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## **CenterPoint Energy 2017 earnings expected to increase as a result of Tax Cuts and Jobs Act**

HOUSTON, Jan. 4, 2018 /PRNewswire/ -- CenterPoint Energy, Inc. (NYSE: CNP) today announced expected earnings on a guidance basis for 2017 will incorporate a re-measurement of deferred tax liabilities and a credit to income tax expense. As a result, earnings are expected to exceed the previously provided \$1.25 to \$1.33 guidance range. Absent these adjustments, earnings are anticipated to be at or near the high end of the \$1.25 to \$1.33 range.



CenterPoint Energy's management will host an earnings call at 11:00 a.m. Eastern time on Thursday, Feb. 22, 2018, and will provide dial-in instructions at a later date. Company executives plan to discuss 2017 earnings results, 2018 earnings guidance, long-term growth drivers, and the impact of the Tax Cuts and Jobs Act.

### **Earnings Guidance Variables and Assumptions**

Guidance for 2017 considers utility operations performance to date and certain significant variables that may impact earnings, such as weather, regulatory and judicial proceedings, throughput, commodity prices, anticipated effective tax rates, and financing activities. In providing this guidance, the company uses a non-GAAP measure of adjusted diluted earnings per share that does not consider other potential impacts, such as changes in accounting standards or unusual items, earnings or losses from the change in the value of the ZENS securities and the related stocks, or the timing effects of mark-to-market accounting in the company's Energy Services business.

In providing guidance, the company assumes for midstream investments a limited partner ownership interest in Enable Midstream averaging 54.1 percent for 2017 and includes the amortization of CenterPoint Energy's basis difference in Enable Midstream. CenterPoint Energy's guidance takes into account such factors as Enable Midstream's most recent public outlook for 2017 provided on Nov. 1, 2017, and anticipated effective tax rates. The company does not include other potential impacts such as any changes in accounting standards or Enable Midstream's unusual items.

### **About CenterPoint Energy**

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and energy services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. The company also owns a 54.1 percent limited partner interest in Enable Midstream Partners, a publicly traded master limited partnership it jointly controls with OGE Energy Corp., which owns, operates and develops natural gas and crude oil infrastructure assets. With more than 7,700 employees, CenterPoint Energy and its predecessor companies have been in business for more than 150 years. For more information, visit the website at [www.CenterPointEnergy.com](http://www.CenterPointEnergy.com).

### **Forward Looking Statements**

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. You are cautioned not to place undue reliance on any forward-looking statements. Actual events and results may differ materially from those expressed or implied by these forward-looking statements. Any statements in this news release regarding future earnings guidance and earnings and any other statements that are not historical facts are forward-looking statements. Each forward-looking statement contained in this news release speaks only as of the date of this release. Factors that could affect actual results include (1) the performance of Enable Midstream Partners, LP (Enable), the amount of cash distributions CenterPoint Energy receives from Enable, Enable's ability to redeem the Series A Preferred Units in certain circumstances and the value of CenterPoint Energy's interest in Enable, and factors that may have a material impact on such performance, cash distributions and value, including factors such as: (A) competitive conditions in the midstream industry, and actions taken by Enable's customers and competitors, including the extent and timing of the entry of additional competition in the markets served by Enable; (B) the timing and extent of changes in the supply of natural gas and associated commodity prices, particularly prices of natural gas and natural gas liquids (NGLs), the competitive effects of the available pipeline capacity in the regions served by Enable, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable's interstate pipelines; (C) the demand for crude oil, natural gas, NGLs and transportation and storage services; (D) environmental and other governmental regulations, including the availability of drilling permits and the regulation of hydraulic fracturing; (E) recording of non-cash goodwill, long-lived asset or other than temporary impairment charges by or related to Enable; (F) changes in tax status; (G) access to debt and equity capital; and (H) the availability and prices of raw materials and services for current and future construction projects; (2) industrial, commercial and residential growth in CenterPoint Energy's service territories and changes in market demand, including the effects of energy efficiency measures and demographic patterns; (3) timely and appropriate rate actions that allow recovery of costs and a reasonable return on investment; (4) future economic conditions in regional and national markets and their effect on sales, prices and costs; (5) weather variations and other natural phenomena, including the impact of severe weather events on operations and capital; (6) state and federal legislative and regulatory actions or developments affecting various aspects of CenterPoint Energy's and Enable's businesses, including, among others, 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; (7) tax reform and legislation, including the effects of the Tax Cuts and Jobs Act; (8) CenterPoint Energy's ability to mitigate weather impacts through normalization or rate mechanisms, and the effectiveness of such mechanisms; (9) the timing and extent of changes in commodity prices, particularly natural gas, and the effects of geographic and seasonal commodity price differentials; (10) problems with regulatory approval, construction, implementation of necessary technology or other issues with respect to major capital projects that result in delays or in cost overruns that cannot be recouped in rates; (11) local, state and federal legislative and regulatory actions or developments relating to the environment, including those related to global climate change; (12) the impact of unplanned facility outages; (13) any direct or indirect effects on CenterPoint Energy's facilities, operations and financial condition resulting from terrorism, cyber-attacks, data security breaches or other attempts to disrupt CenterPoint Energy's businesses or the businesses of third parties, or other catastrophic events such as fires, earthquakes, explosions, leaks, floods, droughts, hurricanes, pandemic health events or other occurrences; (14) CenterPoint Energy's ability to invest planned capital and the timely recovery of CenterPoint Energy's investment in capital; (15) CenterPoint Energy's ability to control operation and maintenance costs; (16) actions by credit rating agencies; (17) the sufficiency of CenterPoint Energy's insurance coverage, including availability, cost, coverage and terms; (18) the investment performance of CenterPoint Energy's pension and postretirement benefit plans; (19) commercial bank and financial market conditions, CenterPoint Energy's access to capital, the cost of such capital, and the results of CenterPoint Energy's financing and refinancing efforts, including availability of funds in the debt capital markets; (20) changes in interest rates or rates of inflation; (21) inability of various counterparties to meet their obligations to CenterPoint Energy; (22) non-payment for CenterPoint Energy's services due to financial distress of its customers; (23) the extent and effectiveness of CenterPoint Energy's risk management and hedging activities, including, but not limited to, its financial hedges and weather hedges; (24) timely and appropriate regulatory actions allowing securitization or other recovery of costs associated with Hurricane Harvey and any future hurricanes or natural disasters; (25) CenterPoint Energy's or Enable's potential business strategies and strategic initiatives, including restructurings, joint ventures and acquisitions or dispositions of assets or businesses (including a reduction of CenterPoint Energy's interests in Enable, whether through its election to sell the common units it owns in the public equity markets or otherwise, subject to certain limitations), which CenterPoint Energy cannot assure will be completed or will have the anticipated benefits to it or Enable; (26) acquisition and merger activities involving CenterPoint Energy or its competitors; (27) CenterPoint Energy's or Enable's ability to recruit, effectively transition and retain management and key employees and maintain good labor relations; (28) the ability of GenOn Energy, Inc. (formerly known as RRI Energy, Inc., Reliant Energy and RRI), a wholly-owned subsidiary of NRG Energy, Inc. (NRG), and its subsidiaries, currently the subject of bankruptcy proceedings, to satisfy their obligations to CenterPoint Energy, including indemnity obligations; (29) the outcome of litigation; (30) the ability of retail electric providers (REPs), including REP affiliates of NRG and Vistra Energy Corp., formerly known as TCEH Corp., to satisfy their obligations to CenterPoint Energy and its subsidiaries; (31) changes in technology, particularly with respect to efficient battery storage or the emergence or growth of new, developing or alternative sources of generation; (32) the timing and outcome of any audits, disputes and other proceedings related to taxes; (33) the effective tax rates; (34) the effect of changes in and application of accounting standards and pronouncements; and (35) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, as well as in CenterPoint Energy's Quarterly Report on Form 10-Q for the

quarter ended March 31, 2017, June 30, 2017 and September 30, 2017 and other reports CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.

### **Use of Non-GAAP Financial Measures**

CenterPoint Energy provides guidance based on adjusted diluted earnings per share, which is a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance that excludes or includes amounts that are not normally excluded or included in the most directly comparable GAAP financial measure. CenterPoint Energy's adjusted diluted earnings per share calculation excludes from diluted earnings per share the impact of ZENS and related securities and mark-to-market gains or losses resulting from the company's Energy Services business. CenterPoint Energy is unable to present a quantitative reconciliation of forward looking or 2017 adjusted diluted earnings per share because changes in the value of ZENS and related securities and mark-to-market gains or losses resulting from the company's Energy Services business are not estimable.

Management evaluates the company's financial performance in part based on adjusted diluted earnings per share. We believe that presenting this non-GAAP financial measure enhances an investor's understanding of CenterPoint Energy's overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future results across periods. The adjustments made in this non-GAAP financial measure exclude items that Management believes do not most accurately reflect the company's fundamental business performance. CenterPoint Energy's adjusted diluted earnings per share non-GAAP financial measure should be considered as a supplement to, and not as a substitute for, or superior to, diluted earnings per share, which is the most directly comparable GAAP financial measure. This non-GAAP financial measure also may be different than non-GAAP financial measures used by other companies.

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