to Section 14.07 below and after the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent referred to in Section 14.04 relating to the defeasance or satisfaction and discharge, as the case may be, of this Indenture have been complied with, the Trustee upon request of the Company shall acknowledge in writing the defeasance or the satisfaction and discharge, as the case may be, of this Indenture and the discharge of the Company's obligations under this Indenture.

Section 14.06 Deposited Money and U.S. Government Obligations to Be Held in Trust; Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 10.03, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee or other qualifying trustee (solely for purposes of this Section 14.06, the Trustee and any such other trustee are referred to collectively as the "Trustee") pursuant to Section 14.04 in respect of any Securities shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any such Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Holders of such Securities, of all sums due and to become due thereon in respect of principal and any premium and interest, but money so held in trust need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 14.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of Outstanding Securities.

Anything in this Article XIV to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon Company Request any money or U.S. Government Obligations held by it as provided in Section 14.04 with respect to any Securities which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect the Defeasance or Covenant Defeasance, as the case may be, with respect to such Securities.

Section 14.07 Reinstatement.

If the Trustee or the Paying Agent is unable to apply any money in accordance with this Article XIV with respect to any Securities by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations under this Indenture and such Securities from which the Company has been discharged or released pursuant to Section 14.02 or 14.03 shall be revived and reinstated as though no deposit had occurred pursuant to this Article XIV with respect to such Securities, until such time as the Trustee or Paying Agent is permitted to apply all money held in trust pursuant to Section 14.06 with respect to such Securities in accordance with this Article XIV; provided, however, that if the Company makes any payment of principal of or any premium or interest on any such Security

following such reinstatement of its obligations, the Company shall be subrogated to the rights (if any) of the Holders of such Securities to receive such payment from the money so held in trust.

**ARTICLE XV**  
**IMMUNITY OF INCORPORATORS, STOCKHOLDERS,**  
**OFFICERS, DIRECTORS AND EMPLOYEES**

Section 15.01 Exemption from Individual Liability.

No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer, director or employee, as such, past, present or future, of the Company, any Subsidiary or any successor corporation, either directly or through the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations of the Company, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers, directors, or employees, as such, of the Company, any Subsidiary or any successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such incorporator, stockholder, officer, director or employee, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom, are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of such Securities.

**ARTICLE XVI**  
**SUBORDINATION**

Section 16.01 Securities Subordinate to Senior Debt.

The Company covenants and agrees, and each Holder of Securities of any series by the Holder's acceptance thereof, likewise covenants and agrees, that, to the extent and in the manner hereinafter set forth in this Article XVI, subject to the provisions of Article IV and except as may otherwise be specified as contemplated by Section 3.01 and set forth in the Securities of a series, the indebtedness represented by the Securities of such series and the payment of the principal of and any premium and interest on each and all of the Securities of such series are hereby expressly made subordinate and junior in right of payment to the prior payment in full of all amounts then due and payable in respect of all Senior Debt of the Company, to the extent and in the manner herein set forth (unless a different manner is set forth in the Securities of such series). No provision of this Article shall prevent the occurrence of any default or Event of Default hereunder.

Senior Debt shall not be deemed to have been paid in full unless the holders thereof shall have received cash, securities or other property equal to the amount of such Senior Debt then outstanding.

Section 16.02 Payment over of Proceeds Upon Dissolution, Etc..

In the event of

- (a) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding in respect of the Company or its property,
- (b) any proceeding for the liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary, or bankruptcy proceedings,
- (c) any assignment by the Company for the benefit of its creditors,
- (d) any other marshalling of the assets of the Company,

all Senior Debt shall first be paid in full before any payment or distribution, whether in cash, securities or other property, shall be made by the Company on account of the Securities of any series. Any payment or distribution, whether in cash, securities or other property (other than securities of the Company or any other corporation provided for by a plan or reorganization or a readjustment, the payment of which is subordinate, at least to the extent provided in these subordination provisions with respect to the indebtedness evidenced by the Securities of any series, to the payment of all Senior Debt at the time outstanding and to any securities issued in respect thereof under any such plan of reorganization or readjustment), which would otherwise (but for these subordination provisions) be payable or deliverable in respect of the Securities of any series shall be paid or delivered directly to the holders of Senior Debt in accordance with the priorities then existing among such holders until all Senior Debt shall have been paid in full. No present or future holder of any Senior Debt shall be prejudiced in the right to enforce subordination of the indebtedness constituting the Securities of any series by any act of failure to act on the part of the Company.

Section 16.03 No Payment When Senior Debt in Default.

Except as may otherwise be specified in respect of Securities of a series as contemplated by Section 3.01(w) hereof, in the event that

- (a) the Company shall default in the payment of any principal of or premium, if any, or interest on any Senior Debt when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or declaration or otherwise, or
- (b) an event of default occurs with respect to any Senior Debt permitting the holders thereof to accelerate the maturity thereof and written notice describing such event of default and requesting commencement of payment blockage on transactions as thereafter described is given to the Company by the holders of Senior Debt, then, unless and until such default in payment and event of default shall have been cured or waived or shall have ceased to exist, no direct or indirect payment (in cash, property, securities, by set-off or otherwise) shall be made or agreed to be made on account of the Securities of any series or any interest thereon in respect of any repayment, redemption, retirement, purchase or other acquisition of the Securities of any series.



Section 16.04 Prior Payment to Senior Debt Upon Acceleration of Securities.

In the event that any Securities are declared due and payable before their Stated Maturity, then and in such event the holders of Senior Debt shall be entitled to receive payment in full of all amounts due or to become due on or in respect of all Senior Debt, or provision shall be made for such payment in cash or cash equivalents, before the Holders of the Securities are entitled to receive any payment (including any payment which may be payable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Securities) by the Company on account of the principal of or premium, if any, or interest, if any, on the Securities or on account of the purchase or other acquisition of Securities; provided, however, that nothing in this Section shall prevent the satisfaction of any sinking fund payment in accordance with Article XII by delivering and crediting pursuant to Section 12.02 Outstanding Securities which have been acquired (upon redemption or otherwise) prior to such declaration of acceleration.

In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known to the Trustee or, as the case may be, such Holder, then and in such event such payment shall be paid over and delivered forthwith to the Company.

Section 16.05 Payment Permitted in Certain Situations.

Nothing contained in this Article XVI or elsewhere in this Indenture or in any of the Securities of any series shall prevent

(a) the Company, at any time except during the pendency of any dissolution, winding-up, liquidation or reorganization of the Company, whether voluntary or involuntary or any bankruptcy, insolvency, receivership or other proceedings of the Company referred to in Section 16.02 or under the conditions described in Section 16.03 or as may be specified in respect of Securities of a series as contemplated by Section 3.01(w) hereof, from making payments at any time of principal of or premium, if any, or interest on the Securities of such series, or

(b) the application by the Trustee of any money deposited with it hereunder to the payment of or on account of the principal of or premium, if any, or interest on the Securities of such series or the retention of such payment by the Holders, if, at the time of such application by the Trustee, it did not have knowledge that such payment would have been prohibited by the provisions of this Article XVI.

Section 16.06 Subrogation to Rights of Holders of Senior Debt.

Upon the payment in full of all Senior Debt, the rights of the holders of Securities of any series shall be subrogated to all the rights of any holders of Senior Debt to receive any further payments or distributions applicable to the Senior Debt until the Securities of any series shall have been paid in full, and such payments or distributions received by the Holders of Securities of any series by reason of such subrogation, of cash, securities or other property which otherwise would be paid or distributed to the holders of Senior Debt, shall, as between the Company and its creditors other than the holders of Senior Debt, on the one hand, and the Holders of Securities of any series,

on the other, be deemed to be a payment by the Company on account of Senior Debt, and not on account of the Securities of any series.

Section 16.07 Provisions Solely to Define Relative Rights.

The provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders of Securities of any series on the one hand and the holders of Senior Debt on the other hand. Nothing contained in this Article or elsewhere in the Indenture or in the Securities of such series is intended to or shall

(a) impair, as among the Company, its creditors other than holders of Senior Debt and the Holders of Securities of such series, the obligation of the Company, which is absolute and unconditional (and which, subject to the rights under this Article XVI of the holders of Senior Debt, is intended to rank equally with all other general obligations of the Company), to pay to the Holders of Securities of such series the principal of (and premium, if any) and interest on the Securities of such series as and when the same shall become due and payable in accordance with their terms;

(b) affect the relative rights against the Company of the Holders of Securities of such series and creditors of the Company, as the case may be, other than the holders of Senior Debt; or

(c) prevent the Trustee or the Holder of any Securities of such series from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Senior Debt to receive cash, property and securities otherwise payable or deliverable to the Trustee or such Holder.

Section 16.08 Trustee to Effectuate Subordination.

Each Holder of Securities of any series by such Holder's acceptance thereof authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to acknowledge and effectuate the subordination provided in this Article and appoints the Trustee his attorney-in-fact for any and all such purposes.

Section 16.09 No Waiver of Subordination Provisions.

No right of any present or future holder of any Senior Debt to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Debt may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities of any series, without incurring responsibility to the Holders of the Securities of such series and without impairing or releasing the subordination provided in this Article XVI or the obligations hereunder of the Holders of Securities of such series to the holders of Senior Debt, do any one or more of the following:

(a) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Debt, or otherwise amend or supplement in any manner Senior Debt or any instrument evidencing the same or any agreement under which Senior Debt is outstanding;

(b) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Debt;

(c) release any Person liable in any manner for the collection of Senior Debt;  
and

(d) exercise or refrain from exercising any rights against the Company and any other Person.

Section 16.10 Notice to Trustee.

The Company shall give prompt written notice to the Trustee of any fact known to the Company which would prohibit the making of any payment to or by the Trustee in respect of the Securities of any series pursuant to the provisions of this Article XVI. Notwithstanding the provisions of this Article XVI or any other provision of the Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment to or by the Trustee in respect of any Securities of any series pursuant to the provisions of this Article XVI, unless and until the Trustee shall have received written notice thereof from the Company or a holder or holders of Senior Debt or from any trustee therefor; and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 6.03, shall be entitled in all respects to assume that no such facts exist; provided, however, that if the Trustee shall not have received the notice provided for in this Section at least two Business Days prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of (or premium, if any) or interest on any Securities of any series), then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such moneys and to apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary that may be received by it within two Business Days prior to such date.

Subject to the provisions of Section 6.03, the Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Debt (or a trustee therefor) to establish that such notice has been given by a holder of Senior Debt (or a trustee therefor). In the event that the Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of Senior Debt to participate in any payment or distribution pursuant to this Article XVI, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Debt held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article XVI, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.



Section 16.11 Reliance on Judicial Order or Certificate of Liquidating Agent.

Upon any payment or distribution of assets of the Company referred to in this Article XVI, the Trustee, subject to the provisions of Section 6.03, and the Holders of Securities of any series shall be entitled to conclusively rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other Person making such payment or distribution, delivered to the Trustee or to the Holders of Securities of such series, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Debt and other indebtedness of the Company, as the case may be, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article XVI.

Section 16.12 Trustee Not Fiduciary for Holders of Senior Debt.

With respect to the holders of Senior Debt, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article XVI, and no implied covenants or obligations with respect to the holders of such Senior Debt shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Debt with respect to its obligations and duties created hereunder and shall not be liable to any such holders or creditors if it shall in good faith pay over or distribute to Holders of Securities of any series or to the Company or to any other Person cash, property or securities to which any holders of Senior Debt shall be entitled by virtue of this Article XVI or otherwise.

Section 16.13 Rights of Trustee as Holder of Senior Debt; Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Senior Debt which may at any time be held by it, to the same extent as any other holder of Senior Debt, and nothing in the Indenture shall deprive the Trustee of any of its rights as such holder.

Nothing in this Article XVI shall apply to claims of, or payments to, the Trustee under or pursuant to Section 6.07.

Section 16.14 Article Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article XVI shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article XVI in addition to or in place of the Trustee; provided, however, that this Section 16.14 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent.

Section 16.15 Certain Conversions or Exchanges Deemed Payment.

For the purposes of this Article XVI only, (a) the issuance and delivery of securities which are subordinate in right of payment to all then outstanding Senior Debt to substantially the same extent as the Securities are so subordinate ("Junior Securities") (or cash paid in lieu of fractional shares) upon conversion or exchange of Securities of any series as contemplated by Section 3.01, shall not be deemed to constitute a payment or distribution on account of the principal of or premium, if any, or interest on Securities of such series or on account of the purchase or other acquisition of Securities of such series and (b) the payment, issuance or delivery of cash, property or securities (other than Junior Securities and cash paid in lieu of fractional shares) upon conversion or exchange of Securities of any series shall be deemed to constitute payment on account of the principal of such Securities of such series. Nothing contained in this Article or elsewhere in the Indenture or in the Securities of any series is intended to or shall impair, as among the Company, its creditors other than holders of Senior Debt and the Holders of Securities of such series the right, which is absolute and unconditional, of the Holder of any Securities of such series to convert or exchange such Securities of such series in accordance with the terms specified as contemplated by Section 3.01.

Section 16.16 Defeasance of This Article XVI.

The subordination of the Securities provided by this Article XVI is expressly made subject to the provisions for defeasance or covenant defeasance in Article XIV hereof and, anything herein to the contrary notwithstanding, upon the effectiveness of any such defeasance or covenant defeasance, the Securities then outstanding shall thereupon cease to be subordinated pursuant to this Article XVI.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed and attested, all as of the day and year first above written.

CENTERPOINT ENERGY, INC.

By: /s/ Christopher A. Foster  
Name: Christopher A. Foster  
Title: Executive Vice President and Chief  
Financial Officer

Attest:  
/s/ Vincent A. Mercaldi  
Name: Vincent A. Mercaldi  
Title: Secretary

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

By: /s/ April Bradley  
Name: April Bradley  
Title: Vice President



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**SUPPLEMENTAL INDENTURE**

**BETWEEN**

**CENTERPOINT ENERGY, INC.**

**AND**

**THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL  
ASSOCIATION,**

**TRUSTEE**

**DATED AS OF AUGUST 14, 2024**

**7.000% FIXED-TO-FIXED RESET RATE JUNIOR SUBORDINATED NOTES,  
SERIES A, DUE 2055**

**6.850% FIXED-TO-FIXED RESET RATE JUNIOR SUBORDINATED NOTES,  
SERIES B, DUE 2055**

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## TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS .....	1
Section 1.01    Definition of Terms.....	1
ARTICLE II GENERAL TERMS AND CONDITIONS OF THE NOTES .....	7
Section 2.01    Designation and Principal Amount.....	7
Section 2.02    Stated Maturity.....	7
Section 2.03    Form and Payment; Minimum Transfer Restriction.....	7
Section 2.04    Interest.....	8
Section 2.05    No Sinking Fund or Repayment at Option of the Holder .....	9
Section 2.06    Optional Redemption .....	9
Section 2.07    No Additional Amounts.....	11
ARTICLE III DEFAULTS AND REMEDIES.....	11
Section 3.01    Events of Default .....	11
Section 3.02    Acceleration; Rescission and Annulment .....	12
Section 3.03    Payments of Notes on Default; Suit Therefor.....	12
Section 3.04    Application of Monies Collected by Trustee .....	14
Section 3.05    Proceedings by Holders .....	15
Section 3.06    Proceedings by Trustee.....	16
Section 3.07    Remedies Cumulative and Continuing .....	16
Section 3.08    Direction of Proceedings and Waiver of Defaults by Majority of Holders ....	16
Section 3.09    Notice of Defaults .....	17
Section 3.10    Undertaking to Pay Costs.....	17
ARTICLE IV OPTION TO DEFER INTEREST PAYMENTS .....	17
Section 4.01    Option to Defer Interest Payments.....	17
ARTICLE V FORM OF NOTE.....	21
Section 5.01    Form of Note.....	21
ARTICLE VI ORIGINAL ISSUE OF NOTES .....	21
Section 6.01    Original Issue of Notes .....	21
ARTICLE VII SUBORDINATION .....	21
Section 7.01    Subordination.....	21
Section 7.02    Notice to Trustee of Facts Prohibiting Payments .....	22
Section 7.03    Application by Trustee of Moneys Deposited With It.....	22
Section 7.04    Subrogation.....	22
Section 7.05    Subordination Rights Not Impaired by Acts or Omissions of Company or Holders of Senior Indebtedness .....	22
Section 7.06    Right of Trustee to Hold Senior Indebtedness .....	23
Section 7.07    Not to Prevent Defaults (Including Events of Default) .....	23
Section 7.08    Trustee's Rights to Compensation, Reimbursement of Expenses and Indemnification .....	23

Section 7.09	Article Applicable to Paying Agents .....	23
Section 7.10	Trustee Not Fiduciary for Holders of Senior Indebtedness .....	23
ARTICLE VIII SUPPLEMENTAL INDENTURE.....		24
Section 8.01	Supplemental Indentures without Consent of Holders .....	24
Section 8.02	Supplemental Indenture with Consent of Holders .....	25
Section 8.03	Conformity with Trust Indenture .....	26
Section 8.04	Effect of Supplemental Indentures.....	26
Section 8.05	Notation on Notes .....	26
Section 8.06	Evidence of Compliance of Supplemental Indenture to Be Furnished.....	26
ARTICLE IX SATISFACTION AND DISCHARGE .....		26
Section 9.01	Satisfaction and Discharge.....	26
ARTICLE X CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE.....		27
Section 10.01	Company May Consolidate, Etc. on Certain Terms .....	27
Section 10.02	Successor Company to Be Substituted .....	27
Section 10.03	Officer's Certificate and Opinion of Counsel to Be Given to Trustee .....	28
ARTICLE XI OTHER AMENDMENTS.....		28
Section 11.01	Amendment to Section 1.05 of the Base Indenture .....	28
Section 11.02	Amendment to Section 1.12 of the Base Indenture .....	29
Section 11.03	Amendment to Section 6.01 of the Base Indenture .....	30
Section 11.04	Amendment to Section 6.02 of the Base Indenture .....	30
Section 11.05	Amendment to Section 6.03 of the Base Indenture .....	31
ARTICLE XII TAX TREATMENT.....		33
Section 12.01	Tax Treatment.....	33
ARTICLE XIII THE TRUSTEE .....		33
Section 13.01	Appointment of Trustee .....	33
Section 13.02	Eligibility of Trustee .....	33
Section 13.03	Security Registrar and Paying Agent.....	33
Section 13.04	Concerning the Trustee.....	34
Section 13.05	Patriot Act Requirements of Trustee.....	34
Section 13.06	Notice upon Trustee.....	34
ARTICLE XIV MISCELLANEOUS .....		34
Section 14.01	Ratification of Indenture; Supplemental Indenture Controls.....	34
Section 14.02	Recitals.....	34
Section 14.03	Separability .....	34
Section 14.04	Counterparts.....	35

#### Exhibits

Exhibit A	Form of Series A Note and the Trustee's Certificate of Authentication
Exhibit B	Form of Series B Note and the Trustee's Certificate of Authentication

## **SUPPLEMENTAL INDENTURE**

THIS **SUPPLEMENTAL INDENTURE**, dated as of August 14, 2024 (this “Supplemental Indenture”), is between CENTERPOINT ENERGY, INC., a corporation duly organized and existing under the laws of the State of Texas, having its principal office at 1111 Louisiana, Houston, Texas 77002 (the “Company”), and The Bank of New York Mellon Trust Company, National Association, as trustee of the Securities established by this Supplemental Indenture, having a Corporate Trust Office at 601 Travis Street, 16th Floor, Houston, Texas 77002 (herein called the “Trustee”).

WHEREAS, the Company has heretofore entered into a Junior Subordinated Indenture (the “Base Indenture”), dated as of August 14, 2024 between the Company and the Trustee;

WHEREAS, the Base Indenture is incorporated herein by this reference and the Base Indenture, as supplemented and amended by this Supplemental Indenture, and as may be hereafter supplemented or amended from time to time in accordance herewith and therewith, is herein called the “Indenture”;

WHEREAS, under the Base Indenture, an unlimited amount of Securities in one or more series may at any time be established in accordance with the provisions of the Base Indenture and the terms of such series may be described by a supplemental indenture executed by the Company and the Trustee;

WHEREAS, the Company proposes to create under the Base Indenture two new series of Securities and to appoint the Trustee as Trustee under the Base Indenture with respect to such Securities;

WHEREAS, the Company has requested that the Trustee execute and deliver this Supplemental Indenture and all requirements necessary to make this Supplemental Indenture a valid instrument in accordance with its terms, and to make the Notes, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company, have been performed, and the execution and delivery of this Supplemental Indenture has been duly authorized in all respects;

NOW, THEREFORE, in consideration of the purchase and acceptance of the Notes by the Holders, and for the purpose of setting forth, as provided in the Base Indenture, the form and substance of the Notes and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

### **ARTICLE I DEFINITIONS**

Section 1.01 Definition of Terms. For all purposes of this Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the capitalized terms not otherwise defined herein shall have the meanings set forth in the Base Indenture or, if not defined in the Base Indenture;

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(b) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(c) all other terms used herein which are defined in the Trust Indenture Act of 1939, as amended, whether directly or by reference therein, have the meanings assigned to them therein;

(d) a reference to a Section or Article is to a Section or Article of this Supplemental Indenture unless otherwise stated;

(e) a reference to a Section or Article in the Base Indenture that has been replaced or amended in this Supplemental Indenture shall be construed for purposes of the Notes to refer to such Section or Article as replaced or amended in this Supplemental Indenture;

(f) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision;

(g) headings are for convenience of reference only and do not affect interpretation;

“Business Day” means any day other than a Saturday, a Sunday or a day on which the Federal Reserve Bank of New York is authorized or required by law or executive order to close or be closed.

“Calculation Agent” shall have the meaning set forth in Section 2.04.

“Capital Stock” means (i) in the case of a corporation or a company, corporate stock or shares; (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock; (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Compound Interest” shall have the meaning specified in Section 2.04.

“Default” means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

“DTC” shall have the meaning set forth in Section 2.06.

“Event of Default” shall have the meaning set forth in Section 3.01.

“Five-Year Treasury Rate” means, as of any Reset Interest Determination Date, the average of the yields on actively traded United States Treasury securities adjusted to constant maturity, for five-year maturities, for the most recent five Business Days appearing under the caption “Treasury Constant Maturities” in the most recent H.15. If the Five-Year Treasury Rate cannot be determined pursuant to the method described above, the Calculation Agent, after

consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the Five-Year Treasury Rate, will determine the Five-Year Treasury Rate in its sole discretion, provided that if the Calculation Agent determines there is an industry-accepted successor Five-Year Treasury Rate, then the Calculation Agent will use such successor rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may determine the business day convention, the definition of "Business Day" and the Reset Interest Determination Date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the Five-Year Treasury Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

"Guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (ii) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "Guarantee" used as a verb has a corresponding meaning.

"H.15" means the daily statistical release designated as such, or any successor publication as determined by the Calculation Agent in its sole discretion, published by the Federal Reserve Board, and "most recent H.15" means the H.15 published closest in time but prior to the close of business on the applicable Reset Interest Determination Date.

"Holder" means the Person in whose name at the time a particular Note is registered on the books of the Trustee kept for that purpose.

"Indebtedness" means, with respect to any Person at any date of determination (without duplication), (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, including obligations incurred in connection with the acquisition of property, assets or businesses, (iii) all obligations of such Person in respect of letters of credit or bankers' acceptances or other similar instruments (or reimbursement obligations thereto) issued on the account of such Person, (iv) all obligations of such Person to pay the deferred purchase price of property or services, except Trade Payables, (v) all obligations of such Person as lessee under capitalized leases, (vi) all Indebtedness of others secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that, for purposes of determining the amount of any Indebtedness of the type described in this clause (vi), if recourse with respect to such Indebtedness is limited to such asset, the amount of such Indebtedness shall be limited to the lesser of the fair market value of such asset or the amount of such Indebtedness, (vii) all

Indebtedness of others Guaranteed by such Person to the extent such Indebtedness is Guaranteed by such Person, and (viii) to the extent not otherwise included in this definition, all obligations of such Person for claims in respect of derivative products, including interest rate, foreign exchange rate and commodity prices, forward contracts, options, swaps, collars and similar arrangements.

“Interest Payment” means, with respect to any Interest Payment Date, the interest payment on the applicable series of Notes due on such Interest Payment Date.

“Interest Payment Date” shall have the meaning set forth in Section 2.04.

“Interest Payment Period” means the semi-annual period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except for the first Interest Payment Date, which shall be the period from, and including, August 14, 2024 to, but excluding, February 15, 2025.

“Interest Period” means, with respect to any Interest Payment Date, the period from and including the immediately preceding Interest Payment Date (or if none, August 14, 2024) to, but excluding, such Interest Payment Date.

“Lien” means, with respect to any property, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such property. For purposes of this Indenture, the Company shall be deemed to own subject to a Lien any property which it has acquired or hold subject to the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such property.

“Notes” shall have the meaning specified in Section 2.01.

“Optional Deferral Period” has the meaning set forth in Section 4.01.

“Original Issue Date” means the date on which the Notes are originally issued.

“Person” means any individual, corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Rating Agency Event” means, as of any date, a change, clarification or amendment in the methodology in assigning equity credit to securities such as the Notes published by any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act (or any successor provision thereto) that then publishes a rating for the Company (together with any successor thereto, a “Rating Agency”), (i) as such methodology was in effect on August 12, 2024, in the case of any Rating Agency that published a rating for the Company on August 12, 2024, or (ii) as such methodology was in effect on the date such Rating Agency first published a rating for the Company, in the case of any Rating Agency that first publishes a rating for the Company on August 12, 2024 (in the case of either clause (i) or (ii), the “Current Methodology”), that results in (a) any shortening of the length of time for which a particular level of equity credit pertaining to the Notes by such Rating Agency would have been in effect had the Current Methodology not been changed, clarified or amended or (b) a lower equity credit (including up to a lesser amount) being assigned by such Rating Agency to the Notes as of the date of such change, clarification or amendment than the equity credit that would have been

assigned to the Notes of the applicable series by such Rating Agency had the Current Methodology not been changed, clarified or amended.

“Regular Record Date” shall have the meaning set forth in Section 2.04.

“Reset Interest Determination Date” means any Series A Reset Interest Determination Date or any Series B Reset Interest Determination Date.

“Senior Indebtedness” means the principal of (and premium, if any) and interest on and all other amounts due in connection with all Indebtedness of the Company whether created, incurred or assumed before, on or after the date of this Supplemental Indenture; provided that such Senior Indebtedness shall not include (i) Indebtedness of us to any of the Company’s Subsidiaries, (ii) the Company’s Trade Payables, (iii) the Company’s Indebtedness that, when incurred and without respect to any election under Section 1111(b) of Title 11 of the Internal Revenue Code of 1986, as amended, was without recourse to the Company, and (iv) any other Indebtedness of the Company which by the terms of the instrument creating or evidencing the same is specifically designated as being subordinated to or *pari passu* with the Notes.

“Series A Notes” shall have the meaning specified in Section 2.01.

“Series B Notes” shall have the meaning specified in Section 2.01.

“Series A Interest Reset Period” means the period from and including February 15, 2030 to, but not including, the next following Series A Reset Date and thereafter each period from and including each Series A Reset Date to, but not including, the next following Series A Reset Date or the maturity date or date of redemption, as the case may be.

“Series B Interest Reset Period” means the period from and including February 15, 2035 to, but not including, the next following Series B Reset Date and thereafter each period from and including each Series B Reset Date to, but not including, the next following Series B Reset Date or the maturity date or date of redemption, as the case may be.

“Series A Maturity Date” shall have the meaning specified in Section 2.02.

“Series B Maturity Date” shall have the meaning specified in Section 2.02.

“Series A Reset Date” means February 15, 2030 and each date falling on the five-year anniversary of the preceding Series A Reset Date.

“Series B Reset Date” means February 15, 2035 and each date falling on the five-year anniversary of the preceding Series B Reset Date.

“Series A Reset Interest Determination Date” means, in respect of any Series A Interest Reset Period, the day falling two Business Days prior to the beginning of the applicable Series A Interest Reset Period.

“Series B Reset Interest Determination Date” means, in respect of any Series B Interest Reset Period, the day falling two Business Days prior to the beginning of the applicable Series B Interest Reset Period.

“Successor Company” shall have the meaning specified in Section 10.01.

“Tax Event” means receipt by the Company of a written opinion of a nationally recognized accounting firm or counsel experienced in such matters to the effect that, as a result of:

(a) any amendment to, clarification of, or change, including any announced prospective change, in the laws or treaties of the United States or any of its political subdivisions or taxing authorities, or any regulations under those laws or treaties;

(b) an administrative action, which means any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement, including any notice or announcement of intent to issue or adopt any administrative pronouncement, ruling, regulatory procedure or regulation;

(c) any amendment to, clarification of, or change in the official position or the interpretation of any administrative action or judicial decision or any interpretation or pronouncement that provides for a position with respect to an administrative action or judicial decision that differs from the previously generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body, regardless of the time or manner in which that amendment, clarification or change is introduced or made known; or

(d) a threatened challenge asserted in writing in connection with a tax audit of the Company or any of its subsidiaries, or a publicly-known threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that are substantially similar to the applicable series of Notes,

which amendment, clarification or change is effective or the administrative action is taken or judicial decision, interpretation or pronouncement is issued or threatened challenge is asserted or becomes publicly known after August 12, 2024, there is more than an insubstantial risk that interest payable by the Company on the applicable series of Notes is not deductible, or within 90 days would not be deductible, in whole or in part, by the Company for United States federal income tax purposes.

“Tax Event Redemption Date” shall have the meaning specified in Section 2.06.

“Trade Payables” means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or Guaranteed by such Person or any of its subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

The terms “Company,” “Trustee,” “Base Indenture,” and “Indenture” shall have the respective meanings set forth in the recitals to this Supplemental Indenture.

**ARTICLE II**  
**GENERAL TERMS AND CONDITIONS OF THE NOTES**

Section 2.01 Designation and Principal Amount. There are hereby authorized two new series of Securities, to be designated the “7.000% Fixed-to-Fixed Reset Rate Junior Subordinated Notes, Series A, due 2055,” (the “Series A Notes”) and “6.850% Fixed-to-Fixed Reset Rate Junior Subordinated Notes, Series B, due 2055,” (the “Series B Notes,” collectively, the “Notes”) in the initial aggregate principal amount of \$400,000,000 and \$400,000,000, respectively, which amount shall be set forth in any written orders of the Company for the authentication and delivery of Notes pursuant to Section 3.01 of the Base Indenture and Section 6.01 hereof. The Company may, without the consent of the Holders, create and issue an unlimited amount of additional Notes of a given series ranking equally with the Notes of such series in all respects and having the same terms (except for the price to public, the issue date and the initial interest accrual date and the first interest payment date, as applicable) as the Notes of such series, so that such additional Notes shall be consolidated and form a single series with, and shall have the same terms as to status, redemption or otherwise as, the Notes of such series authenticated and delivered on the date hereof. Such additional Notes will have the same CUSIP number as the Notes of a given series being authenticated on the date hereof, provided that such additional Notes of such series must be part of the same issue as the Notes of such series being authenticated on the date hereof for U.S. federal income tax purposes or, if they are not part of the same issue for such purposes, such additional Notes of such series must be issued with a separate CUSIP number. No additional Notes of a series may be issued if an Event of Default has occurred and is continuing with respect to the Notes of such series.

Section 2.02 Stated Maturity. The “Series A Maturity Date” of the Notes is February 15, 2055. The “Series B Maturity Date” of the Notes is February 15, 2055. For the avoidance of doubt, with respect to the Notes of each series, the Series A Maturity Date and the Series B Maturity Date, as applicable, refers only to the date on which principal is due and payable as set forth in this Section 2.02.

Section 2.03 Form and Payment; Minimum Transfer Restriction.

(a) Except as provided in Section 2.04, the Notes shall be issued in fully registered definitive form without coupons. All Series A Notes shall have identical terms and all Series B Notes shall have identical terms. Principal of the Notes will be payable (subject to the last clause of this Section 2.03(a)), the transfer of such Notes will be registrable, and such Notes will be exchangeable for Notes of the same series of a like aggregate principal amount bearing identical terms and provisions, at the Corporate Trust Office; provided, however, that, except as otherwise provided in the form of Series A Note and Series B Note attached hereto as Exhibit A and Exhibit B, as applicable, payment of interest will be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register or, if such Person so requests and designates an account in writing to the Trustee at least five Business Days prior to the relevant Interest Payment Date, by wire transfer to such account, and provided, further, that the Company, in its discretion may remove the Paying Agent and may appoint one or more additional Paying Agents (including the Company or any of its affiliates).



(b) The Notes shall be issuable in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof;

Section 2.04 Interest.

(a) The Series A Notes bear interest (i) from and including the date of the original issuance to, but excluding, February 15, 2030 at an annual rate of 7.000% and (ii) from and including February 15, 2030 during each Series A Interest Reset Period at an annual rate equal to the Five-Year Treasury Rate as of the most recent Series A Reset Interest Determination Date, plus 3.254%. The Series A Notes will mature on the Series A Maturity Date. The Series B Notes bear interest (i) from and including the date of the original issuance to, but excluding, February 15, 2035 at an annual rate of 6.850% and (ii) from and including February 15, 2035 during each Series B Interest Reset Period at an annual rate equal to the Five-Year Treasury Rate as of the most recent Series B Reset Interest Determination Date, plus 2.946%. The Series B Notes will mature on the Series B Maturity Date. Interest will accrue from August 14, 2024 and will, subject to the Company's right to defer Interest Payments (as described in Article IV), be payable semi-annually in arrears on February 15 and August 15 of each year (each, an "Interest Payment Date"), beginning on February 15, 2025. If Interest Payments are deferred or otherwise not paid, they will accrue and compound until paid at the same rate at which the applicable Notes bear interest to the extent permitted by law. As permitted by the terms of the Notes, if Interest Payments are deferred or otherwise not paid up to a redemption date that does not fall on an Interest Payment Date, they will accrue and compound until paid at the same rate at which the Notes of the applicable series bear interest to the extent permitted by law. The amount of interest payable for any interest accrual period will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of interest payable for any period shorter than a full semi-annual period for which interest is computed will be computed on the basis of the number of days in the period using 30-day calendar months. All references to "interest" on the Notes and, insofar as its relates to the Notes, this Indenture, shall be deemed to include any deferred interest pursuant to Article IV and interest on deferred interest ("Compound Interest") that may accrue at the interest rate then-applicable to the Notes, to the extent permitted by law.

(b) Unless all of the Outstanding Notes of the applicable series have been redeemed, the Company will appoint a calculation agent (the "Calculation Agent") with respect to the Notes of such series prior to the applicable Reset Interest Determination Date. The Company or any of its affiliates may assume the duties of the Calculation Agent. The applicable interest rate for each Series A Interest Reset Period or Series B Interest Reset Period, as applicable, will be determined by the Calculation Agent as of the applicable Reset Interest Determination Date. If the Company or one of its affiliates is not the Calculation Agent, the Calculation Agent will notify the Company of the interest rate for the relevant Series A Interest Reset Period or Series B Interest Reset Period, as applicable, promptly upon such determination. The Company will notify the Trustee of such interest rate, promptly upon making or being notified of such determination. The Calculation Agent's determination of any interest rate and its calculation of the amount of interest for any Series A Interest Reset Period or Series B Interest Reset Period, as applicable, will be conclusive and binding absent manifest error, will be made in the Calculation Agent's sole discretion and, notwithstanding anything to the contrary in the documentation relating to the Notes of the applicable series, will become effective without consent from any other person or entity. Such determination of any interest rate and calculation

of the amount of interest will be on file at the Company's principal offices and will be made available to any holder of the Notes of the applicable series upon request. In no event shall the Trustee be the Calculation Agent (unless upon receiving reasonable advance notice it agrees to the appointment as Calculation Agent in writing), nor shall it have any liability for any determination made by or on behalf of such Calculation Agent.

(c) If an Interest Payment Date, a redemption date or the maturity date of the applicable Notes falls on a day that is not a Business Day, the required payment will be made on the next succeeding Business Day with the same force and effect as if made on such scheduled payment date, and no interest on such payment will accrue in respect of the delay.

(d) So long as all of the Notes of the applicable series remain in book-entry only form, the record date for each Interest Payment Date will be the close of business on February 1 or August 1 (whether or not such day is a Business Day) (each, a "Regular Record Date") immediately preceding the applicable February 15 or August 15 Interest Payment Date. If any of the Notes of such series do not remain in book-entry only form, the record date for each Interest Payment Date will be the fifteenth calendar day immediately preceding the applicable Interest Payment Date whether or not a Business Day.

Section 2.05 No Sinking Fund or Repayment at Option of the Holder. The Notes shall not be subject to any sinking fund or analogous provision and shall not be repayable at the option of a Holder thereof prior to the Series A Maturity Date or the Series B Maturity Date, as applicable.

Section 2.06 Optional Redemption.

(a) The Company may redeem the Series A Notes in whole or in part upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Series A Notes being redeemed plus accrued and unpaid interest to, but excluding, the redemption date (i) on any day in the period commencing on the date falling 90 days prior to the first Series A Reset Date and ending on and including the first Series A Reset Date and (ii) after the first Series A Reset Date, on any Interest Payment Date. The Company may redeem the Series B Notes in whole or in part upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Series B Notes being redeemed plus accrued and unpaid interest to, but excluding, the redemption date (i) on any day in the period commencing on the date falling 90 days prior to the first Series B Reset Date and ending on and including the first Series B Reset Date and (ii) after the first Series B Reset Date, on any Interest Payment Date.

(b) If notice of redemption is given pursuant to Section 2.06(a) above, the Notes so to be redeemed will, on the redemption date (subject, in the case of a conditional redemption, to the satisfaction of all conditions precedent), become due and payable at the redemption price together with any accrued and unpaid interest thereon, and from and after such date (unless the Company has defaulted in the payment of the redemption price and accrued interest) such Notes shall cease to bear interest. If any Notes called for redemption shall not be paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate then applicable to the Notes.



(c) In addition, the applicable series of the Notes may be redeemable, in whole but not in part, upon not less than 10 nor more than 60 days' notice, following the occurrence of a Tax Event, at the redemption price equal to the sum of: (1) 100% of the principal amount of the Notes being redeemed plus (2) accrued and unpaid interest thereon, if any, to the date fixed for redemption (the "Tax Event Redemption Date"). In such case, the Company will deliver a notice of redemption specifying the Tax Event Redemption Date, which shall be no later than 120 days following the Tax Event.

(d) If at the time notice of redemption is given pursuant to Section 2.06(c) above, the redemption moneys are not on deposit with the Trustee, then the redemption shall be subject to their receipt on or before the Tax Event Redemption Date and such notice shall be of no effect unless such moneys are so received.

(e) In addition, the applicable series of the Notes may be redeemable, in whole but not in part, upon not less than 10 nor more than 60 days' notice, for either series of the Notes following the occurrence of a Rating Agency Event, at 102% of their principal amount plus any accrued and unpaid interest thereon to the redemption date.

(f) If, at the time a notice of redemption is given, (i) the Company has not effected satisfaction and discharge or defeasance of the Notes of a given series as described in Article IX and (ii) such notice of redemption is not being given in connection with or in order to effect satisfaction and discharge or defeasance of the Notes of the applicable series, then, if the notice of redemption so provides and at the Company's option, the redemption may be subject to the condition that the Trustee shall have received, on or before the applicable redemption date, monies in an amount sufficient to pay the redemption price and accrued and unpaid interest on the Notes called for redemption to, but excluding, the redemption date. If monies in such amount are not received by the Trustee on or before such redemption date, such notice of redemption shall be automatically canceled and of no force or effect, such proposed redemption shall be automatically canceled, and the Company shall not be required to redeem the Notes called for redemption on such redemption date. In the event that a redemption is canceled, the Company will, not later than the Business Day immediately following the proposed redemption date, deliver, or cause to be delivered, notice of such cancellation to the registered Holders of the Notes of the applicable series called for redemption (which notice will also indicate that any Notes or portions thereof surrendered for redemption shall be returned to the applicable Holders), and the Company will direct the Trustee to, and the Trustee will, promptly return any Notes or portions thereof that have been surrendered for redemption to the applicable Holders. Unless the Company defaults in payment of the redemption price or the proposed redemption is canceled in accordance with the provisions set forth in this Section 2.06(f), on and after the redemption date interest will cease to accrue on the Notes of the applicable series or portions thereof called for redemption.

(g) If less than all of the Notes of a series are redeemed at any time, the Trustee will select the Notes or any portions thereof in integral multiples of \$1,000 to be redeemed, by lot and, when the Notes are in the form of global securities, in accordance with the applicable procedures of The Depository Trust Company ("DTC").

(h) Subject to the foregoing and to applicable law (including, without limitation, United States federal securities laws), the Company or its affiliates may, at any time and from time to time, purchase Outstanding Notes by tender, in the open market or by private agreement.

Section 2.07 No Additional Amounts. The Company will not pay any additional amounts to any Holder in respect of any tax, assessment or governmental charge.

### **ARTICLE III DEFAULTS AND REMEDIES**

Article V of the Base Indenture is replaced in its entirety as follows:

Section 3.01 Events of Default. An “Event of Default” occurs with respect to each series of Notes if:

(a) the Company does not pay any interest on any Note of a series when it becomes due and payable and such default continues for 30 days (regardless of whether such payment is prohibited by the subordination provisions under Article VII), except as a result of a deferral of Interest Payments in accordance with Article IV;

(b) the Company does not pay any principal of or premium, if any, on any Note of such series when it becomes due and payable (regardless of whether such payment is prohibited by the subordination provisions under Article VII);

(c) the Company remains in breach of any other covenant under this Indenture or the Notes of the applicable series for 60 days after there has been given to the Company a written notice of default (which notice must be sent by either the Trustee or registered Holders of at least 33% of the aggregate principal amount of the then-Outstanding Notes of a series) specifying such default or breach and requiring remedy of the default or breach;

(d) the Company shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to the Company or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due; or

(e) an involuntary case or other proceeding shall be commenced against the Company seeking liquidation, reorganization or other relief with respect to the Company or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of the Company or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 30 consecutive days.

Section 3.02 Acceleration; Rescission and Annulment. If one or more Events of Default shall have occurred and be continuing with respect to a series of Notes, then, and in each and every such case (other than an Event of Default specified in Section 3.01(c)), either the Trustee or the registered Holders of at least 33% of the aggregate principal amount of the then-Outstanding Notes of such series may declare the principal amount of all of the Notes, together with accrued and unpaid interest thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall automatically be immediately due and payable, anything contained in this Indenture or in the Notes of such series to the contrary notwithstanding. If an Event of Default specified in Section 3.01(c) occurs and is continuing, neither the Trustee nor the registered Holders of the Notes of such series shall be entitled to declare the principal of such series of Notes, or accrued or unpaid interest thereon, to be due or payable immediately; provided that the Trustee and the Holders may exercise the other rights and remedies available under this Indenture and under applicable law upon the occurrence of an Event of Default specified in Section 3.01(c).

The immediately preceding paragraph, however, is subject to the conditions that if, at any time after the principal of the applicable series of Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered as hereinafter provided, and if (1) rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (2) any and all existing Events of Default under this Indenture, other than the nonpayment of the principal of and accrued and unpaid interest, if any, on the applicable series of Notes that shall have become due solely by such acceleration, shall have been cured or waived pursuant to Section 3.08, then and in every such case (except as provided in the immediately succeeding sentence) the Holders of a majority in aggregate principal amount of the Notes then-Outstanding of such series, by written notice to the Company and to the Trustee, may waive all Defaults or Events of Default with respect to the Notes of such series and rescind and annul such declaration and its consequences and such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent Default or Event of Default, or shall impair any right consequent thereon. Notwithstanding anything to the contrary herein, no such waiver or rescission and annulment shall extend to or shall affect any Default or Event of Default resulting from (i) the nonpayment of the principal (including the redemption price, if applicable) of, or accrued and unpaid interest on, any Notes of such series or (ii) a default in respect of a covenant or provision hereof which under Article IX of the Base Indenture cannot be modified or amended without the consent of the Holder of the Notes of such series affected.

Notwithstanding any other provision of this Indenture and any provision of any Note of a series, the Company's valid utilization of an Optional Deferral Period pursuant to Article IV shall not constitute a default in the payment of interest giving rise to an Event of Default.

Section 3.03 Payments of Notes on Default; Suit Therefor. If an Event of Default described in Section 3.01(a) or Section 3.01(b) shall have occurred and be continuing, the Company shall, upon demand of the Trustee, pay to the Trustee, for the benefit of the Holders of the Notes of such series, the whole amount then due and payable on the Notes of such series for principal and interest, if any, with interest on any overdue principal and interest, if any, at the rate borne by the Notes of such series at such time and, in addition thereto, such further amount

as shall be sufficient to cover any amounts due to the Trustee under Section 6.07 of the Base Indenture. If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon the Notes of such series and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon the Notes of such series, wherever situated.

In the event there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Notes under Title 11 of the United States Bankruptcy Code, or any other applicable law, or in case a receiver, assignee or trustee in bankruptcy or reorganization, liquidator, sequestrator or similar official shall have been appointed for or taken possession of the Company or such other obligor, the property of the Company or such other obligor, or in the event of any other judicial proceedings relative to the Company or such other obligor upon a series of the Notes, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Notes of such series shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section 3.03, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal and accrued and unpaid interest, if any, in respect of the Notes of such series, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents and to take such other actions as it may deem necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders of Notes of such series allowed in such judicial proceedings relative to the Company or any other obligor on such series of Notes, its or their creditors, or its or their property, and to collect and receive any monies or other property payable or deliverable on any such claims, and to distribute the same after the deduction of any amounts due to the Trustee under Section 6.07 of the Base Indenture; and any receiver, assignee or trustee in bankruptcy or reorganization, liquidator, custodian or similar official is hereby authorized by each of the Holders of Notes of such series to make such payments to the Trustee, as administrative expenses, and, in the event that the Trustee shall consent to the making of such payments directly to the Holders of Notes of such series, to pay to the Trustee any amount due it for reasonable compensation, expenses, advances and disbursements, including agents and counsel fees and expenses, and including any other amounts due to the Trustee under Section 6.07 of the Base Indenture, incurred by it up to the date of such distribution. To the extent that such payment of reasonable compensation, expenses, advances and disbursements out of the estate in any such proceedings shall be denied for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, monies, securities and other property that the Holders of a series of Notes may be entitled to receive in such proceedings, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement,

adjustment or composition affecting such Holder or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Notes, may be enforced by the Trustee without the possession of any of the Notes, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of a series of Notes.

In any proceedings brought by the Trustee (and in any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party) the Trustee shall be held to represent all the Holders of a series of Notes, and it shall not be necessary to make any Holders of such series of Notes parties to any such proceedings.

In case the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of any waiver pursuant to Section 3.08 or any rescission and annulment pursuant to Section 3.08 or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company, the Holders and the Trustee shall, subject to any determination in such proceeding, be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the Holders and the Trustee shall continue as though no such proceeding had been instituted.

Section 3.04 Application of Monies Collected by Trustee. Any monies or property collected by the Trustee pursuant to this Section 3.04 with respect to a series of Notes shall be applied in the following order, at the date or dates fixed by the Trustee for the distribution of such monies or property, upon presentation of the several Notes of such series, and, with respect to any certificated Notes, stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

**First**, to the payment of all amounts due the Trustee in all of its capacities under this Indenture;

**Second**, in case the principal of the Outstanding Notes of a series shall not have become due and be unpaid, to the payment of interest on such series of Notes in default in the order of the date due of the payments of such interest with interest (to the extent that such interest has been collected by the Trustee) upon such overdue payments at the rate of interest borne by such series of Notes at such time, such payments to be made ratably to the Persons entitled thereto;

**Third**, in case the principal of the Outstanding Notes of a series shall have become due, by declaration or otherwise, and be unpaid, to the payment of the whole amount (including, if applicable, the payment of the redemption price) then owing and unpaid upon such series of Notes for principal and interest, if any, with interest on the overdue principal and, to the extent that such interest has been collected by the Trustee, upon overdue installments of interest at the rate of interest borne by such series of Notes at such time, and in case such monies shall be



insufficient to pay in full the whole amounts so due and unpaid upon such series of Notes, then to the payment of such principal (including, if applicable, the redemption price) and interest without preference or priority of principal over interest, or of interest over principal or of any installment of interest over any other installment of interest, or of any Note of a series over any other Note of such series, ratably to the aggregate of such principal (including, if applicable, the redemption price) and accrued and unpaid interest; and

**Fourth**, to the payment of the remainder, if any, to the Company.

**Section 3.05 Proceedings by Holders.** Except to enforce the right to receive payment of principal (including, if applicable, the redemption price) or interest when due, no Holder of any Note of a series shall have any right by virtue of or by availing of any provision of this Indenture or the Notes of a series to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture, or for the appointment of a receiver, trustee, liquidator, custodian or other similar official, or for any other remedy hereunder, unless:

(a) such Holder previously shall have given to the Trustee written notice of an Event of Default for such series of Notes and of the continuance thereof;

(b) Holders of at least 33% in aggregate principal amount of the Notes of such series then-Outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder;

(c) such Holders shall have offered to the Trustee such security or indemnity reasonably satisfactory to it against any loss, claim, liability or expense (including reasonable attorney's fees and expenses) to be incurred therein or thereby;

(d) the Trustee for 60 days after its receipt of such notice, request and offer of such security or indemnity, shall have neglected or refused to institute any such action, suit or proceeding; and

(e) no direction that, in the opinion of the Trustee, is inconsistent with such written request shall have been given to the Trustee by the Holders of a majority of the aggregate principal amount of the Notes of such series then-Outstanding within such 60-day period pursuant to Section 3.08,

it being understood and intended, and being expressly covenanted by the taker and Holder of every Note of a series with every other taker and Holder of a series of Notes and the Trustee that no one or more Holders of such series of Notes shall have any right in any manner whatever by virtue of or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of any other Holder, or to obtain or seek to obtain priority over or preference to any other such Holder (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances affect, disturb or prejudice the rights of any other Holder or obtain or seek to obtain priority over or preference to any other Holder), or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all Holders of such series of Notes (except as otherwise provided herein). For the protection and enforcement of this Section 3.05, each and every Holder of such series of Notes and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provision of this Indenture and any provision of any Note, and subject to the Company's right to defer the payment of interest on the Notes as provided in Article IV, each Holder shall have the right to receive payment of (x) the principal (including the redemption price, if applicable) of, and (y) accrued and unpaid interest, if any, on, such series of Note, on or after the respective due dates expressed or provided for in such series of Note or in this Indenture, or to institute suit for the enforcement of any such payment.

**Section 3.06 Proceedings by Trustee.** In case of an Event of Default, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as are necessary to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

**Section 3.07 Remedies Cumulative and Continuing.** Except as provided in Section 3.06 of the Base Indenture, all powers and remedies given by this Article III to the Trustee or to the Holders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the Holders of a series of Notes, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of such series of Notes to exercise any right or power accruing upon any Default or Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Default or Event of Default or any acquiescence therein; and, subject to the provisions of Section 3.05, every power and remedy given by this Article III or by law to the Trustee or to the Holders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Holders.

**Section 3.08 Direction of Proceedings and Waiver of Defaults by Majority of Holders.** The Holders of a majority of the aggregate principal amount of the Notes of a series at the time Outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee with respect to such series of Notes; provided, however, that (a) such direction shall not be in conflict with any rule of law or with this Indenture, and (b) the Trustee may take any other action deemed proper by the Trustee and that is not inconsistent with such direction. The Trustee may refuse to follow any direction that it determines is unduly prejudicial to the rights of any other Holder (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not any such direction is unduly prejudicial to the rights of another Holder) or that would involve the Trustee in personal liability. The Holders of a majority in aggregate principal amount of the Notes of a series at the time Outstanding may on behalf of the Holders of all of the Notes of such series waive any past Event of Default hereunder and its consequences except any continuing defaults relating to (i) a default in the payment of accrued and unpaid interest, if any, on, or the principal (including any redemption price) of, the Notes of such series when due that has not been cured pursuant to the provisions of this Section 3.08, or (ii) a default in respect of a covenant or provision hereof which under Article IX of the Base Indenture cannot be modified or amended without the consent of the Holder of the Notes of such series affected. Upon any such waiver the Company, the Trustee and the Holders of the Notes of such series

shall be restored to their former positions and rights hereunder; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon. Whenever any Event of Default hereunder shall have been waived as permitted by this Section 3.08, said Default or Event of Default shall for all purposes of the Notes of such Series and this Indenture be deemed to have been cured and to be not continuing; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

**Section 3.09 Notice of Defaults.** If a Default occurs and is continuing and a Responsible Officer of the Trustee receives written notice of such Default, the Trustee shall deliver to each Holder notice of the Default within 90 days after a Responsible Officer of the Trustee receives such notice or obtains actual knowledge thereof, unless such Defaults shall have been cured or waived before the giving of such notice; provided that, except in the case of a Default in the payment of the principal of (including the redemption price, if applicable), or accrued and unpaid interest on, any of the Notes, the Trustee shall be protected in withholding such notice if and so long as it determines that the withholding of such notice is in the interests of the Holders.

**Section 3.10 Undertaking to Pay Costs.** All parties to this Indenture agree, and each Holder of any series of Note by its acceptance thereof shall be deemed to have agreed, that any court may, in its discretion, require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section 3.10 (to the extent permitted by law) shall not apply to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of a series of Notes at the time Outstanding, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or accrued and unpaid interest, if any, on any Note of a series (including, but not limited to, the redemption price, if applicable) on or after the due date expressed or provided for in such Note.

#### **ARTICLE IV OPTION TO DEFER INTEREST PAYMENTS**

**Section 4.01 Option to Defer Interest Payments.**

(a) The Company may, at its option, elect at one or more times to defer payment of interest on a given series of the Notes, from time to time, for one or more consecutive Interest Periods (each, an "Optional Deferral Period") of up to 20 consecutive Interest Payment Periods (each period commencing on the date that the first such Interest Payment would otherwise have been made on the applicable series of Notes); provided that the Company may not elect to defer payment of interest on a given series of Notes if an Event of Default with respect to such series of Notes has occurred and is continuing; provided, further, that the deferral of Interest Payments cannot extend beyond the maturity date of the applicable



series of Notes or end on a day other than the day immediately preceding an Interest Payment Date.

(b) The Company may pay at any time all or any portion of the interest accrued to that point during an Optional Deferral Period. At the end of the Optional Deferral Period or on any redemption date, the Company will be obligated to pay all accrued and unpaid interest. The Company may not pay current interest on a series of Notes until it has paid all accrued interest on such series of Notes from the previous Optional Deferral Period.

(c) Once all accrued and unpaid interest on a given series of the Notes has been paid, the Company again can defer Interest Payments on that series of Notes as described above, provided that an Optional Deferral Period cannot extend beyond the maturity date of such Notes.

(d) Before the end of any Optional Deferral Period that is shorter than 20 consecutive Interest Payment Periods, the Company may elect, at its option, to extend such Optional Deferral Period, so long as the entire Optional Deferral Period does not exceed 20 consecutive Interest Payment Periods or extend beyond the maturity date of the Notes of the applicable series. The Company may also elect, at its option, to shorten the length of any Optional Deferral Period. No Optional Deferral Period (including as extended or shortened) may end on a day other than the day immediately preceding an Interest Payment Date. At the end of any Optional Deferral Period, if all amounts then due on the Notes of the applicable series, including all accrued and unpaid interest thereon (including, without limitation and to the extent permitted by applicable law, any deferred interest and any Compound Interest), are paid, the Company may elect to begin a new Optional Deferral Period; provided, however, that, without limitation of the foregoing, the Company may not begin a new Optional Deferral Period unless the Company has paid all accrued and unpaid interest on the Notes of the applicable series (including, without limitation and to the extent permitted by applicable law, any deferred interest and any Compound Interest) from any previous Optional Deferral Period.

(e) If the Company defers interest for a period of 20 consecutive Interest Payment Periods from the commencement of an Optional Deferral Period, the Company will be required to pay all accrued and unpaid interest at the conclusion of the 20 consecutive Interest Payment Periods. If the Company fails to pay in full all accrued and unpaid interest at the conclusion of the 20 consecutive Interest Payment Periods, and such failure continues for 30 days, an Event of Default that gives rise to acceleration of principal and interest on the Notes will occur under this Indenture.

(f) During an Optional Deferral Period, interest will continue to accrue on the Notes of the applicable series, and deferred Interest Payments will accrue additional interest on a semi-annual basis at a rate equal to the interest rate then-applicable to such series of Notes (including, to the extent permitted by applicable law, any Compound Interest). No interest will be due and payable on the Notes until the end of the Optional Deferral Period except upon a redemption of the Notes during the Optional Deferral Period. The Interest Payment Date falling immediately after the last day of an Optional Deferral Period shall not be deemed to fall on a day during such Optional Deferral Period.

(g) No interest will be due or payable on the Notes of a given series during any Optional Deferral Period, except upon a redemption pursuant to Section 2.06 of any Notes of such series on any redemption date during such optional deferral period (in which case all accrued and unpaid interest (including, to the extent permitted by applicable law, any Compound Interest) on the Notes of such series to be redeemed to, but excluding, such redemption date will be due and payable on such redemption date), or unless the principal of and interest on the Notes of such series shall have been declared due and payable as the result of an Event of Default with respect to the Notes of such series (in which case all accrued and unpaid interest, including, to the extent permitted by applicable law, any Compound Interest, on the Notes shall become due and payable).

(h) During an Optional Deferral Period, the Company will not, and will cause its majority-owned subsidiaries, as applicable, not to:

(i) declare or pay any dividends or distributions on any shares of the Company's Capital Stock;

(ii) redeem, purchase, acquire or make a liquidation payment with respect to any shares of the Company's Capital Stock;

(iii) make any payment of principal of, or interest (to the extent such interest is deferrable) or premium, if any, on, or repay, repurchase or redeem any of the Company's Indebtedness ranking on a parity with, or ranking junior to, the Notes in right of payment (including debt securities of other series, such as the other series of Notes hereunder); or

(iv) make any payments with respect to any guarantees by the Company of any Indebtedness if such Guarantees rank on a parity with or junior to the Notes in right of payment.

(i) However, the foregoing provisions of Section 4.01(h) shall not prevent or restrict the Company from making:

(i) purchases, redemptions or other acquisitions of the Company's Capital Stock in connection with any employment contract, benefit plan or other similar arrangement with or for the benefit of employees, officers, directors, agents or consultants or a stock purchase, dividend reinvestment or similar plan, or the satisfaction of its obligations pursuant to any contract or security outstanding on the date that the payment of interest is deferred requiring it to purchase, redeem or acquire the Company's Capital Stock;

(ii) any payment, repayment, redemption, purchase, acquisition or declaration of a dividend described in clause (h)(i) above as a result of a reclassification of the Company's Capital Stock, or the exchange or conversion of all or a portion of one class or series of the Company's Capital Stock for another class or series of the Company's Capital Stock;

(iii) the purchase of fractional interests in shares of the Company's Capital Stock pursuant to the conversion or exchange provisions of the Company's Capital Stock

or the security being converted or exchanged, or in connection with the settlement of stock purchase contracts outstanding on the date that the payment of interest is deferred;

(iv) declaration or making of dividends, payments or distributions payable in the Company's Capital Stock (or rights to acquire the Company's Capital Stock), or purchases, redemptions or acquisitions of the Company's Capital Stock in connection with the issuance or exchange of the Company's Capital Stock (or of securities convertible into or exchangeable for shares of the Company's Capital Stock) and distributions in connection with the settlement of stock purchase contracts outstanding on the date that the payment of interest is deferred;

(v) redemptions, exchanges, acquisitions or repurchases of, or with respect to, (A) any rights outstanding under any employment contract, incentive plan, benefit plan or similar arrangement of the Company or any of its subsidiaries or (B) in connection with a dividend reinvestment or stock purchase plan, in each case outstanding on the date that the payment of interest is deferred or the declaration or payment thereunder of a dividend or distribution of or with respect to rights in the future;

(vi) implementation of a shareholders rights plan, or issuance of rights, stock or other property under such plan, or redemption, repurchase of otherwise acquisition of any such rights pursuant thereto; or

(vii) settling conversions of any convertible notes that rank equally with the Notes.

(j) In the event that the Company elects to defer any Interest Payment, the Company shall notify the Trustee and the Holders in writing of such election at least one Business Day prior to the Regular Record Date for the Interest Payment Date on which the Company intends to begin an Optional Deferral Period; provided, however, that the Company's failure to pay the interest owed on a particular Interest Payment Date shall also constitute the commencement of an Optional Deferral Period, unless such interest is paid within five Business Days after such Interest Payment Date, whether or not the Company provides a notice of deferral.

(k) In the event that the Company elects to defer any Interest Payment, the Company will give DTC, the Holders of the Notes of the applicable series and the Trustee written notice of its election of, or any shortening or extension of, an Optional Deferral Period at least 15 Business Days prior to the earlier of (1) each next succeeding Interest Payment Date or (2) the date upon which the Company is required to give notice to any applicable self-regulatory organization or to Holders of the Notes of the applicable series of the next succeeding Interest Payment Date or the regular record date therefor. The record date for the payment of deferred interest and, to the extent permitted by applicable law, any compound interest payable on the Interest Payment Date immediately following the last day of an optional deferral period will be the regular record date with respect to such Interest Payment Date.

## **ARTICLE V FORM OF NOTE**

Section 5.01 Form of Note. The Series A Notes, the Series B Notes and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the form attached hereto as Exhibit A and Exhibit B, as applicable.

## **ARTICLE VI ORIGINAL ISSUE OF NOTES**

Section 6.01 Original Issue of Notes. Series A Notes in the initial aggregate principal amount of up to \$400,000,000 and Series B Notes in the initial aggregate principal amount of up to \$400,000,000 may be executed by the Company and delivered to the Trustee for authentication by it, and the Trustee shall thereupon authenticate and deliver said Notes to or upon the written order of the Company, signed by any Officer of the Company, without any further corporate action by the Company.

## **ARTICLE VII SUBORDINATION**

Article XVI of the Base Indenture is replaced in its entirety as follows:

Section 7.01 Subordination.

(a) The Notes will be subordinated in right of payment to the prior payment in full of all Senior Indebtedness. Accordingly, upon:

(i) any payment by, or distribution of the assets of, the Company upon its dissolution, winding-up, liquidation or reorganization, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings;

(ii) a failure to pay any interest, principal or other monetary amounts due on any Senior Indebtedness when due and continuance of that default beyond any applicable grace periods; or

(iii) acceleration of the maturity of any Senior Indebtedness as a result of a default;

holders of all Senior Indebtedness will be entitled to receive: (A) in the case of clause (i) above, payment of all amounts due or to become due on all Senior Indebtedness; or (B) in the case of clauses (ii) and (iii) above, payment of all amounts due on all Senior Indebtedness, before Holders of the Notes are entitled to receive any payment. So long as any events in clauses (i), (ii) or (iii) above has occurred and is continuing, any amounts payable or assets distributable on the Notes will instead be paid or distributed, as the case may be, directly to holders of Senior Indebtedness to the extent necessary to pay, in the case of clause (i) above, all amounts due or to become due upon all such Senior Indebtedness, or, in the case of clauses (ii) and (iii) above, all amounts due on all such Senior Indebtedness, and, if any such payment or distribution is received by the Trustee or Holders of any of the Notes before all Senior Indebtedness due and to

become due, as applicable, is paid, such payment or distribution must be paid over to holders of the unpaid Senior Indebtedness.

Section 7.02 Notice to Trustee of Facts Prohibiting Payments. Notwithstanding any of the provisions of this Article VII or any other provision of this Indenture, the Trustee shall not at any time be charged with knowledge of the existence of any facts that would prohibit the making of any payment of funds to or by the Trustee unless and until a Responsible Officer of the Trustee assigned to its corporate trust division shall have received at the Corporate Trust Office written notice thereof from the Company or from one or more holders of Senior Indebtedness or from any trustee therefor who shall have been certified by the Company or otherwise established to the reasonable satisfaction of the Trustee to be such a holder or trustee; and, prior to the receipt of such written notice, the Trustee, subject to the provisions of Section 6.01 of the Base Indenture, shall be entitled in all respects to assume that no such facts exist; provided that if prior to the fifth Business Day preceding the date upon which by the terms hereof any such funds may become payable, or if prior to the third Business Day preceding the date of the execution of instruments pursuant to Article IX acknowledging satisfaction and discharge of this Indenture, the Trustee shall not have received with respect to such funds the notice provided for in this Section 7.02, then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such moneys and/or apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary that may be received by it on or after such date; provided that no such application shall affect the obligations under this Article VII of the Persons receiving such moneys from the Trustee.

Section 7.03 Application by Trustee of Moneys Deposited With It. Anything in this Indenture to the contrary notwithstanding, any deposit of a sum by the Company with the Trustee or any agent (whether or not in trust) for any payment of the principal of (and premium, if any) or interest on any Notes shall, except as provided in Section 7.02, be subject to the provisions of Section 7.01.

Section 7.04 Subrogation. Subject to paying the Senior Indebtedness due and to become due in the case of clause (i) of Section 7.01(a) or Senior Indebtedness due in the case of clauses (ii) and (iii) of Section 7.01(a), the Holders of the Notes shall be subrogated to the rights of the holders of such Senior Indebtedness to receive payments or distributions of assets of the Company applicable to such Senior Indebtedness until the Notes shall be paid in full, and none of the payments or distributions to the holders of such Senior Indebtedness to which the Holders of the Notes or the Trustee would be entitled except for the provisions of this Article VII or of payments over, pursuant to the provisions of this Article VII, to the holders of such Senior Indebtedness by the Holders of such Notes or the Trustee shall, as among the Company, its creditors other than the holders of such Senior Indebtedness, and the Holders of such Notes, be deemed to be a payment by the Company to or on account of such Senior Indebtedness; it being understood that the provisions of this Article VII are and are intended solely for the purpose of defining the relative rights of the Holders of the Notes, on one hand, and the holders of such Senior Indebtedness, on the other hand.

Section 7.05 Subordination Rights Not Impaired by Acts or Omissions of Company or Holders of Senior Indebtedness. No right of any present or future holders of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be



prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof with which any such holder may have or be otherwise charged. The holders of Senior Indebtedness may, at any time or from time to time and in their absolute discretion, change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any such Senior Indebtedness, or amend or supplement any instrument pursuant to which any such Senior Indebtedness is issued or by which it may be secured, or release any security therefor, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness including, without limitation, the waiver of default thereunder, all without notice to or assent from the Holders or the Trustee and without affecting the obligations of the Company, the Trustee or the Holders under this Article VII.

Section 7.06 Right of Trustee to Hold Senior Indebtedness. The Trustee shall be entitled to all of the rights set forth in this Article VII in respect of any Senior Indebtedness at any time held by it in its individual capacity to the same extent as any other holder of such Senior Indebtedness, and nothing in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder.

Section 7.07 Not to Prevent Defaults (Including Events of Default). The failure to make any payment pursuant to the terms of the Notes by reason of any provision in this Article VII shall not be construed as preventing the occurrence of a Default (including an Event of Default, if any).

Section 7.08 Trustee's Rights to Compensation, Reimbursement of Expenses and Indemnification. The Trustee's rights to compensation, reimbursement of expenses and indemnification under Section 6.07 of the Base Indenture are not subordinated to the payment of Senior Indebtedness.

Section 7.09 Article Applicable to Paying Agents. The term "Trustee" as used in this Article VII shall (unless the context shall otherwise require) be construed as extending to and including each Paying Agent, Authenticating Agent and Security Registrar appointed by the Company or the Trustee, as the case may be, and acting hereunder within its meaning as fully for all intents and purposes as if such Paying Agent or Security Registrar were named in this Article VII in addition to the Trustee; provided that Section 7.02 and Section 7.06 shall not apply to the Company or any Affiliate of the Company if the Company or such Affiliate acts as Paying Agent or Security Registrar.

Section 7.10 Trustee Not Fiduciary for Holders of Senior Indebtedness. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Senior Indebtedness and shall not be liable to any such holders if the Trustee shall in good faith mistakenly pay over or distribute to Holders of Notes or to the Company or to any other person cash, property or securities to which any holders of Senior Indebtedness shall be entitled by virtue of this Article VII or otherwise. With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants or obligations as are specifically set forth in this Article VII and no implied covenants or obligations with respect to holders of Senior Indebtedness shall be read into this Indenture against the Trustee.

## **ARTICLE VIII SUPPLEMENTAL INDENTURE**

Article IX of the Base Indenture is replaced in its entirety as follows:

Section 8.01 Supplemental Indentures without Consent of Holders. Without the consent of any Holders, the Company and the Trustee, at the Company's expense, may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

- (a) to cure any ambiguity, omission, defect or inconsistency;
- (b) to provide for the assumption by a Successor Company of the obligations of the Company under this Indenture pursuant to Article X;
- (c) to add guarantees with respect to the Notes;
- (d) to secure the Notes;
- (e) to add to the covenants or Events of Default of the Company for the benefit of the Holders or surrender any right or power conferred upon the Company;
- (f) to make any change that does not adversely affect the rights of any Holder as determined by the Company in good faith;
- (g) to conform the provisions of this Indenture or the Notes to the "Description of Notes" section of the Company's prospectus supplement, dated August 12, 2024, as evidenced in an Officer's Certificate;
- (h) to comply with the rules of any applicable Depository, including DTC, so long as such amendment does not adversely affect the rights of any Holder in any material respect;
- (i) to appoint a successor Trustee with respect to the Notes; or
- (j) to provide for the acceptance of appointment by a successor Trustee, Security Registrar or Paying Agent to facilitate the administration of the trusts under this Indenture by more than one trustee.

Upon the written request of the Company, the Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to, but may in its discretion, enter into any supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section 8.01 may be executed by the Company and the Trustee without the consent of the Holders of any of the Notes at the time outstanding, notwithstanding any of the provisions of Section 8.02.

Section 8.02 Supplemental Indenture with Consent of Holders. With the consent of the Holders of at least a majority of the aggregate principal amount of the Notes then Outstanding (including, without limitation, consents obtained in connection with a repurchase of, or tender or exchange offer for, the Notes), the Company and the Trustee, at the Company's expense, may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture, the Notes or any supplemental indenture or of modifying in any manner the rights of the Holders; provided, however, that, without the consent of each Holder of an Outstanding Note affected, no such supplemental indenture shall:

- (a) reduce the principal amount of Notes whose Holders must consent to an amendment;
- (b) reduce the rate of or extend the stated time for payment of interest on any Note beyond the maximum time period of any permitted deferral of interest pursuant to Article IV or to increase the maximum time period for any such interest deferral or to increase the maximum number of times the Company may defer such Interest Payment;
- (c) reduce the principal of or extend the maturity date of any Note;
- (d) reduce the redemption price of any Note or amend or modify in any manner adverse to the Holders the Company's obligation to make such payments, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise;
- (e) make any Note payable in a currency, or at a place of payment, other than that stated in the Note;
- (f) change the subordination provisions of the Notes set forth in Article VII in a manner adverse to Holders; or
- (g) make any change in this Article VIII that requires each Holder's consent or in the waiver provisions in Section 3.02 or Section 3.08.

Upon the written request of the Company, and upon the filing with the Trustee of evidence of the consent of Holders as aforesaid and subject to Section 8.05, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

Holders do not need under this Section 8.02 to approve the particular form of any proposed supplemental indenture. It shall be sufficient if such Holders approve the substance thereof. After any such supplemental indenture becomes effective, the Company shall deliver to the Holders a notice (with a copy to the Trustee) briefly describing such supplemental indenture. However, the failure to give such notice to all the Holders (with a copy to the Trustee), or any defect in the notice, will not impair or affect the validity of the supplemental indenture.



Section 8.03 Conformity with Trust Indenture. Every supplemental indenture executed pursuant to this Article VIII shall conform to the requirements of the Trust Indenture Act.

Section 8.04 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture pursuant to the provisions of this Article VIII, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties, indemnities, privileges and immunities under this Indenture of the Trustee, the Company and the Holders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 8.05 Notation on Notes. Notes authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article VIII may, at the Company's expense, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company or the Trustee shall so determine, new Notes so modified as to conform, in the opinion of the Trustee and the Company, to any modification of this Indenture contained in any such supplemental indenture may, at the Company's expense, be prepared and executed by the Company, authenticated by the Trustee (or an Authenticating Agent duly appointed by the Trustee pursuant to Section 6.14 of the Base Indenture) upon receipt of an Officer's Certificate, an Opinion of Counsel and a Company Order and delivered in exchange for the Notes then outstanding, upon surrender of such Notes then outstanding.

Section 8.06 Evidence of Compliance of Supplemental Indenture to Be Furnished. In addition to the documents required by Section 1.02 of the Base Indenture, the Trustee shall receive an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article VIII and is permitted or authorized by this Indenture; provided that such Opinion of Counsel shall include a customary legal opinion stating that such supplemental indenture is the valid and binding obligation of the Company, subject to customary exceptions and qualifications. The Trustee shall have no responsibility for determining whether any amendment or supplemental indenture will or may have an adverse effect on any Holder.

## **ARTICLE IX SATISFACTION AND DISCHARGE**

Article IV of the Base Indenture is replaced in its entirety as follows:

Section 9.01 Satisfaction and Discharge. (a) This Indenture and the Notes of a given series shall cease to be of further effect when (i) all Notes of such series theretofore authenticated and delivered (other than (x) Notes of such series which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.06 of the Base Indenture and (y) Notes of such series for whose payment money has heretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from such trust, as provided in Section 10.03 of the Base Indenture) have been delivered to the Trustee for cancellation; or (ii) the Company has irrevocably deposited with the Trustee or delivered to Holders, as applicable, after the Notes of such series have become due and payable,

whether on the maturity date, any Redemption Date or otherwise, cash sufficient, without consideration of reinvestment, to pay all of the outstanding Notes of such series and all other sums due and payable under this Indenture or the Notes by the Company; and (b) the Trustee upon request of the Company contained in an Officer's Certificate and at the expense of the Company, shall execute such instruments reasonably requested by the Company acknowledging satisfaction and discharge of this Indenture and the Notes of such series, when the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture and the Notes of such series have been complied with. Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 6.07 of the Base Indenture shall survive.

## **ARTICLE X CONSOLIDATION, MERGER, SALE, CONVEYANCE AND LEASE**

Article VIII of the Base Indenture is replaced in its entirety as follows:

Section 10.01 Company May Consolidate, Etc. on Certain Terms. Subject to the provisions of Section 10.02, the Company shall not consolidate with, merge with or into, or sell, convey, transfer or lease all or substantially all of the consolidated properties and assets of the Company and its Subsidiaries, taken as a whole, to another Person (other than any such sale, conveyance, transfer or lease to one or more of the Company's direct or indirect wholly owned Subsidiaries) unless:

(a) the resulting, surviving or transferee Person (the "Successor Company"), if not the Company, shall be a corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia, and the Successor Company (if not the Company) shall expressly assume, by supplemental indenture all of the obligations of the Company under the Notes and this Indenture; and

(b) immediately after giving effect to such transaction, no Default or Event of Default shall have occurred and be continuing under this Indenture.

For purposes of this Section 10.01, the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of one or more Subsidiaries of the Company to another Person, which properties and assets, if held by the Company instead of such Subsidiaries, would constitute all or substantially all of the consolidated properties and assets of the Company and its Subsidiaries, taken as a whole, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the consolidated properties and assets of the Company and its Subsidiaries, taken as a whole, to another Person.

Section 10.02 Successor Company to Be Substituted. In case of any such consolidation, merger, sale, conveyance, transfer or lease and upon the assumption by the Successor Company, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of and accrued and unpaid interest on all of the Notes and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Company, such Successor Company (if not the Company)

shall succeed to and, except in the case of a lease of all or substantially all of the consolidated properties and assets of the Company and its Subsidiaries, taken as a whole, shall be substituted for the Company, with the same effect as if it had been named herein as the party of the first part, and may thereafter exercise every right and power of the Company under this Indenture. Such Successor Company thereupon may cause to be signed, and may issue either in its own name or in the name of the Company any or all of the Notes issuable hereunder which theretofore shall not have been signed by the Company and delivered to the Trustee; and, upon the order of such Successor Company instead of the Company and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver, or cause to be authenticated and delivered, any Notes that previously shall have been signed and delivered by the Officers of the Company to the Trustee for authentication, and any Notes that such Successor Company thereafter shall cause to be signed and delivered to the Trustee for that purpose. All the Notes so issued shall in all respects have the same legal rank and benefit under this Indenture as the Notes theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Notes had been issued at the date of the execution hereof. In the event of any such consolidation, merger, sale, conveyance or transfer (but not in the case of a lease), upon compliance with this Article X the Person named as the “Company” in the first paragraph of this Indenture (or any successor that shall thereafter have become such in the manner prescribed in this Article X) may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of the Notes and from its obligations under this Indenture and the Notes. In case of any such consolidation, merger, sale, conveyance, transfer or lease, such changes in phraseology and form (but not in substance) may be made in the Notes thereafter to be issued as may be appropriate.

Section 10.03 Officer’s Certificate and Opinion of Counsel to Be Given to Trustee. No such consolidation, merger, sale, conveyance, transfer or lease shall be effective unless the Trustee shall receive an Officer’s Certificate and an Opinion of Counsel each stating and as conclusive evidence that any such consolidation, merger, sale, conveyance, transfer or lease and any such assumption and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the provisions of this Article X.

## **ARTICLE XI OTHER AMENDMENTS**

Section 11.01 Amendment to Section 1.05 of the Base Indenture.

Section 1.05 of the Base Indenture is replaced in its entirety as follows:

“Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with

(a) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Institutional Trust Services,

(b) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to the attention of the Treasurer of the Company at the address of the Company's principal office specified in the first paragraph of this instrument or at any other address previously furnished in writing to the Trustee by the Company

The Trustee shall have the right to accept and act upon instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means (as defined below); provided, however, that the Company shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Company whenever a person is to be added or deleted from the listing. If the Company elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Company understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Company shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Company and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Company. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Company agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Company; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "Electronic Means" shall mean the following communications methods: e-mail, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder."

Section 11.02 Amendment to Section 1.12 of the Base Indenture.

Section 1.12 of the Base Indenture is replaced in its entirety as follows:

"THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF

NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES THEREOF.

The Company irrevocably consents and submits, for itself and in respect of any of its assets or property, to the non-exclusive jurisdiction of any court of the State of New York or any United States federal court sitting, in each case, in the Borough of Manhattan, the City of New York, New York, United States of America, and any appellate court from any thereof in any suit, action or proceeding that may be brought in connection with this Indenture or the securities, and waives any immunity from the jurisdiction of such courts.

The Company irrevocably waives, to the fullest extent permitted by law, any objection to any such suit, action or proceeding that may be brought in such courts whether on the grounds of venue, residence or domicile or on the ground that any such suit, action or proceeding has been brought in an inconvenient forum.”

Section 11.03 Amendment to Section 6.01 of the Base Indenture.

Section 6.01 of the Base Indenture is amended and restated in its entirety as follows:

“The duties and responsibilities of the Trustee shall be as provided by the Trust Indenture Act.

The Company, each Holder by its acceptance of the Notes and the Trustee hereby irrevocably waive, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Indenture, the Notes or the transactions contemplated hereby.”

Section 11.04 Amendment to Section 6.02 of the Base Indenture.

Section 6.02 of the Base Indenture is amended and restated in its entirety as follows:

“If a default occurs hereunder with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; provided, however, that in the case of any default of the character specified in Section 3.01(c) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section 6.02, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

The Trustee is not required to take notice or deemed to have notice of any Event of Default with respect to the Securities, unless a Responsible Officer shall have received written notice of such Event of Default from the Company, any Subsidiary or the Holder of any Security.

If an Event of Default has occurred and is continuing and actually known to a Responsible Officer of the Trustee, the Trustee, as applicable, will exercise such of the rights and powers vested in it by this Indenture and use the same degree of care in its



exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs."

Section 11.05 Amendment to Section 6.03 of the Base Indenture.

Section 6.03 of the Base Indenture is amended and restated in its entirety as follows:

(a) "the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors shall be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(h) the Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Indenture;

(i) in the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of Securities, each representing less than a majority in aggregate principal amount of the Securities Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken;

(j) the Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal and final payment of the Securities;

(k) except for information provided by the Trustee concerning the Trustee, the Trustee shall have no responsibility for any information in any prospectus supplement or other disclosure material distributed with respect to the Securities, and the Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Securities;

(l) delivery of reports or other information by the Trustee shall not constitute actual or constructive knowledge or notice upon the Trustee;

(m) the Trustee will not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts;

(n) the Trustee will not be liable with respect to any action taken or omitted in good faith in accordance with directions received by the required Holders;

(o) The delivery of any reports, information and documents to the Trustee (including pursuant to Section 7.04) is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates or Opinions of Counsel, as applicable);

(p) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action based on its good faith reliance upon such opinion or advice or for any errors in judgment made in good faith;

(q) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of their obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, governmental action, wire, communications or computer (software and hardware) services; and

(r) In order to comply with applicable tax laws, rules and regulations (inclusive of directives, guidelines and interpretations promulgated by competent authorities) in effect from time to time ("Applicable Tax Law") related to this Indenture, the Company agrees (i) to provide to the Trustee information about holders or other applicable parties and/or transactions (including any modification to the terms of such transactions) that is within the possession of the Company and reasonably requested by the Trustee so the Trustee can determine whether it has tax related obligations under Applicable Tax Law and (ii) that the Trustee shall be entitled to make any withholding or deduction from payments under this Indenture to the extent necessary to comply with Applicable Tax Law for which the Trustee shall not have any liability."

## **ARTICLE XII TAX TREATMENT**

Section 12.01 Tax Treatment. The Company agrees, and by acquiring an interest in a Note each Holder and beneficial owner of a Note agrees, to treat the Notes as indebtedness for U.S. federal, state and local tax purposes.

## **ARTICLE XIII THE TRUSTEE**

Section 13.01 Appointment of Trustee. Pursuant to the Base Indenture and pursuant to this Supplemental Indenture, the Company hereby appoints the Trustee as Trustee under the Base Indenture with respect to the Notes, and by execution hereof the Trustee accepts such appointment. Pursuant to the Base Indenture, all the rights, powers, trusts and duties of the Trustee under the Base Indenture shall be vested in the Trustee with respect to the Notes and there shall continue to be vested in the Trustee all of its rights, powers, trusts and duties as Trustee under the Base Indenture with respect to all of the series of Securities as to which it has served and continues to serve as Trustee.

Section 13.02 Eligibility of Trustee. The Trustee hereby represents that it is qualified and eligible under Section 6.09 of the Base Indenture and the provisions of the Trust Indenture Act to accept its appointment as Trustee with respect to the Notes under the Base Indenture and hereby accepts the appointment as such Trustee.

Section 13.03 Security Registrar and Paying Agent. Pursuant to the Base Indenture, the Company hereby appoints The Bank of New York Mellon Trust Company, National Association as registrar and "Paying Agent" with respect to the Notes.



Section 13.04 Concerning the Trustee. The Trustee does not assume any duties, responsibilities or liabilities by reason of this Supplemental Indenture other than as set forth in the Base Indenture or as expressly set forth herein and, in carrying out its responsibilities hereunder, shall have all of the rights, powers, privileges, protections, duties and immunities which it possesses under the Base Indenture.

Section 13.05 Patriot Act Requirements of Trustee. The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Supplemental Indenture agree that they will provide to the Trustee such information as it may request, from time to time, in order for the Trustee to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

Section 13.06 Notice upon Trustee. Any notice, direction, request, demand, consent or waiver by the Company or any Holder to or upon the Trustee, Security Registrar or Paying Agent for the Notes shall be deemed to have been sufficiently given, made or filed, for all purposes, if given, made or filed in writing at the Corporate Trust Office.

#### **ARTICLE XIV MISCELLANEOUS**

Section 14.01 Ratification of Indenture; Supplemental Indenture Controls. The Base Indenture, as supplemented and (solely for purposes of the Notes) amended by this Supplemental Indenture, is in all respects ratified and confirmed, and this Supplemental Indenture shall be deemed part of the Base Indenture in the manner and to the extent herein and therein provided. The provisions of this Supplemental Indenture shall supersede the provisions of the Base Indenture to the extent the Base Indenture is inconsistent herewith with respect to the Notes only.

Section 14.02 Recitals. The recitals herein contained are made by the Company only and not by the Trustee, and the Trustee does not assume any responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture. All of the provisions contained in the Base Indenture in respect of the rights, powers, privileges, protections, duties and immunities of the Trustee shall be applicable in respect of the Notes and of this Supplemental Indenture as fully and with like effect as if set forth herein in full.

Section 14.03 Separability. In case any one or more of the provisions contained in this Supplemental Indenture or in the Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Supplemental Indenture or of the Notes, but this Supplemental Indenture and the Notes shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

Section 14.04 Counterparts. This Supplemental Indenture may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. This Supplemental Indenture and any ancillary documents may be signed by manual, facsimile or electronic signature, provided any electronic signature is a true representation of the signer's actual signature.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

**CENTERPOINT ENERGY, INC.**

By: /s/ Christopher A. Foster

Name: Christopher A. Foster

Title: Executive Vice President and Chief  
Financial Officer

Attest:

/s/ Vincent A. Mercaldi

Name: Vincent A. Mercaldi

Title: Secretary

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

By: /s/ April Bradley

Name: April Bradley

Title: Vice President

**EXHIBIT A**

**FORM OF 7.000% FIXED-TO-FIXED RESET RATE JUNIOR SUBORDINATED  
NOTES, SERIES A, DUE 2055**

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS NOTE IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE NOTES EVIDENCED HEREBY WILL BE ISSUED, AND MAY BE TRANSFERRED, ONLY IN DENOMINATIONS OF \$2,000 AND ANY GREATER INTEGRAL MULTIPLE OF \$1,000, EXCEPT AS PROVIDED IN THE SUPPLEMENTAL INDENTURE. ANY ATTEMPTED TRANSFER, SALE OR OTHER DISPOSITION OF NOTES IN A DENOMINATION OF NOTES IN A DENOMINATION OF LESS THAN \$1,000 SHALL BE DEEMED TO BE VOID AND OF NO LEGAL EFFECT WHATSOEVER EXCEPT AS PROVIDED IN THE SUPPLEMENTAL INDENTURE. ANY SUCH TRANSFEREE SHALL BE DEEMED NOT TO BE THE HOLDER OF SUCH NOTES FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO THE RECEIPT OF PAYMENTS IN RESPECT OF SUCH NOTES, AND SUCH TRANSFEREE SHALL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN SUCH NOTES.

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**CENTERPOINT ENERGY, INC.**  
**§**  
**7.000% FIXED-TO-FIXED RESET RATE JUNIOR SUBORDINATED NOTES**  
**SERIES A, DUE 2055**  
**Dated: August 14, 2024**

NUMBER R-1 CUSIP NO: 15189T BH9

Registered Holder: CEDE & CO. ISIN NO: US15189TBH95

CENTERPOINT ENERGY, INC., a corporation duly organized and existing under the laws of the state of Texas (herein referred to as the “Company,” which term includes any successor person under the Indenture hereinafter referred to), for value received, hereby promises to pay to the Registered Holder named above, the principal sum specified in the Schedule of Increases or Decreases in this Note annexed hereto on February 15, 2055 (the “Series A Maturity Date”), and to pay (subject to deferral as set forth herein) interest thereon (i) from and including the date of the original issuance to, but excluding, February 15, 2030 at an annual rate of 7.000% and (ii) from and including February 15, 2030 during each Series A Interest Reset Period at an annual rate equal to the Five-Year Treasury Rate as of the most recent Reset Interest Determination Date, plus 3.254%. Subject to the Company’s right to defer interest payments as set forth in the Supplemental Indenture (as defined on the reverse hereof), interest is payable semi-annually in arrears on February 15 and August 15 of each year beginning on February 15, 2025 (the “Interest Payment Dates”), until the principal thereof is paid or made available for payment. If interest payments are deferred or otherwise not paid, they will accrue and compound until paid at the same rate at which the Notes (as defined on the reverse hereof) bear interest to the extent permitted by law. As permitted by the terms of the Notes, if interest payments are deferred or otherwise not paid up to a redemption date that does not fall on an Interest Payment Date, they will accrue and compound until paid at the same rate at which the Notes bear interest to the extent permitted by law.

The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months, and with respect to any period less than a full calendar month, on the basis of the actual number of days elapsed during the period. The interest so payable on an Interest Payment Date will be paid to the Person in whose name this Note is registered, at the close of business on the Regular Record Date next preceding such Interest Payment Date; provided that interest payable at Series A Maturity Date will be paid to the Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for, and that is not deferred as described below, will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid (i) to the Person in whose name this Note (or any Note issued upon registration of transfer or exchange thereof) is registered at the close of business on the record date for the payment of such defaulted interest established in accordance with Section 3.07 of the Base Indenture or (ii) at any time in any other lawful manner not inconsistent with the requirements of the securities exchange, if any, on which the Note may be listed, and upon such notice as may be required by such exchange. The “Regular Record Date” with respect to any Interest Payment Date for the Notes, will be the close of business on

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February 1 or August 1 (whether or not such day is a Business Day) immediately preceding the applicable February 15 or August 15 Interest Payment Date.

If an Interest Payment Date or the Series A Maturity Date of the Notes or the date (if any) on which the Company is required to purchase the Notes falls on a day that is not a Business Day, the applicable payment will be made on the next succeeding Business Day, and no interest shall accrue or be paid in respect of such delay.

This Note may be presented for payment of principal and interest at the office of the Paying Agent, in Pittsburgh, Pennsylvania; provided, however, that at the option of the Company, interest on this Note may be paid by check mailed to the address of the Person entitled thereto, as the address shall appear on the Security Register, or by a wire transfer to an account designated by the Person entitled thereto. Payment of the principal and interest on this Note shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

“Calculation Agent” means the Company, an affiliate of the Company selected by the Company, or any other firm appointed by the Company, in each case, in the Company’s sole discretion, acting as calculation agent in respect of the Notes.

“Five-Year Treasury Rate” means, as of any Reset Interest Determination Date, the average of the yields on actively traded U.S. Treasury securities adjusted to constant maturity, for five-year maturities, for the most recent five Business Days appearing under the caption “Treasury Constant Maturities” in the Most Recent H.15. If the Five-Year Treasury Rate cannot be determined pursuant to the preceding sentence, the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the Five-Year Treasury Rate, will determine the Five-Year Treasury Rate in its sole discretion, provided that if the Calculation Agent determines there is an industry-accepted successor Five-Year Treasury Rate, then the Calculation Agent will use such successor rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may determine the business day convention, the definition of “Business Day” and the Reset Interest Determination Date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the Five-Year Treasury Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

“H.15” means the daily statistical release designated as such, or any successor publication as determined by the Calculation Agent in its sole discretion, published by the Board of Governors of the Federal Reserve System.

“Interest Payment Period” means the semi-annual period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except for the first Interest Payment Date, which shall be the period from, and including, August 14, 2024 to, but excluding, February 15, 2025.

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“Series A Reset Date” means February 15, 2030 and each date falling on the five-year anniversary of the preceding Series A Reset Date.

“Series A Interest Reset Period” means the period from and including February 15, 2030 to, but not including, the next following Series A Reset Date and thereafter each period from and including each Series A Reset Date to, but not including, the next following Series A Reset Date or the maturity date or date of redemption, as the case may be.

“Most Recent H.15” means the H.15 published closest in time but prior to the close of business on the applicable Reset Interest Determination Date.

“Reset Interest Determination Date” means, in respect of any Series A Interest Reset Period, the day falling two Business Days prior to the beginning of such Series A Interest Reset Period.

So long as no Event of Default with respect to the Notes of this series has occurred and is continuing, the Company shall have the right on one or more occasions, to defer payment of all or part of the current and accrued interest otherwise due on this Security by extending the interest payment period for up to twenty (20) consecutive Interest Payment Periods (each period, commencing on the date that the first such interest payment would otherwise have been made, an “Optional Deferral Period”). The Company may not elect to defer payment of interest if an Event of Default (as set forth in the Supplemental Indenture) with respect to the Notes has occurred and is continuing; provided that the deferral of interest payments may not extend beyond the Series A Maturity Date or end on a day other than the day immediately preceding an Interest Payment Date. As provided in the Indenture, interest will continue to accrue on the Notes, and deferred interest payments will accrue additional interest on a semi-annual basis at a rate equal to the interest rate then-applicable to the Notes, including, to the extent permitted by law, interest on the deferred interest (“Compound Interest”). No interest shall be due and payable during an Optional Deferral Period, except at the end of such Optional Deferral Period or upon a redemption of this Note during such Optional Deferral Period.

So long as no Event of Default shall have occurred and be continuing, prior to the termination of any Optional Deferral Period, the Company may further defer the payment of interest by extending such Optional Deferral Period; provided that such Optional Deferral Period together with all such previous and further deferrals of interest payments shall not exceed twenty (20) consecutive Interest Payment Periods at any one time or extend beyond the Series A Maturity Date. Upon the termination of any Optional Deferral Period, which shall be an Interest Payment Date, the Company shall pay all interest accrued and unpaid on this Note, including any Compound Interest, to the Person in whose name this Note is registered on the Regular Record Date for such Interest Payment Date, provided that interest accrued and unpaid on this Security, including any Compound Interest, payable at Series A Maturity Date or on any Tax Event Redemption Date will be paid to the Person to whom principal is payable. Once the Company pays all interest accrued and unpaid on this Note, including any Compound Interest, it shall be entitled again to defer interest payments on this Note as described above.

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The Company may redeem the Series A Notes in whole or in part upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Series A Notes being redeemed plus accrued and unpaid interest to, but excluding, the Redemption Date (i) on any day in the period commencing on the date falling 90 days prior to the first Series A Reset Date and ending on and including the first Series A Reset Date and (ii) after the first Series A Reset Date, on any Interest Payment Date.

In addition, the Series A Notes may be redeemable, in whole but not in part, at the option of the Company, by a notice of redemption delivered by or on behalf of the Company pursuant to the Indenture (except as otherwise set forth below), following the occurrence of a Tax Event (as defined below), at a redemption price equal to the sum of: (1) 100% of the principal amount of the Notes being redeemed plus (2) accrued and unpaid interest (including any Compound Interest) thereon, if any, to such Tax Event Redemption Date.

"Tax Event" means receipt by the Company of a written opinion of a nationally recognized accounting firm or counsel experienced in such matters to the effect that, as a result of:

(a) any amendment to, clarification of, or change, including any announced prospective change, in the laws or treaties of the United States or any of its political subdivisions or taxing authorities, or any regulations under those laws or treaties;

(b) an administrative action, which means any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement including any notice or announcement of intent to issue or adopt any administrative pronouncement, ruling, regulatory procedure or regulation;

(c) any amendment to, clarification of, or change in the official position or the interpretation of any administrative action or judicial decision or any interpretation or pronouncement that provides for a position with respect to an administrative action or judicial decision that differs from the previously generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body, regardless of the time or manner in which that amendment, clarification or change is introduced or made known; or

(d) a threatened challenge asserted in writing in connection with an audit of the Company or any of its subsidiaries, or a publicly-known threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that are substantially similar to the Notes of this series,

which amendment, clarification or change is effective or administrative action is taken or judicial decision, interpretation or pronouncement is issued or threatened challenge is asserted or becomes publicly known after August 12, 2024, there is more than an insubstantial risk that interest payable by the Company on the Securities of this series is not deductible, or within 90 days would not be deductible, in whole or in part, by the Company for United States federal income tax purposes.

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In addition, the Notes of this series may be redeemable, in whole but not in part, at the option of the Company, by a notice of redemption delivered by or on behalf of the Company pursuant to the Indenture (except as otherwise set forth in the immediately succeeding paragraph), following the occurrence of a Rating Agency Event (as defined below), at a redemption price equal to 102% of the principal amount of such Securities of this series being redeemed plus accrued and unpaid interest (including any Compound Interest) to, but excluding, such Tax Event Redemption Date. “Rating Agency Event” means, as of any date, a change, clarification or amendment in the methodology in assigning equity credit to securities such as the Notes published by any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act (or any successor provision thereto) that then publishes a rating for the Company (together with any successor thereto, a “Rating Agency”), (i) as such methodology was in effect on August 12, 2024, in the case of any Rating Agency that published a rating for the Company on August 12, 2024, or (ii) as such methodology was in effect on the date such Rating Agency first published a rating for the Company, in the case of any Rating Agency that first publishes a rating for the Company on August 12, 2024 (in the case of either clause (i) or (ii), the “Current Methodology”), that results in (a) any shortening of the length of time for which a particular level of equity credit pertaining to the Notes by such Rating Agency would have been in effect had the Current Methodology not been changed, clarified or amended or (b) a lower equity credit (including up to a lesser amount) being assigned by such Rating Agency to the Notes as of the date of such change, clarification or amendment than the equity credit that would have been assigned to the Notes by such Rating Agency had the Current Methodology not been changed, clarified or amended.

The indebtedness of the Company evidenced by this Note, including the principal hereof and interest hereon, is, to the extent and in the manner set forth in the Indenture, subordinate and junior in right of payment to the Company’s obligations to Holders of Senior Indebtedness of the Company and each Holder of this Note, by acceptance hereof, agrees to and shall be bound by such provisions of the Indenture and all other provisions of the Indenture.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

In the event of any inconsistency between the provisions of this Note and the provisions of the Indenture, the provisions of the Indenture shall govern and control.

This Note shall not be entitled to any benefit under the Indenture, or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually or electronically signed by an authorized signatory of the Trustee under the Indenture.

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IN WITNESS WHEREOF, CENTERPOINT ENERGY, INC. has caused this instrument to be duly executed.

Dated: August 14, 2024

CENTERPOINT ENERGY, INC.

By: \_\_\_\_\_  
Name: Christopher A. Foster  
Title: Executive Vice President and Chief  
Financial Officer

Attest:

\_\_\_\_\_  
Name: Vincent A. Mercaldi  
Title: Secretary

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**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

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

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

Dated: August 14, 2024

By: \_\_\_\_\_  
Authorized Signatory

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## REVERSE OF NOTE

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued pursuant to the Junior Subordinated Indenture (the “Base Indenture”), dated as of August 14, 2024, between the Company and The Bank of New York Mellon Trust Company, National Association, as supplemented and amended by the Supplemental Indenture dated as of August 14, 2024 by and between the Company and the Trustee (the “Supplemental Indenture”, and together with the Base Indenture, as it may be hereafter supplemented or amended from time to time, the “Indenture”). Reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders (the word “Holder” or “Holder” meaning the registered holder or registered holders) of the Notes. This Security is one of the series designated on the face hereof (the “Notes”) which is limited in aggregate principal amount to \$ .

Capitalized terms used herein but not defined herein shall have the respective meanings assigned thereto in the Indenture.

The Notes are not subject to the operation of any sinking fund and, except as set forth in the Supplemental Indenture, are not repayable at the option of a Holder thereof prior to the Series A Maturity Date.

In the case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Company will not pay any additional amounts to any Holder in respect of any tax, assessment or governmental charge.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Notes outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes at the time outstanding, on behalf of the Holders of all outstanding Notes, to waive compliance by the Company with certain provisions of the Indenture, and contains provisions permitting the Holders of specified percentages in principal amount in certain instances of the outstanding Notes, to waive on behalf of all of the Holders of Notes, certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

As provided in and subject to the provisions of the Indenture, no Holder of Notes shall have any right by virtue or by availing of any provision of the Indenture to institute any suit,

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action or proceeding in equity or at law upon or under or with respect to the Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as provided in the Indenture, and unless also the Holders of not less than 33% in aggregate principal amount of all the Securities at the time outstanding (considered as one class) shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee under the Indenture and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 5.12 of the Base Indenture; it being understood and intended, and being expressly covenanted by the taker and Holder of every Note with every other taker and Holder and the Trustee, that no one or more Holders of Notes shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the Holders of any other of such Securities, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under the Indenture, except in the manner therein provided and for the equal, ratable and common benefit of all Holders of Securities. For the protection and enforcement of the provisions of Section 3.05 of the Supplemental Indenture, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Nothing contained in the Indenture is intended to or shall impair, as between the Company and the Holders of the Notes, the obligation of the Company, which is absolute and unconditional, to pay to such Holders the principal of and interest on such Notes when, where and as the same shall become due and payable, all in accordance with the terms of the Notes, or is intended to or shall affect the relative rights of such Holders and creditors of the Company other than the holders of the Senior Indebtedness of the Company, nor shall anything herein or therein prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under the Indenture, subject to the rights, if any, under Article VII of the Supplemental Indenture of the holders of Senior Indebtedness of the Company in respect of cash, property, or securities of the Company received upon the exercise of any such remedy.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note may be registered on the Security Register upon surrender of this Note for registration of transfer at the offices maintained by the Company or its agent for such purpose, duly endorsed by the Holder hereof or his attorney duly authorized in writing, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Securities registrar duly executed by the Holder hereof or his attorney duly authorized in writing, but without payment of any charge other than a sum sufficient to reimburse the Company for any tax or other governmental charge incident thereto. Upon any such registration of transfer, a new Note or Notes of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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No service charge shall be made for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

The Company agrees, and by acceptance of this Note or a beneficial interest in this Note, each Holder hereof and any Person acquiring a beneficial interest herein agrees, to treat this Note as indebtedness for United States federal, state and local tax purposes.

Prior to due presentment for registration of transfer of this Note, the Company, the Trustee, and any agent of the Company or the Trustee may deem and treat the person in whose name this Note shall be registered upon the Security Register of this series as the absolute owner of this Note (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment of or on account of the principal hereof and, subject to the provisions on the face hereof, interest due hereon and for all other purposes; and neither the Company nor the Trustee nor any such agent shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture, against any stockholder, officer, director or employee, as such, past, present or future, of the Company or of any successor person, either directly or through the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as a part of the consideration for the issue hereof, expressly waived and released.

This Note shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by, and construed in accordance with, the laws of said State.

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**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto

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(please insert Social Security or other identifying number of assignee)

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PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP  
CODE OF ASSIGNEE the within Note and all rights thereunder, hereby irrevocably constituting  
and appointing

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agent to transfer said Note on the books of the Company, with full power of substitution in the  
premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as written upon the  
face of the within instrument in every particular without alteration or enlargement, or any change  
whatever

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**SCHEDULE OF INCREASES OR DECREASES IN THIS NOTE**

The initial principal amount of this Note is:  
\$

Changes to Principal Amount of Global Note

<b>Date</b>	<b>Principal Amount by which this Note is to be Decreased or Increased and the Reason for the Decrease or Increase</b>	<b>Remaining Principal Amount of this Note</b>	<b>Signature of Authorized Officer of Trustee</b>
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**EXHIBIT B**

**FORM OF 6.850% FIXED-TO-FIXED RESET RATE JUNIOR SUBORDINATED  
NOTES, SERIES B, DUE 2055**

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS NOTE IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS NOTE (OTHER THAN A TRANSFER OF THIS NOTE AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN SUCH LIMITED CIRCUMSTANCES.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE NOTES EVIDENCED HEREBY WILL BE ISSUED, AND MAY BE TRANSFERRED, ONLY IN DENOMINATIONS OF \$2,000 AND ANY GREATER INTEGRAL MULTIPLE OF \$1,000, EXCEPT AS PROVIDED IN THE SUPPLEMENTAL INDENTURE. ANY ATTEMPTED TRANSFER, SALE OR OTHER DISPOSITION OF NOTES IN A DENOMINATION OF NOTES IN A DENOMINATION OF LESS THAN \$1,000 SHALL BE DEEMED TO BE VOID AND OF NO LEGAL EFFECT WHATSOEVER EXCEPT AS PROVIDED IN THE SUPPLEMENTAL INDENTURE. ANY SUCH TRANSFEREE SHALL BE DEEMED NOT TO BE THE HOLDER OF SUCH NOTES FOR ANY PURPOSE, INCLUDING BUT NOT LIMITED TO THE RECEIPT OF PAYMENTS IN RESPECT OF SUCH NOTES, AND SUCH TRANSFEREE SHALL BE DEEMED TO HAVE NO INTEREST WHATSOEVER IN SUCH NOTES.

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**CENTERPOINT ENERGY, INC.**  
**§**  
**6.850% FIXED-TO-FIXED RESET RATE JUNIOR SUBORDINATED NOTES,**  
**SERIES B, DUE 2055**  
**Dated: August 14, 2024**

NUMBER R-1 CUSIP NO: 15189T BJ5

Registered Holder: CEDE & CO. ISIN NO: US15189TBJ51

CENTERPOINT ENERGY, INC., a corporation duly organized and existing under the laws of the state of Texas (herein referred to as the “Company,” which term includes any successor person under the Indenture hereinafter referred to), for value received, hereby promises to pay to the Registered Holder named above, the principal sum specified in the Schedule of Increases or Decreases in this Note annexed hereto on February 15, 2055 (the “Series B Maturity Date”), and to pay (subject to deferral as set forth herein) interest thereon (i) from and including the date of the original issuance to, but excluding, February 15, 2035 at an annual rate of 6.850% and (ii) from and including February 15, 2035 during each Series B Interest Reset Period at an annual rate equal to the Five-Year Treasury Rate as of the most recent Reset Interest Determination Date, plus 2.946%. Subject to the Company’s right to defer interest payments as set forth in the Supplemental Indenture (as defined on the reverse hereof), interest is payable semi-annually in arrears on February 15 and August 15 of each year beginning on February 15, 2025 (the “Interest Payment Dates”), until the principal thereof is paid or made available for payment. If interest payments are deferred or otherwise not paid, they will accrue and compound until paid at the same rate at which the Notes (as defined on the reverse hereof) bear interest to the extent permitted by law. As permitted by the terms of the Notes, if interest payments are deferred or otherwise not paid up to a redemption date that does not fall on an Interest Payment Date, they will accrue and compound until paid at the same rate at which the Notes bear interest to the extent permitted by law.

The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months, and with respect to any period less than a full calendar month, on the basis of the actual number of days elapsed during the period. The interest so payable on an Interest Payment Date will be paid to the Person in whose name this Note is registered, at the close of business on the Regular Record Date next preceding such Interest Payment Date; provided that interest payable at Series B Maturity Date will be paid to the Person to whom principal is payable. Any such interest that is not so punctually paid or duly provided for, and that is not deferred as described below, will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid (i) to the Person in whose name this Note (or any Note issued upon registration of transfer or exchange thereof) is registered at the close of business on the record date for the payment of such defaulted interest established in accordance with Section 3.07 of the Base Indenture or (ii) at any time in any other lawful manner not inconsistent with the requirements of the securities exchange, if any, on which the Note may be listed, and upon such notice as may be required by such exchange. The “Regular Record Date” with respect to any Interest Payment Date for the Notes, will be the close of business on

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February 1 or August 1 (whether or not such day is a Business Day) immediately preceding the applicable February 15 or August 15 Interest Payment Date.

If an Interest Payment Date or the Series B Maturity Date of the Notes or the date (if any) on which the Company is required to purchase the Notes falls on a day that is not a Business Day, the applicable payment will be made on the next succeeding Business Day, and no interest shall accrue or be paid in respect of such delay.

This Note may be presented for payment of principal and interest at the office of the Paying Agent, in Pittsburgh, Pennsylvania; provided, however, that at the option of the Company, interest on this Note may be paid by check mailed to the address of the Person entitled thereto, as the address shall appear on the Security Register, or by a wire transfer to an account designated by the Person entitled thereto. Payment of the principal and interest on this Note shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

“Calculation Agent” means the Company, an affiliate of the Company selected by the Company, or any other firm appointed by the Company, in each case, in the Company’s sole discretion, acting as calculation agent in respect of the Notes.

“Five-Year Treasury Rate” means, as of any Reset Interest Determination Date, the average of the yields on actively traded U.S. Treasury securities adjusted to constant maturity, for five-year maturities, for the most recent five Business Days appearing under the caption “Treasury Constant Maturities” in the Most Recent H.15. If the Five-Year Treasury Rate cannot be determined pursuant to the preceding sentence, the Calculation Agent, after consulting such sources as it deems comparable to any of the foregoing calculations, or any such source as it deems reasonable from which to estimate the Five-Year Treasury Rate, will determine the Five-Year Treasury Rate in its sole discretion, provided that if the Calculation Agent determines there is an industry-accepted successor Five-Year Treasury Rate, then the Calculation Agent will use such successor rate. If the Calculation Agent has determined a substitute or successor base rate in accordance with the foregoing, the Calculation Agent in its sole discretion may determine the business day convention, the definition of “Business Day” and the Reset Interest Determination Date to be used and any other relevant methodology for calculating such substitute or successor base rate, including any adjustment factor needed to make such substitute or successor base rate comparable to the Five-Year Treasury Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor base rate.

“H.15” means the daily statistical release designated as such, or any successor publication as determined by the Calculation Agent in its sole discretion, published by the Board of Governors of the Federal Reserve System.

“Interest Payment Period” means the semi-annual period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date, except for the first Interest Payment Date, which shall be the period from, and including, August 14, 2024 to, but excluding, February 15, 2025.

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“Series B Reset Date” means February 15, 2035 and each date falling on the five-year anniversary of the preceding Series B Reset Date.

“Series B Interest Reset Period” means the period from and including February 15, 2035 to, but not including, the next following Series B Reset Date and thereafter each period from and including each Series B Reset Date to, but not including, the next following Series B Reset Date or the maturity date or date of redemption, as the case may be.

“Most Recent H.15” means the H.15 published closest in time but prior to the close of business on the applicable Reset Interest Determination Date.

“Reset Interest Determination Date” means, in respect of any Series B Interest Reset Period, the day falling two Business Days prior to the beginning of such Series B Interest Reset Period.

So long as no Event of Default with respect to the Notes of this series has occurred and is continuing, the Company shall have the right on one or more occasions, to defer payment of all or part of the current and accrued interest otherwise due on this Security by extending the interest payment period for up to twenty (20) consecutive Interest Payment Periods (each period, commencing on the date that the first such interest payment would otherwise have been made, an “Optional Deferral Period”). The Company may not elect to defer payments of interest if an Event of Default (as set forth in the Supplemental Indenture) with respect to the Notes has occurred and is continuing; provided that the deferral of interest payments may not extend beyond the Series B Maturity Date or end on a day other than the day immediately preceding an Interest Payment Date. As provided in the Indenture, interest will continue to accrue on the Notes, and deferred interest payments will accrue additional interest on a semi-annual basis at a rate equal to the interest rate then-applicable to the Notes, including, to the extent permitted by law, interest on the deferred interest (“Compound Interest”). No interest shall be due and payable during an Optional Deferral Period, except at the end of such Optional Deferral Period or upon a redemption of this Note during such Optional Deferral Period.

So long as no Event of Default shall have occurred and be continuing, prior to the termination of any Optional Deferral Period, the Company may further defer the payment of interest by extending such Optional Deferral Period; provided that such Optional Deferral Period together with all such previous and further deferrals of interest payments shall not exceed twenty (20) consecutive Interest Payment Periods at any one time or extend beyond the Series B Maturity Date. Upon the termination of any Optional Deferral Period, which shall be an Interest Payment Date, the Company shall pay all interest accrued and unpaid on this Note, including any Compound Interest, to the Person in whose name this Note is registered on the Regular Record Date for such Interest Payment Date, provided that interest accrued and unpaid on this Security, including any Compound Interest, payable at Series B Maturity Date or on any Tax Event Redemption Date will be paid to the Person to whom principal is payable. Once the Company pays all interest accrued and unpaid on this Note, including any Compound Interest, it shall be entitled again to defer interest payments on this Note as described above.

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The Company may redeem the Series B Notes in whole or in part upon not less than 10 nor more than 60 days' notice, at a redemption price equal to 100% of the principal amount of the Series B Notes being redeemed plus accrued and unpaid interest to, but excluding, the Redemption Date (i) on any day in the period commencing on the date falling 90 days prior to the first Series B Reset Date and ending on and including the first Series B Reset Date and (ii) after the first Series B Reset Date, on any Interest Payment Period.

In addition, the Series B Notes may be redeemable, in whole but not in part, at the option of the Company, by a notice of redemption delivered by or on behalf of the Company pursuant to the Indenture (except as otherwise set forth below), following the occurrence of a Tax Event (as defined below), at a redemption price equal to the sum of: (1) 100% of the principal amount of the Notes being redeemed plus (2) accrued and unpaid interest (including any Compound Interest) thereon, if any, to such Tax Event Redemption Date.

"Tax Event" means receipt by the Company of a written opinion of a nationally recognized accounting firm or counsel experienced in such matters to the effect that, as a result of:

(a) any amendment to, clarification of, or change, including any announced prospective change, in the laws or treaties of the United States or any of its political subdivisions or taxing authorities, or any regulations under those laws or treaties;

(b) an administrative action, which means any judicial decision or any official administrative pronouncement, ruling, regulatory procedure, notice or announcement including any notice or announcement of intent to issue or adopt any administrative pronouncement, ruling, regulatory procedure or regulation;

(c) any amendment to, clarification of, or change in the official position or the interpretation of any administrative action or judicial decision or any interpretation or pronouncement that provides for a position with respect to an administrative action or judicial decision that differs from the previously generally accepted position, in each case by any legislative body, court, governmental authority or regulatory body, regardless of the time or manner in which that amendment, clarification or change is introduced or made known; or

(d) a threatened challenge asserted in writing in connection with an audit of the Company or any of its subsidiaries, or a publicly-known threatened challenge asserted in writing against any other taxpayer that has raised capital through the issuance of securities that are substantially similar to the Notes of this series,

which amendment, clarification or change is effective or administrative action is taken or judicial decision, interpretation or pronouncement is issued or threatened challenge is asserted or becomes publicly known after August 12, 2024, there is more than an insubstantial risk that interest payable by the Company on the Securities of this series is not deductible, or within 90 days would not be deductible, in whole or in part, by the Company for United States federal income tax purposes.

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In addition, the Notes of this series may be redeemable, in whole but not in part, at the option of the Company, by a notice of redemption delivered by or on behalf of the Company pursuant to the Indenture (except as otherwise set forth in the immediately succeeding paragraph), following the occurrence of a Rating Agency Event (as defined below), at a redemption price equal to 102% of the principal amount of such Securities of this series being redeemed plus accrued and unpaid interest (including any Compound Interest) to, but excluding, such Tax Event Redemption Date. “Rating Agency Event” means, as of any date, a change, clarification or amendment in the methodology in assigning equity credit to securities such as the Notes published by any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act (or any successor provision thereto) that then publishes a rating for the Company (together with any successor thereto, a “Rating Agency”), (i) as such methodology was in effect on August 12, 2024, in the case of any Rating Agency that published a rating for the Company on August 12, 2024, or (ii) as such methodology was in effect on the date such Rating Agency first published a rating for the Company, in the case of any Rating Agency that first publishes a rating for the Company on August 12, 2024 (in the case of either clause (i) or (ii), the “Current Methodology”), that results in (a) any shortening of the length of time for which a particular level of equity credit pertaining to the Notes by such Rating Agency would have been in effect had the Current Methodology not been changed, clarified or amended or (b) a lower equity credit (including up to a lesser amount) being assigned by such Rating Agency to the Notes as of the date of such change, clarification or amendment than the equity credit that would have been assigned to the Notes by such Rating Agency had the Current Methodology not been changed, clarified or amended.

The indebtedness of the Company evidenced by this Note, including the principal hereof and interest hereon, is, to the extent and in the manner set forth in the Indenture, subordinate and junior in right of payment to the Company’s obligations to Holders of Senior Indebtedness of the Company and each Holder of this Note, by acceptance hereof, agrees to and shall be bound by such provisions of the Indenture and all other provisions of the Indenture.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

In the event of any inconsistency between the provisions of this Note and the provisions of the Indenture, the provisions of the Indenture shall govern and control.

This Note shall not be entitled to any benefit under the Indenture, or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been manually or electronically signed by an authorized signatory of the Trustee under the Indenture.

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IN WITNESS WHEREOF, CENTERPOINT ENERGY, INC. has caused this instrument to be duly executed.

Dated: August 14, 2024

CENTERPOINT ENERGY, INC.

By: \_\_\_\_\_  
Name: Christopher A. Foster  
Title: Executive Vice President and Chief  
Financial Officer

Attest:

\_\_\_\_\_  
Name: Vincent A. Mercaldi  
Title: Secretary

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**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

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

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

Dated: August 14, 2024

By: \_\_\_\_\_  
Authorized Signatory

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## REVERSE OF NOTE

This Security is one of a duly authorized issue of securities of the Company (herein called the “Securities”), issued and to be issued pursuant to the Junior Subordinated Indenture (the “Base Indenture”), dated as of August 14, 2024, between the Company and The Bank of New York Mellon Trust Company, National Association, as supplemented and amended by the Supplemental Indenture dated as of August 14, 2024 by and between the Company and the Trustee (the “Supplemental Indenture”, and together with the Base Indenture, as it may be hereafter supplemented or amended from time to time, the “Indenture”). Reference is hereby made to the Indenture for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders (the word “Holder” or “Holders” meaning the registered holder or registered holders) of the Notes. This Security is one of the series designated on the face hereof (the “Notes”) which is limited in aggregate principal amount to \$ .

Capitalized terms used herein but not defined herein shall have the respective meanings assigned thereto in the Indenture.

The Notes are not subject to the operation of any sinking fund and, except as set forth in the Supplemental Indenture, are not repayable at the option of a Holder thereof prior to the Series B Maturity Date.

In the case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Notes may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Company will not pay any additional amounts to any Holder in respect of any tax, assessment or governmental charge.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Notes by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the Notes outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Notes at the time outstanding, on behalf of the Holders of all outstanding Notes, to waive compliance by the Company with certain provisions of the Indenture, and contains provisions permitting the Holders of specified percentages in principal amount in certain instances of the outstanding Notes, to waive on behalf of all of the Holders of Notes, certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

As provided in and subject to the provisions of the Indenture, no Holder of Notes shall have any right by virtue or by availing of any provision of the Indenture to institute any suit,

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action or proceeding in equity or at law upon or under or with respect to the Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as provided in the Indenture, and unless also the Holders of not less than 33% in aggregate principal amount of all the Securities at the time outstanding (considered as one class) shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee under the Indenture and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 5.12 of the Base Indenture; it being understood and intended, and being expressly covenanted by the taker and Holder of every Note with every other taker and Holder and the Trustee, that no one or more Holders of Notes shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the Holders of any other of such Securities, or to obtain or seek to obtain priority over or preference to any other such Holder, or to enforce any right under the Indenture, except in the manner therein provided and for the equal, ratable and common benefit of all Holders of Securities. For the protection and enforcement of the provisions of Section 3.05 of the Supplemental Indenture, each and every Holder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Nothing contained in the Indenture is intended to or shall impair, as between the Company and the Holders of the Notes, the obligation of the Company, which is absolute and unconditional, to pay to such Holders the principal of and interest on such Notes when, where and as the same shall become due and payable, all in accordance with the terms of the Notes, or is intended to or shall affect the relative rights of such Holders and creditors of the Company other than the holders of the Senior Indebtedness of the Company, nor shall anything herein or therein prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under the Indenture, subject to the rights, if any, under Article VII of the Supplemental Indenture of the holders of Senior Indebtedness of the Company in respect of cash, property, or securities of the Company received upon the exercise of any such remedy.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Note may be registered on the Security Register upon surrender of this Note for registration of transfer at the offices maintained by the Company or its agent for such purpose, duly endorsed by the Holder hereof or his attorney duly authorized in writing, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Securities registrar duly executed by the Holder hereof or his attorney duly authorized in writing, but without payment of any charge other than a sum sufficient to reimburse the Company for any tax or other governmental charge incident thereto. Upon any such registration of transfer, a new Note or Notes of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange herefor.

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No service charge shall be made for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

The Company agrees, and by acceptance of this Note or a beneficial interest in this Note, each Holder hereof and any Person acquiring a beneficial interest herein agrees, to treat this Note as indebtedness for United States federal, state and local tax purposes.

Prior to due presentment for registration of transfer of this Note, the Company, the Trustee, and any agent of the Company or the Trustee may deem and treat the person in whose name this Note shall be registered upon the Security Register of this series as the absolute owner of this Note (whether or not this Note shall be overdue and notwithstanding any notation of ownership or other writing hereon) for the purpose of receiving payment of or on account of the principal hereof and, subject to the provisions on the face hereof, interest due hereon and for all other purposes; and neither the Company nor the Trustee nor any such agent shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon or otherwise in respect hereof, or based on or in respect of the Indenture, against any stockholder, officer, director or employee, as such, past, present or future, of the Company or of any successor person, either directly or through the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as a part of the consideration for the issue hereof, expressly waived and released.

This Note shall be deemed to be a contract made under the laws of the State of New York and for all purposes shall be governed by, and construed in accordance with, the laws of said State.

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**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sell(s) and transfer(s) unto

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(please insert Social Security or other identifying number of assignee)

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PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP  
CODE OF ASSIGNEE the within Note and all rights thereunder, hereby irrevocably constituting  
and appointing

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agent to transfer said Note on the books of the Company, with full power of substitution in the  
premises.

Dated:

NOTICE: The signature to this assignment must correspond with the name as written upon the  
face of the within instrument in every particular without alteration or enlargement, or any change  
whatever.

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**SCHEDULE OF INCREASES OR DECREASES IN THIS NOTE**

The initial principal amount of this Note is:

\$

Changes to Principal Amount of Global Note

<b>Date</b>	<b>Principal Amount by which this Note is to be Decreased or Increased and the Reason for the Decrease or Increase</b>	<b>Remaining Principal Amount of this Note</b>	<b>Signature of Authorized Officer of Trustee</b>
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**CERTIFICATIONS**

I, Jason P. Wells, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2024

/s/ Jason P. Wells

Jason P. Wells

Chief Executive Officer

**CERTIFICATIONS**

I, Darin M. Carroll, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy Houston Electric, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2024

/s/ Darin M. Carroll

Darin M. Carroll

President and Chief Executive Officer



**CERTIFICATIONS**

I, Richard C. Leger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy Resources Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2024

/s/ Richard C. Leger

Richard C. Leger

Interim President and Chief Executive Officer

**CERTIFICATIONS**

I, Christopher A. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2024

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

**CERTIFICATIONS**

I, Christopher A. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy Houston Electric, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2024

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

# CERTIFICATIONS

I, Christopher A. Foster, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CenterPoint Energy Resources Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 28, 2024

/s/ Christopher A. Foster

Christopher A. Foster

Executive Vice President and Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Jason P. Wells, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jason P. Wells

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Jason P. Wells

Chief Executive Officer

October 28, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy Houston Electric, LLC (the "Company") on Form 10-Q for the quarter ended September 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Darin M. Carroll, Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Darin M. Carroll

Darin M. Carroll

President and Chief Executive Officer

October 28, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy Resources Corp. (the "Company") on Form 10-Q for the quarter ended September 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Richard C. Leger, Interim Chief Executive Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Richard C. Leger

Richard C. Leger

Interim President and Chief Executive Officer

October 28, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Christopher A. Foster, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher A. Foster

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Christopher A. Foster

Executive Vice President and Chief Financial Officer

October 28, 2024



CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy Houston Electric, LLC (the "Company") on Form 10-Q for the quarter ended September 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Christopher A. Foster, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher A. Foster

\_\_\_\_\_  
Christopher A. Foster

Executive Vice President and Chief Financial Officer

October 28, 2024

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CenterPoint Energy Resources Corp. (the "Company") on Form 10-Q for the quarter ended September 30, 2024 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Christopher A. Foster, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christopher A. Foster

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Christopher A. Foster

Executive Vice President and Chief Financial Officer

October 28, 2024