# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d)**
**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): February 28, 2017**

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

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

| | |
|---|---|
| 1111 Louisiana<br>Houston, Texas | 77002 |
| (Address of principal executive offices) | (Zip Code) |

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

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

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

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

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

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

**Item 2.02. Results of Operations and Financial Conditions.**

On February 28, 2017, CenterPoint Energy, Inc. ("CenterPoint Energy") reported fourth quarter and full year 2016 earnings. For additional information regarding CenterPoint Energy's fourth quarter and full year 2016 earnings, please refer to CenterPoint Energy's press release attached to this report as Exhibit 99.1 (the "Press Release"), which Press Release is incorporated by reference herein.

**Item 7.01. Regulation FD Disclosure.**

CenterPoint Energy is holding a conference call to discuss its fourth quarter and full year 2016 earnings on February 28, 2017. Information about the call can be found in the Press Release furnished herewith as Exhibit 99.1. For additional information regarding CenterPoint Energy's fourth quarter and full year 2016 earnings, please refer to the supplemental materials which are being posted on CenterPoint Energy's website and are attached to this report as Exhibit 99.2 (the "Supplemental Materials"), which Supplemental Materials are incorporated by reference herein.

**Item 9.01. Financial Statements and Exhibits.**

The information in the Press Release and the Supplemental Materials is being furnished, not filed, pursuant to Item 2.02 and 7.01, respectively. Accordingly, the information in the Press Release and the Supplemental Materials will not be incorporated by reference into any registration statement filed by CenterPoint Energy under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

(d) Exhibits.

| EXHIBIT NUMBER | EXHIBIT DESCRIPTION |
| --- | --- |
| 99.1 | Press Release issued February 28, 2017 regarding CenterPoint Energy, Inc.'s fourth quarter and full year 2016 earnings |
| 99.2 | Supplemental Materials regarding CenterPoint Energy, Inc.'s 2016 earnings |

SIGNATURE

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

**CENTERPOINT ENERGY, INC.**

Date: February 28, 2017

By: /s/ Kristie L. Colvin
Kristie L. Colvin
Senior Vice President and Chief Accounting Officer

## EXHIBIT INDEX

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For more information contact
**Media:**
**Leticia Lowe**
Phone 713.207.7702
**Investors:**
**David Mordy**
Phone 713.207.6500

**For Immediate Release**

**CenterPoint Energy reports full year 2016 earnings of $1.00 per diluted share; $1.16 per diluted share on a guidance basis**

- Company reiterates 2017 EPS guidance of $1.25 - $1.33. Earnings growth driven by
  - Utility rate relief and continued customer growth,
  - Increased contribution from CenterPoint Energy Services, partially attributable to recent acquisitions, and
  - Increased earnings per Enable Midstream Partners' forecast, as provided on Enable's fourth quarter 2016 earnings call,
- Company targets upper end of 4-6% earnings growth range for 2018

**Houston, TX – Feb. 28, 2017** - CenterPoint Energy, Inc. (NYSE: CNP) today reported full-year 2016 net income of $432 million, or $1.00 per diluted share, compared to a net loss of $692 million, or a loss of $1.61 per diluted share in 2015. This loss included pre-tax impairment charges taken during 2015 totaling $1,846 million, related to midstream investments.

On a guidance basis, full-year 2016 earnings were $1.16 per diluted share, consisting of $0.88 from utility operations and $0.28 from midstream investments. Full-year 2015 earnings on a guidance basis were $1.10 per diluted share, consisting of $0.79 from utility operations and $0.31 from midstream investments.

Fourth quarter 2016 earnings were $0.23 per diluted share, compared to a net loss of $1.18 per diluted share for the fourth quarter of 2015. This loss included pre-tax impairment charges totaling $984 million related to midstream investments. On a guidance basis, fourth quarter 2016 earnings were $0.26 per diluted share, compared to fourth quarter 2015 earnings of $0.27 per diluted share.

"I am very pleased with our performance in 2016. We had solid results and delivered more than 5 percent year-over-year EPS growth on a guidance basis," said Scott M. Prochazka, president and chief executive officer of CenterPoint Energy. "We continue to see notably strong customer growth across our service territory, including more than 2 percent customer growth in and around the Houston area."

## Business Segments

### Electric Transmission & Distribution

The electric transmission & distribution segment reported full-year 2016 operating income of $628 million, consisting of $537 million from the regulated electric transmission & distribution utility operations (TDU) and $91 million related to securitization bonds. Operating income for the same period of 2015 was $607 million, consisting of $502 million from the TDU and $105 million related to securitization bonds.

Full-year 2016 operating income for the TDU benefited from rate relief, customer growth with the addition of over 54,000 customers, as well as higher equity return, primarily due to true-up proceeds. These increases were partially offset by higher depreciation, higher O&M expenses and lower right of way revenues.

### Natural Gas Distribution

The natural gas distribution segment reported full-year 2016 operating income of $303 million compared with $273 million in 2015.

Full-year 2016 operating income for natural gas distribution improved as a result of rate relief, lower bad debt expense and customer growth with the addition of more than 35,000 customers. This improvement was partially offset by increased depreciation and amortization, increased labor and benefits expenses and increased contract services expenses.

### Energy Services

The energy services segment reported full-year 2016 operating income of $20 million, which included a mark-to-market loss of $21 million, compared with $42 million in 2015, which included a mark-to-market gain of $4 million. Excluding mark-to-market adjustments, operating income was $41 million in 2016 and $38 million in 2015.

### Midstream Investments

The midstream investments segment reported full-year 2016 equity income of $208 million, compared to a loss of $1,633 million in 2015, which included the impairment charges noted above. The impairments in 2015 were partially offset by full-year earnings of $213 million.

## Earnings Outlook

CenterPoint Energy expects earnings on a guidance basis for 2017 in the range of $1.25 - $1.33 per diluted share. This guidance includes anticipated utility operations earnings of $0.93 - $0.97 per diluted share and anticipated midstream investment earnings of $0.31 - $0.37 per diluted share.

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The utility operations guidance range considers performance to date and certain significant variables that may impact earnings, such as weather, regulatory and judicial proceedings, throughput, commodity prices, 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 for midstream investments, the company assumes a 54.1 percent limited partner ownership interest in Enable Midstream and includes the amortization of CenterPoint Energy's basis differential in Enable Midstream. CenterPoint Energy's guidance takes into account such factors as Enable Midstream's most recent public outlook for 2017 dated Feb. 21, 2017, and effective tax rates. The company does not include other potential impacts such as any changes in accounting standards or Enable Midstream's unusual items.

**CenterPoint Energy, Inc. and Subsidiaries Reconciliation of Net Income (Loss) and Diluted EPS to Adjusted Net Income and Adjusted Diluted EPS used in providing annual earnings guidance**

| | Twelve Months Ended | | | |
|---|---|---|---|---|
| | December 31, 2016 | | December 31, 2015 | |
| | Net Income (in millions) | Diluted EPS | Net Income (in millions) | Diluted EPS |
| **Consolidated as reported** | $ 432 | $ 1.00 | $ (692) | $ (1.61) |
| Midstream Investments | (121) | (0.28) | 1,024 | 2.38 |
| Utility Operations (1) | 311 | 0.72 | 332 | 0.77 |
| **Loss on impairment of Midstream Investments:** | | | | |
| CenterPoint's impairment of its investment in Enable (net of taxes of $456)(3) | — | — | 769 | 1.79 |
| CenterPoint's share of Enable's impairment of its goodwill and long-lived assets (net of taxes of $233)(3) | — | — | 388 | 0.90 |
| Total loss on impairment | — | — | 1,157 | 2.69 |
| **Midstream Investments excluding loss on impairment** | 121 | 0.28 | 133 | 0.31 |
| **Consolidated excluding loss on impairment** | 432 | 1.00 | 465 | 1.08 |
| **Timing effects impacting CES(2):** | | | | |
| Mark-to-market (gains) losses (net of taxes of $8 and $2)(3) | 13 | 0.03 | (2) | (0.01) |
| **ZENS-related mark-to-market (gains) losses:** | | | | |
| Marketable securities (net of taxes of $114 and $33) (3)(4) | (212) | (0.49) | 60 | 0.14 |
| Indexed debt securities (net of taxes of $145 and $26) (3)(5) | 268 | 0.62 | (48) | (0.11) |
| **Utility operations earnings on an adjusted guidance basis** | $ 380 | $ 0.88 | $ 342 | $ 0.79 |
| **Adjusted net income and adjusted diluted EPS used in providing earnings guidance:** | | | | |
| Utility Operations on a guidance basis | $ 380 | $ 0.88 | $ 342 | $ 0.79 |
| Midstream Investments excluding loss on impairment | 121 | 0.28 | 133 | 0.31 |
| **Consolidated on a guidance basis** | $ 501 | $ 1.16 | $ 475 | $ 1.10 |

(1) CenterPoint earnings excluding Midstream Investments
(2) Energy Services segment
(3) Taxes are computed based on the impact removing such item would have on tax expense
(4) As of May 18, 2016, comprised of Time Warner Inc., Charter Communications, Inc. and Time Inc. Prior to May 18, 2016, comprised of Time Warner Inc., Time Warner Cable Inc. and Time Inc.
Results prior to June 23, 2015 also included AOL Inc.
(5) 2016 includes amount associated with the Charter Communications, Inc. and Time Warner Cable Inc. merger
2015 includes amount associated with Verizon tender offer for AOL, Inc common stock

**CenterPoint Energy, Inc. and Subsidiaries Reconciliation of Net Income (Loss) and Diluted EPS to Adjusted Net Income and Adjusted Diluted EPS used in providing annual earnings guidance**

| | Quarter Ended | | | |
|---|---|---|---|---|
| | December 31, 2016 | | December 31, 2015 | |
| | Net Income (in millions) | Diluted EPS | Net Income (in millions) | Diluted EPS |
| **Consolidated as reported** | $ 101 | $ 0.23 | $ (509) | $ (1.18) |
| Midstream Investments | (25) | (0.06) | 589 | 1.37 |
| Utility Operations (1) | 76 | 0.17 | 80 | 0.19 |
| **Loss on impairment of Midstream Investments:** | | | | |
| CenterPoint's impairment of its investment in Enable (net of taxes of $362)(3) | — | — | 613 | 1.43 |
| CenterPoint's share of Enable's impairment of its goodwill and long-lived assets (net of taxes of $2)(3) | — | — | 7 | 0.01 |
| Total loss on impairment | — | — | 620 | 1.44 |
| **Midstream Investments excluding loss on impairment** | 25 | 0.06 | 31 | 0.07 |
| **Consolidated excluding loss on impairment** | 101 | 0.23 | 111 | 0.26 |
| **Timing effects impacting CES(2):** | | | | |
| Mark-to-market (gains) losses (net of taxes of $1)(3) | 2 | 0.01 | — | — |
| **ZENS-related mark-to-market (gains) losses:** | | | | |
| Marketable securities (net of taxes of $49 and $8) (3)(4) | (90) | (0.21) | 13 | 0.03 |
| Indexed debt securities (net of taxes of $55 and $4) (3) | 100 | 0.23 | (8) | (0.02) |
| **Utility operations earnings on an adjusted guidance basis** | $ 88 | $ 0.20 | $ 85 | $ 0.20 |
| **Adjusted net income and adjusted diluted EPS used in providing earnings guidance:** | | | | |
| Utility Operations on a guidance basis | $ 88 | $ 0.20 | $ 85 | $ 0.20 |
| Midstream Investments excluding loss on impairment | 25 | 0.06 | 31 | 0.07 |
| **Consolidated on a guidance basis** | $ 113 | $ 0.26 | $ 116 | $ 0.27 |

(1) CenterPoint earnings excluding Midstream Investments
(2) Energy Services segment
(3) Taxes are computed based on the impact removing such item would have on tax expense
(4) As of May 18, 2016, comprised of Time Warner Inc., Charter Communications, Inc. and Time Inc. Prior to May 18, 2016, comprised of Time Warner Inc., Time Warner Cable Inc. and Time Inc.

**Filing of Form 10-K for CenterPoint Energy, Inc.**

Today, CenterPoint Energy, Inc. filed with the Securities and Exchange Commission (SEC) its Annual Report on Form 10-K for the year ended December 31, 2016. A copy of that report is available on the company's website, under the Investors section. Other filings the company makes with the SEC and certain documents relating to its corporate governance can also be found under the Investors section.

**Webcast of Earnings Conference Call**

CenterPoint Energy's management will host an earnings conference call on Tuesday, February 28, 2017, at 10:00 a.m. Central time or 11:00 a.m. Eastern time. Interested parties may listen to a live audio broadcast of the conference call on the company's website under the Investors section. A replay of the call can be accessed approximately two hours after the completion of the call and will be archived on the website for at least one year.

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and 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 140 years. For more information, visit the website at www.CenterPointEnergy.com.

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. 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, and future financial performance and results of operations, including, but not limited to earnings guidance, targeted dividend growth rate 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) state and federal legislative and regulatory actions or developments affecting various aspects of CenterPoint Energy's businesses (including the businesses of Enable Midstream Partners (Enable Midstream)), including, among others, energy deregulation or re-regulation, pipeline integrity and safety, health care reform, financial reform, tax legislation, and actions regarding the rates charged by CenterPoint Energy's regulated businesses; (2) state and federal legislative and regulatory actions or developments relating to the environment, including those related to global climate change; (3) recording of non-cash goodwill, long-lived asset or other than temporary impairment charges by or related to Enable Midstream; (4) timely and appropriate rate actions that allow recovery of costs and a reasonable return on investment; (5) the timing and outcome of any audits, disputes or other proceedings related to taxes; (6) problems with 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; (7) 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; (8) the timing and extent of changes in commodity prices, particularly natural gas and natural gas liquids, and the effects of geographic and seasonal commodity price differentials, and the impact of commodity changes on producer related activities; (9) weather variations and other natural phenomena, including the impact on operations and capital from severe weather events; (10) 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 its businesses or the businesses of third parties, or other catastrophic events; (11) the impact of unplanned facility outages; (12) timely and appropriate regulatory actions allowing securitization or other recovery of costs associated with any future hurricanes or natural disasters; (13) changes in interest rates or rates of inflation; (14) commercial bank and financial market conditions, CenterPoint Energy's access to capital, the cost of such capital, and the results of its financing and refinancing efforts, including availability of funds in the debt capital markets; (15) actions by credit rating agencies; (16) effectiveness of CenterPoint Energy's risk management activities; (17) inability of various counterparties to meet their obligations; (18) non-payment for services due to financial distress of

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CenterPoint Energy's and Enable Midstream's customers; (19) the ability of GenOn Energy, Inc. (formerly known as RRI Energy, Inc.), a wholly owned subsidiary of NRG Energy, Inc., and its subsidiaries to satisfy their obligations to CenterPoint Energy and its subsidiaries; (20) the ability of retail electric providers, and particularly the largest customers of the TDU, to satisfy their obligations to CenterPoint Energy and its subsidiaries; (21) the outcome of litigation; (22) CenterPoint Energy's ability to control costs, invest planned capital, or execute growth projects; (23) the investment performance of pension and postretirement benefit plans; (24) potential business strategies, including restructurings, joint ventures, and acquisitions or dispositions of assets or businesses, for which no assurance can be given that they will be completed or will provide the anticipated benefits to CenterPoint Energy; (25) acquisition and merger activities and successful integration of such activities, involving CenterPoint Energy or its competitors; (26) the ability to recruit, effectively transition and retain management and key employees and maintain good labor relations; (27) future economic conditions in regional and national markets and their effects on sales, prices and costs; (28) the performance of Enable Midstream, the amount of cash distributions CenterPoint Energy receives from Enable Midstream, and the value of its interest in Enable Midstream, and factors that may have a material impact on such performance, cash distributions and value, including certain of the factors specified above and: (A) the integration of the operations of the businesses contributed to Enable Midstream; (B) the achievement of anticipated operational and commercial synergies and expected growth opportunities, and the successful implementation of Enable Midstream's business plan; (C) competitive conditions in the midstream industry, and actions taken by Enable Midstream's customers and competitors, including the extent and timing of the entry of additional competition in the markets served by Enable Midstream; (D) the timing and extent of changes in the supply of natural gas and associated commodity prices, particularly natural gas and natural gas liquids, the competitive effects of the available pipeline capacity in the regions served by Enable Midstream, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable Midstream's interstate pipelines; (E) the demand for crude oil, natural gas, NGLs and transportation and storage services; (F) changes in tax status; (G) access to growth capital; and (H) the availability and prices of raw materials for current and future construction projects; (29) effective tax rate; (30) the effect of changes in and application of accounting standards and pronouncements; (31) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2016, 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 by CenterPoint Energy in Providing Guidance**

In addition to presenting its financial results in accordance with generally accepted accounting principles (GAAP), including presentation of net income and diluted earnings per share, CenterPoint Energy also provides guidance based on adjusted net income and adjusted diluted earnings per share, which are non-GAAP financial measures. 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 net income and adjusted diluted earnings per share calculation excludes from net income and diluted earnings per share, respectively, the impact of ZENS and related securities, mark-to-market gains or losses resulting from the company's Energy Services business and adjustments for impairment charges. CenterPoint Energy is unable to present a quantitative reconciliation of forward looking adjusted net income and adjusted diluted earnings per share because changes in the value of ZENS and related securities, mark-to-market gains or losses resulting from the company's Energy Services business and impairment charges are not estimable.

Management evaluates the company's financial performance in part based on adjusted net income and adjusted diluted earnings per share. We believe that presenting these non-GAAP financial measures 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 these non-GAAP financial measures exclude items that Management believes does not most accurately reflect the company's fundamental business performance. These excluded items are reflected in the reconciliation tables of this news release, where applicable. CenterPoint Energy's adjusted net income and adjusted diluted earnings per share non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, net income and diluted earnings per share, which respectively are the most directly comparable GAAP financial measures. These non-GAAP financial measures also may be different than non-GAAP financial measures used by other companies.

###

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

| | Quarter Ended December 31, 2016 | Quarter Ended December 31, 2015 | Year Ended December 31, 2016 | Year Ended December 31, 2015 |
|---|---|---|---|---|
| Revenues: | | | | |
| Utility revenues | $1,437 | $ 1,346 | $5,440 | $ 5,448 |
| Non-utility revenues | 644 | 445 | 2,088 | 1,938 |
| Total | 2,081 | 1,791 | 7,528 | 7,386 |
| Expenses: | | | | |
| Utility natural gas | 320 | 277 | 983 | 1,264 |
| Non-utility natural gas | 615 | 415 | 1,983 | 1,838 |
| Operation and maintenance | 554 | 542 | 2,093 | 2,007 |
| Depreciation and amortization | 253 | 246 | 1,126 | 970 |
| Taxes other than income taxes | 96 | 85 | 384 | 374 |
| Total | 1,838 | 1,565 | 6,569 | 6,453 |
| Operating Income | 243 | 226 | 959 | 933 |
| Other Income (Expense): | | | | |
| Gain (loss) on marketable securities | 139 | (21) | 326 | (93) |
| Gain (loss) on indexed debt securities | (155) | 12 | (413) | 74 |
| Interest and other finance charges | (82) | (86) | (338) | (352) |
| Interest on securitization bonds | (21) | (25) | (91) | (105) |
| Equity in earnings (losses) of unconsolidated affiliate | 44 | (934) | 208 | (1,633) |
| Other—net | (6) | 10 | 35 | 46 |
| Total | (81) | (1,044) | (273) | (2,063) |
| Income (Loss) Before Income Taxes | 162 | (818) | 686 | (1,130) |
| Income Tax Expense (Benefit) | 61 | (309) | 254 | (438) |
| Net Income (Loss) | $ 101 | $ (509) | $ 432 | $ (692) |

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

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

| | Quarter Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| Basic Earnings (Loss) Per Common Share | $ 0.23 | $ (1.18) | $ 1.00 | $ (1.61) |
| Diluted Earnings (Loss) Per Common Share | $ 0.23 | $ (1.18) | $ 1.00 | $ (1.61) |
| Dividends Declared per Common Share | $ 0.2575 | $ 0.2475 | 1.0300 | $ 0.9900 |
| Weighted Average Common Shares Outstanding (000): | | | | |
| - Basic | 430,682 | 430,262 | 430,606 | 430,180 |
| - Diluted | 433,679 | 430,262 | 433,603 | 430,180 |
| Operating Income by Segment | | | | |
| Electric Transmission & Distribution: | | | | |
| TDU | $ 109 | $ 84 | $ 537 | $ 502 |
| Bond Companies | 21 | 25 | 91 | 105 |
| Total Electric Transmission & Distribution | 130 | 109 | 628 | 607 |
| Natural Gas Distribution | 101 | 97 | 303 | 273 |
| Energy Services | 9 | 13 | 20 | 42 |
| Other Operations | 3 | 7 | 8 | 11 |
| Total | $ 243 | $ 226 | $ 959 | $ 933 |

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

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

| | Electric Transmission & Distribution | | | | |
|---|---|---|---|---|---|
| | Quarter Ended December 31, | | % Diff | Year Ended December 31, | | % Diff |
| | 2016 | 2015 | Fav/(Unfav) | 2016 | 2015 | Fav/(Unfav) |
| **Results of Operations:** | | | | | | |
| Revenues: | | | | | | |
| TDU | $ 626 | $ 582 | 8% | $ 2,507 | $ 2,364 | 6% |
| Bond Companies | 103 | 119 | (13%) | 553 | 481 | 15% |
| Total | 729 | 701 | 4% | 3,060 | 2,845 | 8% |
| Expenses: | | | | | | |
| Operation and maintenance, excluding Bond Companies | 360 | 356 | (1%) | 1,355 | 1,300 | (4%) |
| Depreciation and amortization, excluding Bond Companies | 99 | 87 | (14%) | 384 | 340 | (13%) |
| Taxes other than income taxes | 58 | 55 | (5%) | 231 | 222 | (4%) |
| Bond Companies | 82 | 94 | 13% | 462 | 376 | (23%) |
| Total | 599 | 592 | (1%) | 2,432 | 2,238 | (9%) |
| Operating Income | $ 130 | $ 109 | 19% | $ 628 | $ 607 | 3% |
| Operating Income: | | | | | | |
| TDU | $ 109 | $ 84 | 30% | $ 537 | $ 502 | 7% |
| Bond Companies | 21 | 25 | (16%) | 91 | 105 | (13%) |
| Total Segment Operating Income | $ 130 | $ 109 | 19% | $ 628 | $ 607 | 3% |
| **Electric Transmission & Distribution Operating Data:** | | | | | | |
| **Actual MWH Delivered** | | | | | | |
| Residential | 6,159,687 | 5,711,032 | 8% | 29,586,399 | 28,995,001 | 2% |
| Total | 19,990,319 | 18,812,439 | 6% | 86,828,902 | 84,190,647 | 3% |
| **Weather (average for service area):** | | | | | | |
| Percentage of 10-year average: | | | | | | |
| Cooling degree days | 200% | 118% | 82% | 112% | 101% | 11% |
| Heating degree days | 25% | 61% | (36%) | 61% | 102% | (41%) |
| **Number of metered customers—end of period:** | | | | | | |
| Residential | 2,129,773 | 2,079,899 | 2% | 2,129,773 | 2,079,899 | 2% |
| Total | 2,403,340 | 2,348,517 | 2% | 2,403,340 | 2,348,517 | 2% |

| | Natural Gas Distribution | | | | | |
|---|---|---|---|---|---|---|
| | Quarter Ended December 31, | | % Diff | Year Ended December 31, | | % Diff |
| | 2016 | 2015 | Fav/(Unfav) | 2016 | 2015 | Fav/(Unfav) |
| **Results of Operations:** | | | | | | |
| Revenues | $ 716 | $ 653 | 10% | $ 2,409 | $ 2,632 | (8%) |
| Natural gas | 329 | 283 | (16%) | 1,008 | 1,297 | 22% |
| Gross Margin | 387 | 370 | 5% | 1,401 | 1,335 | 5% |
| Expenses: | | | | | | |
| Operation and maintenance | 188 | 187 | (1%) | 714 | 697 | (2%) |
| Depreciation and amortization | 62 | 57 | (9%) | 242 | 222 | (9%) |
| Taxes other than income taxes | 36 | 29 | (24%) | 142 | 143 | 1% |
| Total | 286 | 273 | (5%) | 1,098 | 1,062 | (3%) |
| Operating Income | $ 101 | $ 97 | 4% | $ 303 | $ 273 | 11% |
| **Natural Gas Distribution Operating Data:** | | | | | | |
| **Throughput data in BCF** | | | | | | |
| Residential | 47 | 43 | 9% | 152 | 171 | (11%) |
| Commercial and Industrial | 66 | 66 | — | 259 | 262 | (1%) |
| Total Throughput | 113 | 109 | 4% | 411 | 433 | (5%) |
| **Weather (average for service area)** | | | | | | |
| Percentage of 10-year average: | | | | | | |
| Heating degree days | 80% | 73% | 7% | 84% | 95% | (11%) |
| **Number of customers—end of period:** | | | | | | |
| Residential | 3,183,538 | 3,149,845 | 1% | 3,183,538 | 3,149,845 | 1% |
| Commercial and Industrial | 255,806 | 253,921 | 1% | 255,806 | 253,921 | 1% |
| Total | 3,439,344 | 3,403,766 | 1% | 3,439,344 | 3,403,766 | 1% |

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

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

| | Energy Services | | | | | |
|---|---|---|---|---|---|---|
| | Quarter Ended December 31, | | % Diff | Year Ended December 31, | | % Diff |
| | 2016 | 2015 | Fav/(Unfav) | 2016 | 2015 | Fav/(Unfav) |
| **Results of Operations:** | | | | | | |
| Revenues | $ 649 | $ 447 | 45% | $ 2,099 | $ 1,957 | 7% |
| Natural gas | 622 | 422 | (47%) | 2,011 | 1,867 | (8%) |
| Gross Margin | 27 | 25 | 8% | 88 | 90 | (2%) |
| Expenses: | | | | | | |
| Operation and maintenance | 16 | 10 | (60%) | 59 | 42 | (40%) |
| Depreciation and amortization | 2 | 2 | — | 7 | 5 | (40%) |
| Taxes other than income taxes | — | — | — | 2 | 1 | (100%) |
| Total | 18 | 12 | (50%) | 68 | 48 | (42%) |
| Operating Income | $ 9 | $ 13 | (31%) | $ 20 | $ 42 | (52%) |
| Mark-to-market gain (loss) | $ (3) | $ 1 | (400%) | $ (21) | $ 4 | (625%) |
| **Energy Services Operating Data:** | | | | | | |
| **Throughput data in BCF** | 207 | 159 | 30% | 777 | 618 | 26% |
| **Number of customers—end of period** | 30,332 | 18,099 | 68% | 30,332 | 18,099 | 68% |

| | Other Operations | | | | | |
|---|---|---|---|---|---|---|
| | Quarter Ended December 31, | | % Diff | Year Ended December 31, | | % Diff |
| | 2016 | 2015 | Fav/(Unfav) | 2016 | 2015 | Fav/(Unfav) |
| **Results of Operations:** | | | | | | |
| Revenues | $ 4 | $ 3 | 33% | $ 15 | $ 14 | 7% |
| Expenses (income) | 1 | (4) | (125%) | 7 | 3 | (133%) |
| Operating Income | $ 3 | $ 7 | (57%) | $ 8 | $ 11 | (27%) |

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

| | Quarter Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| **Capital Expenditures by Segment** | | | | |
| Electric Transmission & Distribution | $ 220 | $ 269 | $ 858 | $ 934 |
| Natural Gas Distribution | 139 | 185 | 510 | 601 |
| Energy Services | 2 | 1 | 5 | 5 |
| Other Operations | 17 | 6 | 33 | 35 |
| Total | $ 378 | $ 461 | $ 1,406 | $ 1,575 |

**Interest Expense Detail**
(Millions of Dollars)
(Unaudited)

| | Quarter Ended December 31, | | Year Ended December 31, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| **Interest Expense Detail** | | | | |
| Amortization of Deferred Financing Cost | $ 6 | $ 6 | $ 24 | $ 25 |
| Capitalization of Interest Cost | (3) | (3) | (8) | (10) |
| Transition and System Restoration Bond Interest Expense | 21 | 25 | 91 | 105 |
| Other Interest Expense | 79 | 83 | 322 | 337 |
| Total Interest Expense | $ 103 | $ 111 | $ 429 | $ 457 |

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

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

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets:** | | |
| Cash and cash equivalents | $ 341 | $ 264 |
| Other current assets | 2,582 | 2,425 |
| Total current assets | 2,923 | 2,689 |
| **Property, Plant and Equipment, net** | 12,307 | 11,537 |
| **Other Assets:** | | |
| Goodwill | 862 | 840 |
| Regulatory assets | 2,677 | 3,129 |
| Investment in unconsolidated affiliate | 2,505 | 2,594 |
| Preferred units – unconsolidated affiliate | 363 | — |
| Other non-current assets | 192 | 501 |
| Total other assets | 6,599 | 7,064 |
| **Total Assets** | $ 21,829 | $ 21,290 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current Liabilities:** | | |
| Short-term borrowings | $ 35 | $ 40 |
| Current portion of securitization bonds long-term debt | 411 | 391 |
| Indexed debt | 114 | 145 |
| Current portion of other long-term debt | 500 | 328 |
| Other current liabilities | 2,020 | 1,554 |
| Total current liabilities | 3,080 | 2,458 |
| **Other Liabilities:** | | |
| Accumulated deferred income taxes, net | 5,263 | 5,047 |
| Regulatory liabilities | 1,298 | 1,276 |
| Other non-current liabilities | 1,196 | 1,182 |
| Total other liabilities | 7,757 | 7,505 |
| **Long-term Debt:** | | |
| Securitization bonds | 1,867 | 2,276 |
| Other | 5,665 | 5,590 |
| Total long-term debt | 7,532 | 7,866 |
| **Shareholders' Equity** | 3,460 | 3,461 |
| Total Liabilities and Shareholders' Equity | $ 21,829 | $ 21,290 |

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

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

| | Year Ended December 31, 2016 | Year Ended December 31, 2015 |
|---|---|---|
| **Cash Flows from Operating Activities:** | | |
| Net income (loss) | $ 432 | $ (692) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,152 | 997 |
| Deferred income taxes | 213 | (413) |
| Write-down of natural gas inventory | 1 | 4 |
| Equity in (earnings) losses of unconsolidated affiliate, net of distributions | (208) | 1,779 |
| Changes in net regulatory assets | (60) | 63 |
| Changes in other assets and liabilities | 353 | 105 |
| Other, net | 45 | 22 |
| **Net Cash Provided by Operating Activities** | 1,928 | 1,865 |
| **Net Cash Used in Investing Activities** | (1,046) | (1,387) |
| **Net Cash Used in Financing Activities** | (805) | (512) |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 77 | (34) |
| **Cash and Cash Equivalents at Beginning of Period** | 264 | 298 |
| **Cash and Cash Equivalents at End of Period** | $ 341 | $ 264 |

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

# Full Year 2016 Earnings Call

- *Company reiterates 2017 EPS guidance of $1.25 – $1.33*
- *Company targets upper end of 4-6% earnings growth range for 2018*

February 28, 2017

**DELIVERING ENERGY, SERVICE AND VALUE**

CenterPoint. Energy

# Cautionary Statement

This presentation and the oral statements made in connection herewith contain statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future operations, events, financial position, earnings, growth, costs, prospects, capital investments or performance or underlying assumptions (including future regulatory filings and recovery, liquidity, capital resources, balance sheet, cash flow, capital investments and management, financing costs, and rate base or customer growth) 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. You should not place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied by these statements. You can generally identify our 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 absence of these words, however, does not mean that the statements are not forward-looking.

Examples of forward-looking statements in this presentation include statements about our review of our ownership interest in Enable Midstream, our acquisition of the retail energy services business of Continuum and Atmos Energy Marketing, including statements about future financial performance, margin, number of customers and operating income and growth, guidance, including earnings and dividend growth, future financing plans and expectation for liquidity and capital resources and expenditures, average rate base, tax reform and rates and interest rates, among other statements. We have based our forward-looking statements on our management's beliefs and assumptions based on information currently available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions, and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

Some of the factors that could cause actual results to differ from those expressed or implied by our forward-looking statements include but are not limited to the timing and impact of future regulatory, legislative and IRS decisions, financial market conditions, future market conditions, economic and employment conditions, customer growth, Enable Midstream's performance and ability to pay distributions, and other factors described in CenterPoint Energy, Inc.'s Form 10-K for the period ended December 31, 2016 under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations - Certain Factors Affecting Future Earnings" and in other filings with the SEC by CenterPoint Energy, which can be found at www.centerpointenergy.com on the Investor Relations page or on the SEC's website at www.sec.gov.

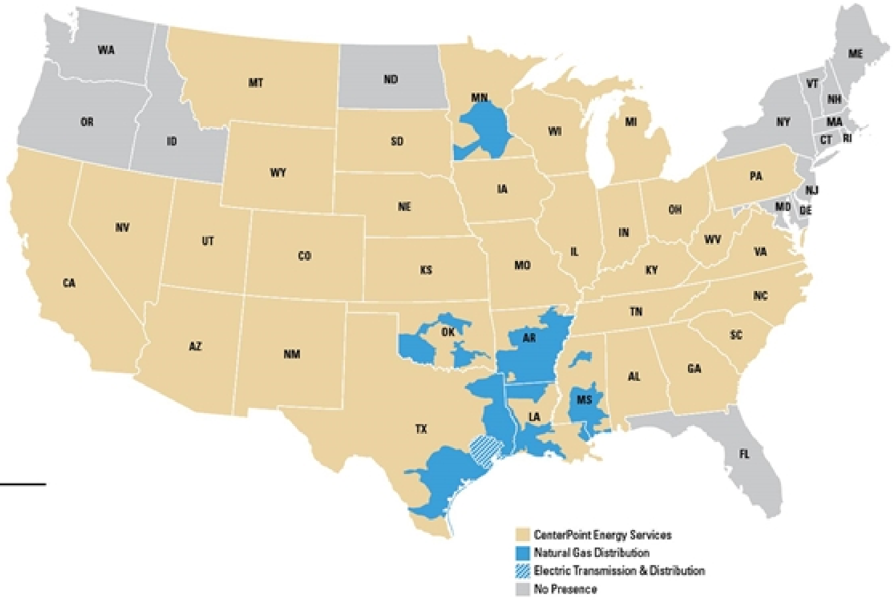
This presentation contains time sensitive information that is accurate as of the date hereof. Some of the information in this presentation is unaudited and may be subject to change. We undertake no obligation to update the information presented herein except as required by law. Investors and others should note that we may announce material information using SEC filings, press releases, public conference calls, webcasts and the Investor Relations page of our website. In the future, we will continue to use these channels to distribute material information about the Company and to communicate important information about the Company, key personnel, corporate initiatives, regulatory updates and other matters. Information that we post on our website could be deemed material; therefore, we encourage investors, the media, our customers, business partners and others interested in our Company to review the information we post on our website.

**Use of Non-GAAP Financial Measures**

In addition to presenting its financial results in accordance with generally accepted accounting principles (GAAP), including presentation of net income and diluted earnings per share, CenterPoint Energy also provides guidance based on adjusted net income and adjusted diluted earnings per share, which are non-GAAP financial measures. 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 net income and adjusted diluted earnings per share calculation excludes from net income and diluted earnings per share, respectively, the impact of ZENS and related securities, mark-to-market gains or losses resulting from the company's Energy Services business and adjustments for impairment charges. A reconciliation of net income and diluted earnings per share to the basis used in providing 2016 guidance is provided in this presentation on slide 18. CenterPoint Energy is unable to present a quantitative reconciliation of forward-looking adjusted net income and adjusted diluted earnings per share because changes in the value of ZENS and related securities, mark-to-market gains or losses resulting from the company's Energy Services business and impairment charges are not estimable.

Management evaluates the company's financial performance in part based on adjusted net income and adjusted diluted earnings per share. We believe that presenting these non-GAAP financial measures 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 these non-GAAP financial measures exclude items that Management believes do not most accurately reflect the company's fundamental business performance. These excluded items are reflected in the reconciliation tables on slides 18, 33, 34 and 35 of this presentation. CenterPoint Energy's adjusted net income and adjusted diluted earnings per share non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, net income and diluted earnings per share, which respectively are the most directly comparable GAAP financial measures. These non-GAAP financial measures also may be different than non-GAAP financial measures used by other companies.

# Scott Prochazka – President and CEO




## Earnings Call Highlights

- Earnings Summary & Outlook
- 2016 Highlights
- Enable Midstream Highlights
- Midstream Investments Ownership Review Update

# 2016 Guidance-Basis EPS Growth in Excess of 5% with Higher Growth Projected for 2017 [2]

### 2016 EPS


### 2015 - 2016 EPS on a Guidance (Non-GAAP) Basis + 2017 Guidance


* 2017 Guidance of $1.25 - $1.33 assumes that earnings from Utility Operations and Midstream Investments will not both be at the top or bottom end of their respective ranges

## We anticipate 2017 EPS growth will be driven by:

- Utility rate relief and continued customer growth
- Increased contribution from CenterPoint Energy Services, partly attributable to recent acquisitions
- Increased earnings per Enable Midstream Partners' forecast [1]

[1] As provided on Enable's 4th quarter 2016 earnings call
[2] Refer to slide 34 for reconciliation to GAAP measures and slide 2 for information on non-GAAP measures

# 2016 Highlights

## Utility Operations

- Strong customer growth – over 90,000 new utility customers
- Total electric throughput up over 3% compared to 2015
- Capital expenditures of ~$1.4 billion invested on behalf of our customers and total rate base growth of 5.4%
- Increased rate relief by $95 million
- Earned ROEs near authorized levels at both electric and gas utilities
- Held O&M growth under 2%, excluding items with revenue offsets and acquisitions
- Acquired the retail energy services business of Continuum and in early 2017 Atmos Energy Marketing (AEM), expanding the scale, geographic reach, and capabilities of Energy Services

## Midstream Investments

- Net income attributable to common and subordinated units and distributable cash flow above the midpoint of 2016 guidance from Enable Midstream

# Highlights from Enable Midstream's Earnings Call on Feb. 21, 2017

CenterPoint Energy

## Recent Commercial Activity

**Gathering and Processing**

- Signed a new 10-year, fee-based G&P contract in the STACK play that replaces a contract with a percent-of-proceeds (POP) processing arrangement

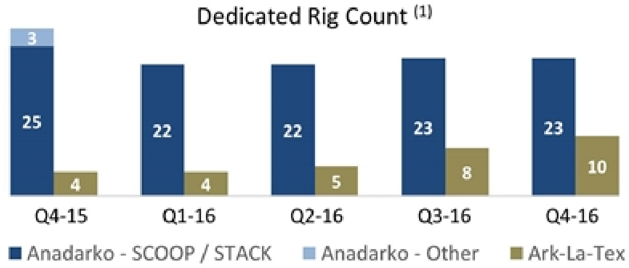
**Transportation and Storage**

- Signed a new 20-year, 228,000 dekatherm per day (Dth/d) intrastate firm service agreement
- Extended a 126,000 Dth/d interstate firm service agreement for 4 additional years
- Extended a 305,000 Dth/d intrastate firm service agreement for 1 additional year

## Recent Commercial Success Benefits

| | |
|---|---|
| Increase Fee-based Margin | ✓ |
| Reduce Commodity Exposure | ✓ |
| Extend Average Contract Life | ✓ |
| Support Continued Capital Deployment | ✓ |

## Rig Activity Remains Strong




## Market-Leading SCOOP/STACK Processing Capacity[2]

**#1 in Processing Capacity**


Source: Enable Midstream Partners, February 21, 2017, Press Release and Q4 Earnings Call. Please refer to these materials for an overview of Enable's Q4 and full year 2016 performance

(1) Contractually dedicated rigs to Enable per Enable's quarterly earnings press releases

(2) Per Bentek as of February 1, 2017; represents processing capacity in designated SCOOP and STACK counties

# Midstream Investments Ownership Review Update

**Criteria for Consideration of a Sale or Spin –** sustainable value for our long-term shareholders

- Comparable earnings per share and dividends
- Improve visibility of future earnings
- Seek to maintain current credit ratings

**Ongoing Activities**

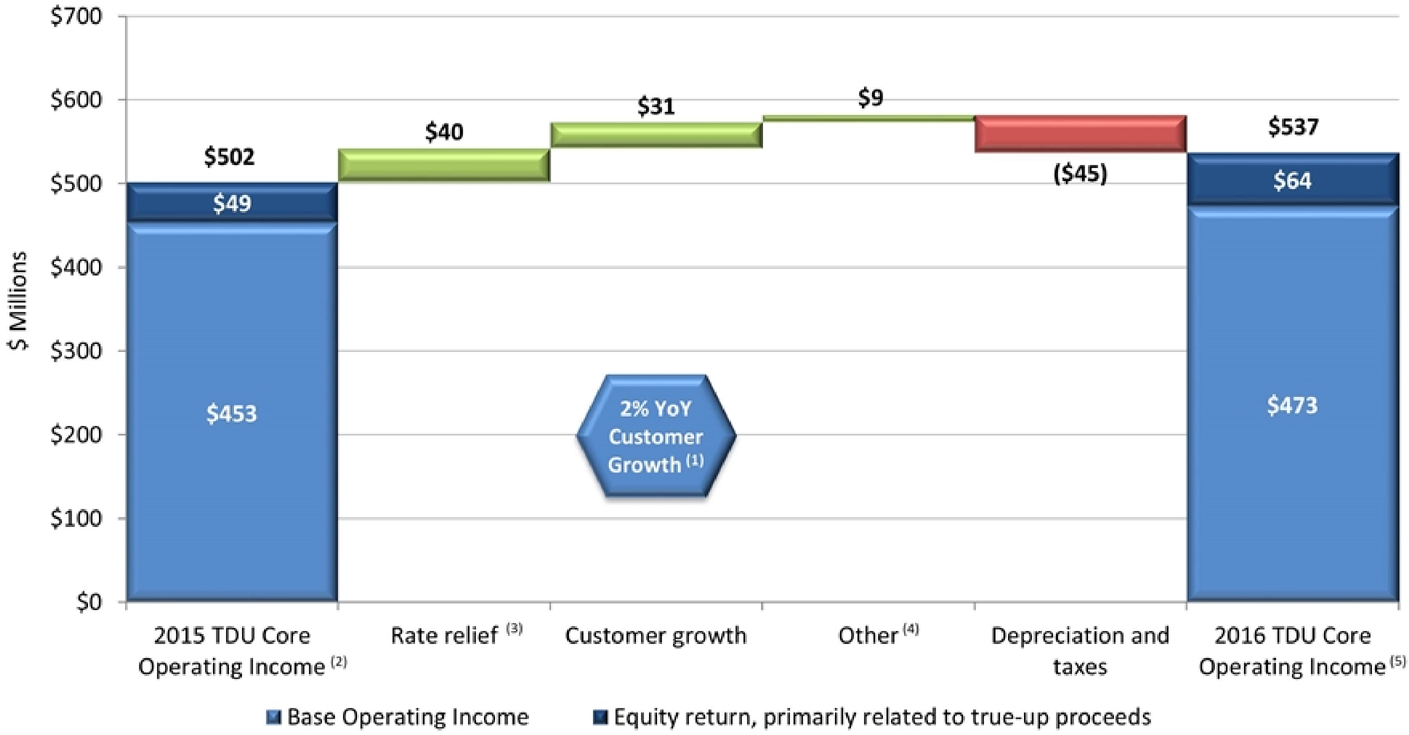
- Evaluating OGE's ROFO offer for sale option
- Continuing discussions with third parties for sale option
- Working to understand tax characteristics and market implications of a spin, including understanding tax leakage

# Tracy Bridge – EVP & President, Houston Electric

## Earnings Call Highlights

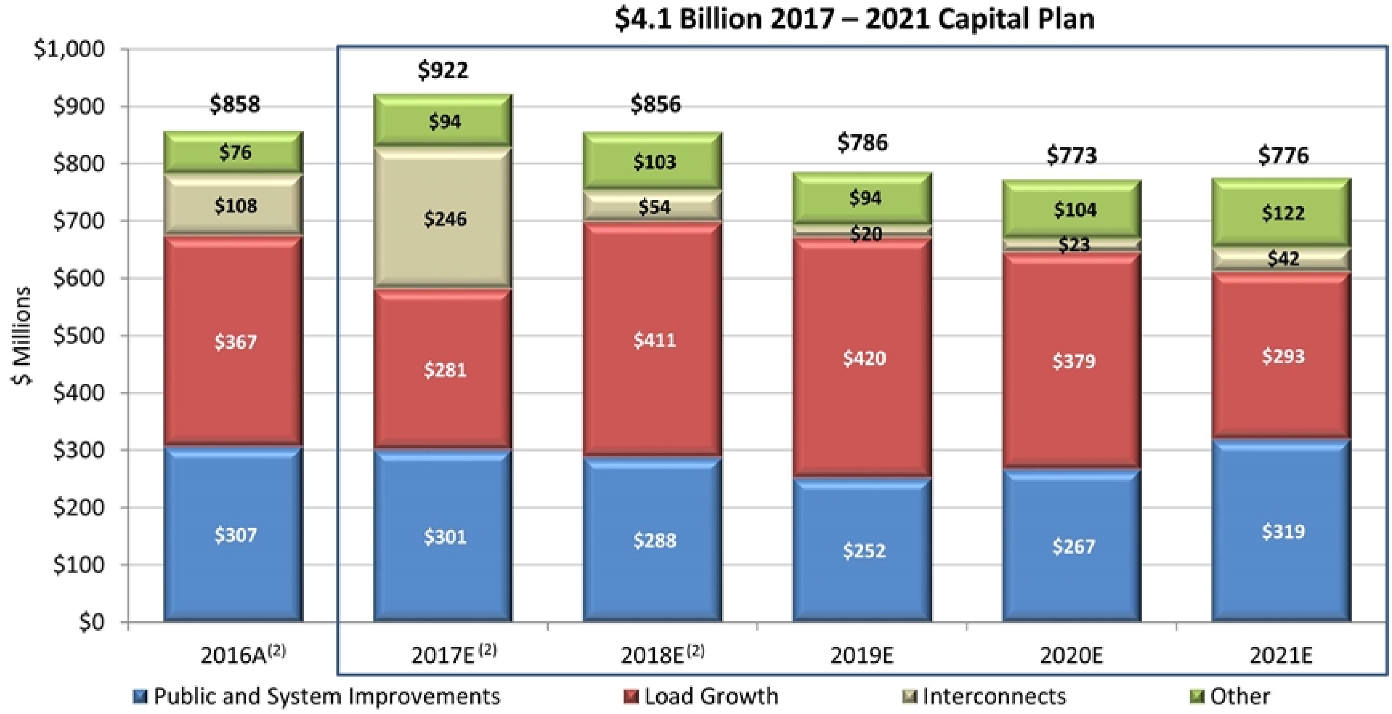
- Operating Income Drivers
- Capital Investment Outlook
- Rate Base Outlook

# Electric Transmission and Distribution Operating Income Drivers 2015 vs 2016




(1) Houston Electric's customer count increased by 54,823 from 2,348,517 as of December 31, 2015 to 2,403,340 as of December 31, 2016
(2) 2015 TDU core operating income represents total segment operating income of $607 million, excluding operating income from transition and system restoration bonds of $105 million
(3) Includes higher DCRF revenues of $13 million and higher net transmission-related revenues of $27 million
(4) Includes higher equity return of $17 million, primarily due to the annual true-up of transition charges correcting for under-collections that occurred during the preceding 12 months primarily offset by higher O&M expenses of $3 million and lower right-of-way revenues of $3 million
(5) 2016 TDU core operating income represents total segment operating income of $628 million, excluding operating income from transition and system restoration bonds of $91 million

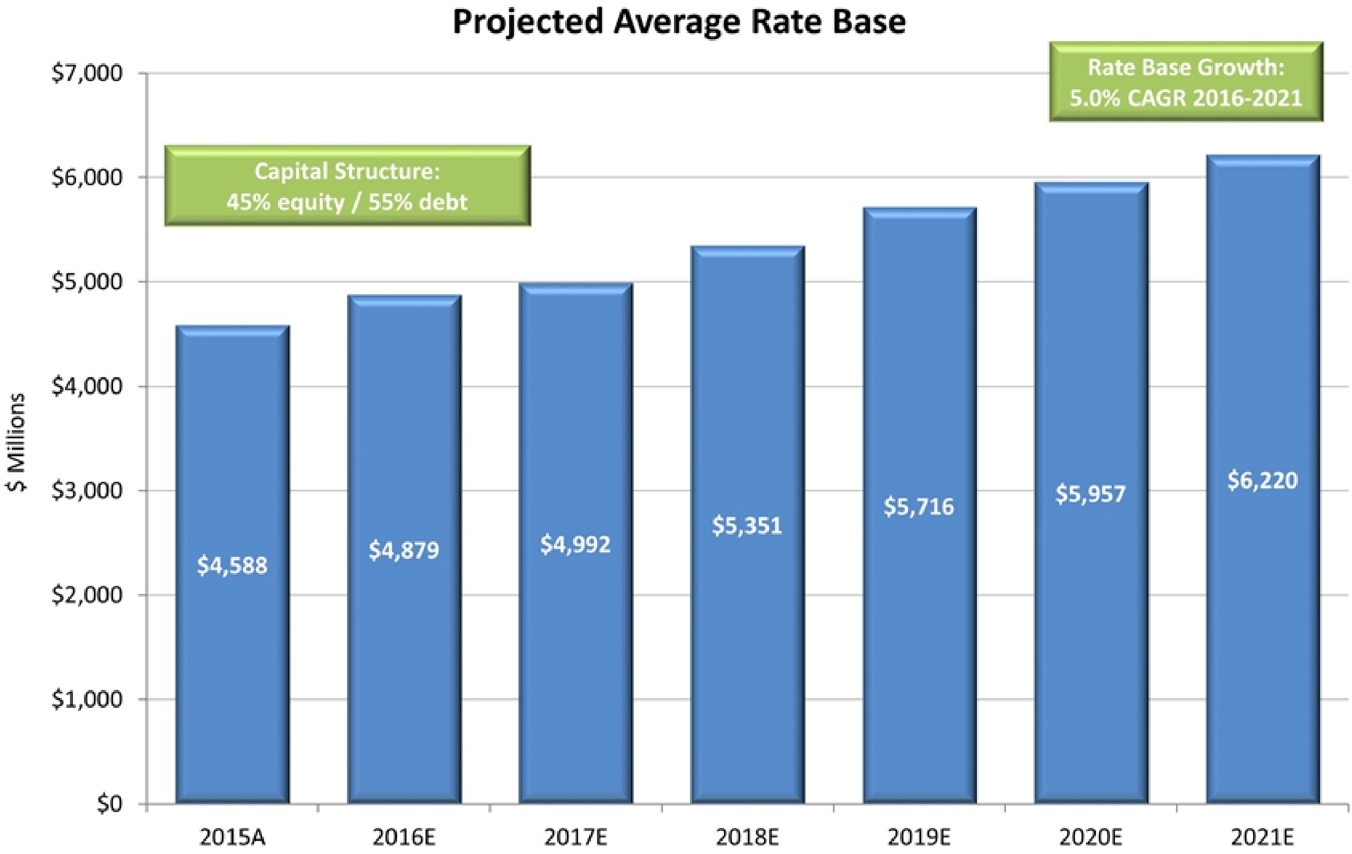
# Electric Transmission and Distribution Capital Investment Outlook [1]




| | 2016A | 2017E | 2018E | 2019E | 2020E | 2021E |
|---|---|---|---|---|---|---|
| Transmission | 48% | 50% | 45% | 47% | 40% | 31% |
| Distribution | 49% | 46% | 50% | 49% | 56% | 64% |

(1) Includes AFUDC
(2) Capital expenditures related to the Brazos Valley Connection include $72 million in 2016 and an estimated $192 million and $39 million in 2017 and 2018, respectively

# Electric Transmission and Distribution
# $6.2 Billion Projected 2021 Average Rate Base




Note: The estimated average annual rate base is subject to change due to actual capital investment, effects of bonus depreciation, deferred taxes, and actual rate base authorized.

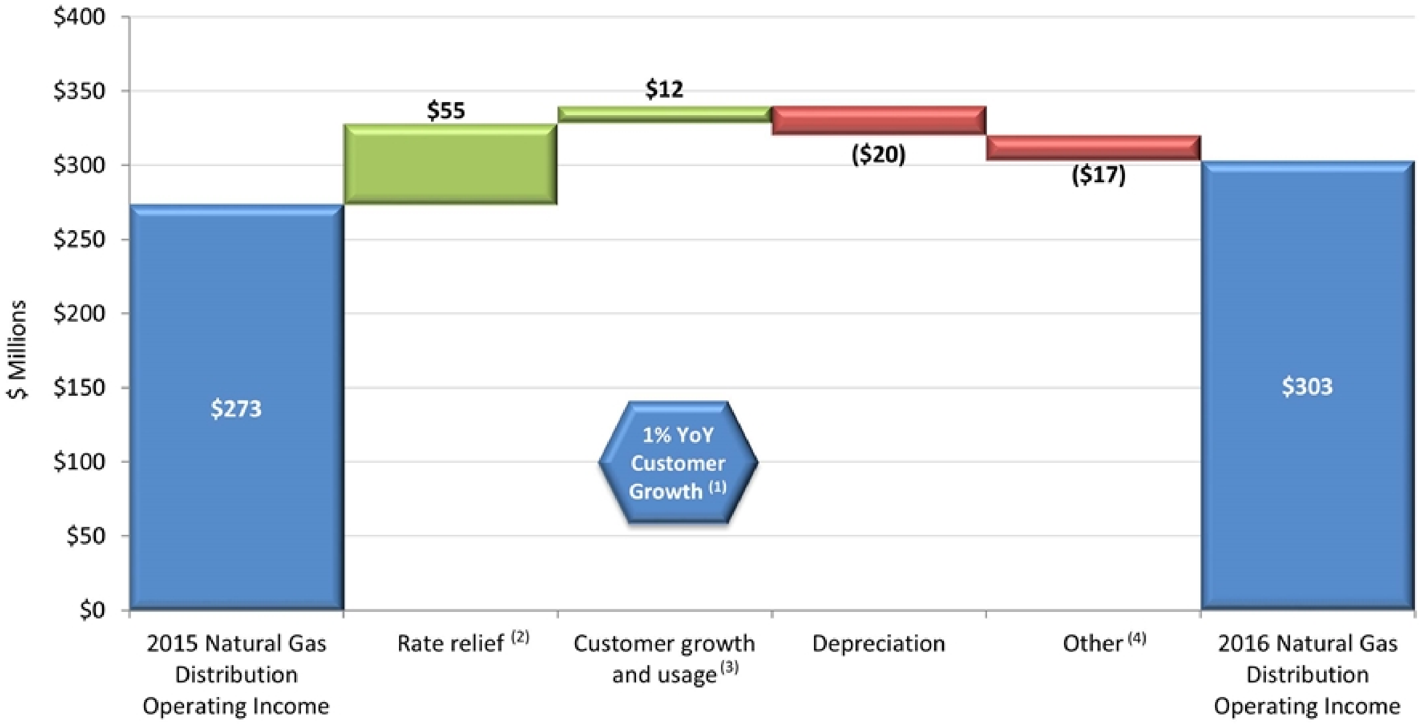
# Joe McGoldrick – EVP & President, Gas Division

CenterPoint Energy


## Earnings Call Highlights

- Natural Gas Distribution
    - Operating Income Drivers
    - Capital Investment Outlook
    - Rate Base Outlook
- Energy Services Results & Outlook

# Natural Gas Distribution
# Operating Income Drivers 2015 vs 2016



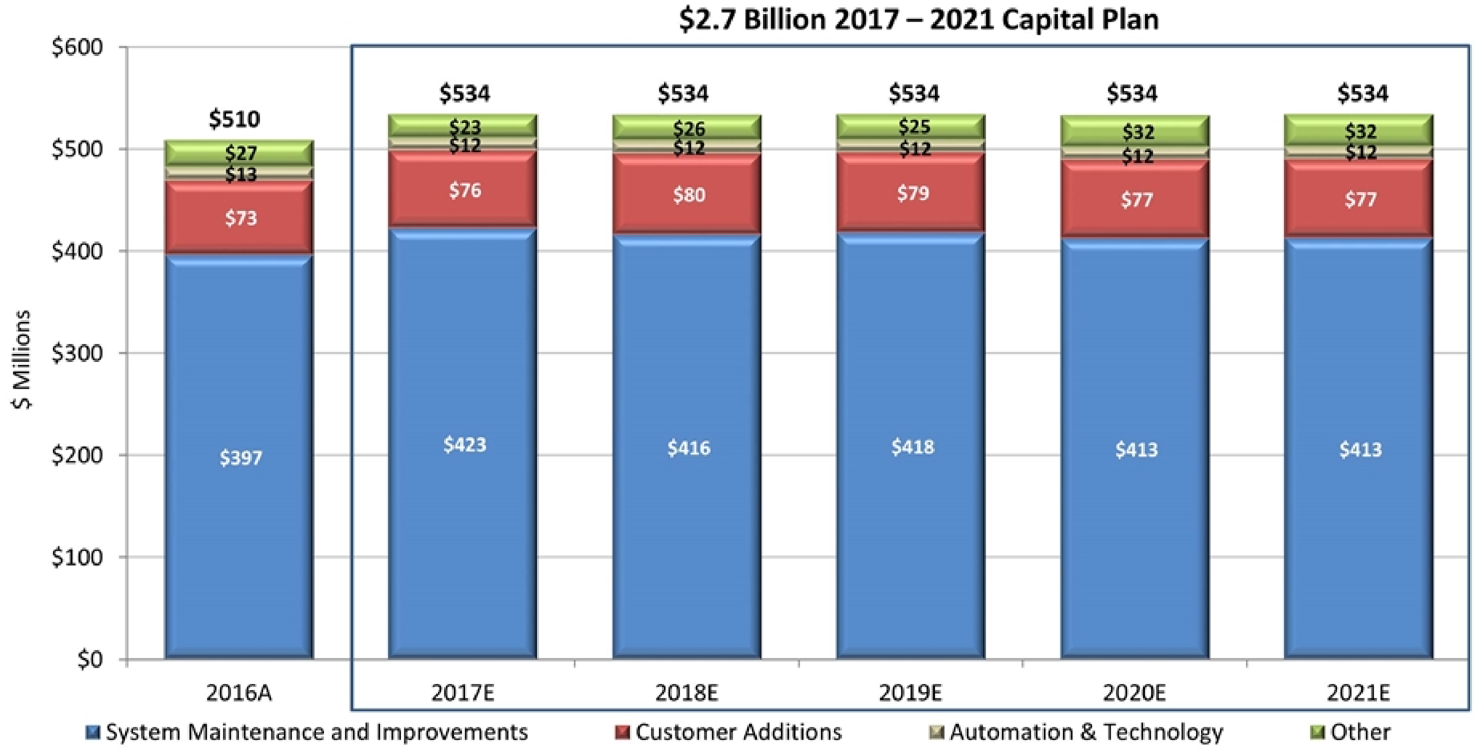

(1) Natural Gas Distribution's customer count increased by 35,578 from 3,403,766 as of December 31, 2015 to 3,439,344 as of December 31, 2016

(2) Rate increases of $55 million, primarily from the 2015 Minnesota rate case, including the decoupling rider, and the Texas GRIP filings

(3) Includes customer growth of $5 million and an increase of $26 million from weather normalization adjustments, including decoupling and hedging activities, partially offset by $19 million of milder weather effects

(4) Includes higher labor and benefits expense of $11 million primarily driven by increased pension costs, increased contract services expenses of $10 million primarily for pipeline integrity, leak surveying and repair activities, and increased other O&M expenses of $8 million related to higher support services costs and other miscellaneous expenses partially offset by lower bad debt expense of $12 million resulting from lower customer bills due to warmer than normal weather and credit and collections process improvements that have reduced write-offs

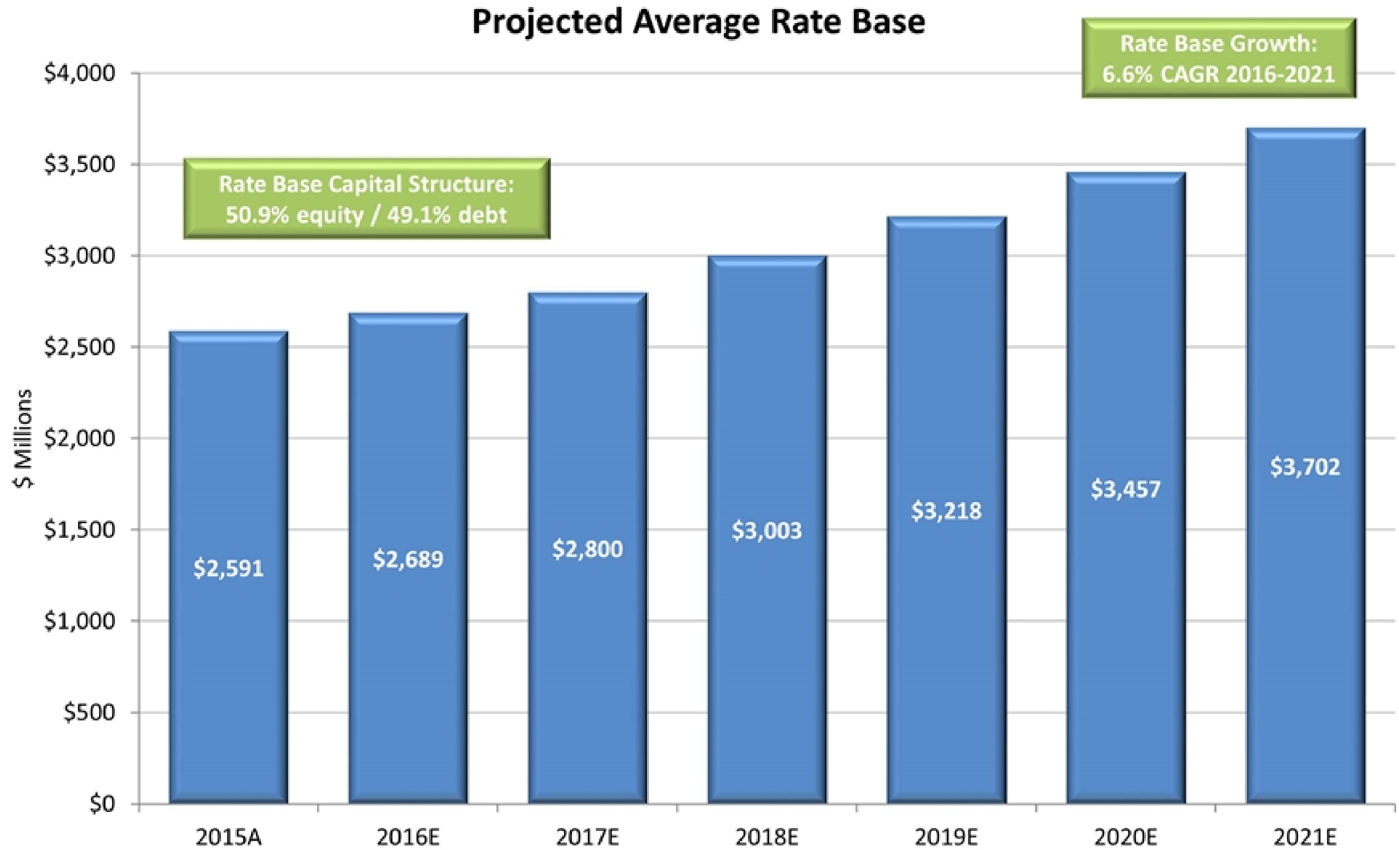
# Natural Gas Distribution Capital Investment Outlook [1]




| Capital Recovery Method | 2016A | 2017E | 2018E | 2019E | 2020E | 2021E |
|---|---|---|---|---|---|---|
| Annual Mechanisms | 27% | 57% | 63% | 57% | 63% | 63% |
| Rate Cases | 73% | 43% | 37% | 43% | 37% | 37% |

[1] Includes AFUDC

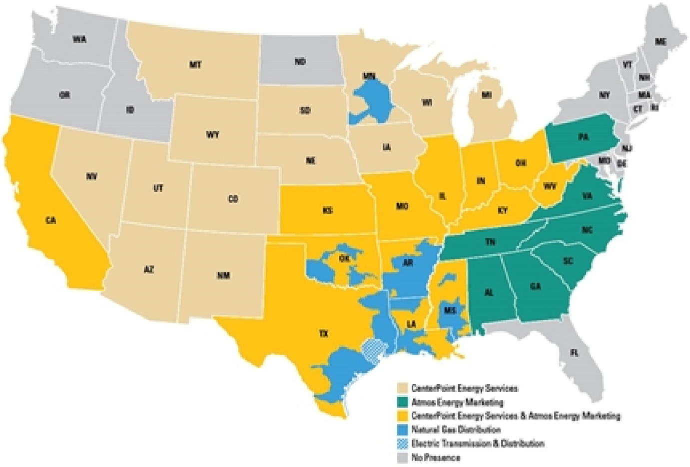
# Natural Gas Distribution
# $3.7 Billion Projected 2021 Average Rate Base

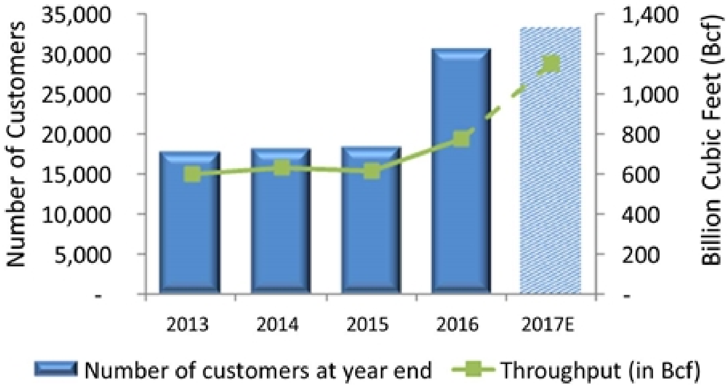



Note: The estimated average annual rate base is subject to change due to actual capital investment, effects of bonus depreciation, deferred taxes, and actual rate base authorized.

# Energy Services Results and Outlook

- **2016 Operating Income**
  - Operating income was $41 million in 2016 compared to $38 million last year, excluding a mark-to-market loss of $21 million and a gain of $4 million, respectively
- **2017 Outlook**
  - Energy Services projected to contribute $45 – $55 million in operating income
  - Acquisition of Continuum's retail energy services business expected to be accretive to earnings
  - Recent AEM acquisition expected to be modestly accretive to earnings




Customer count does not include natural gas customers that are under residential and small commercial choice programs invoiced by their host utility.

# Bill Rogers – EVP & CFO


## Earnings Call Highlights

- 2016 Earnings Drivers
- Liquidity & Capital Resources
- 2017 Guidance Outlook
- Tax Discussion

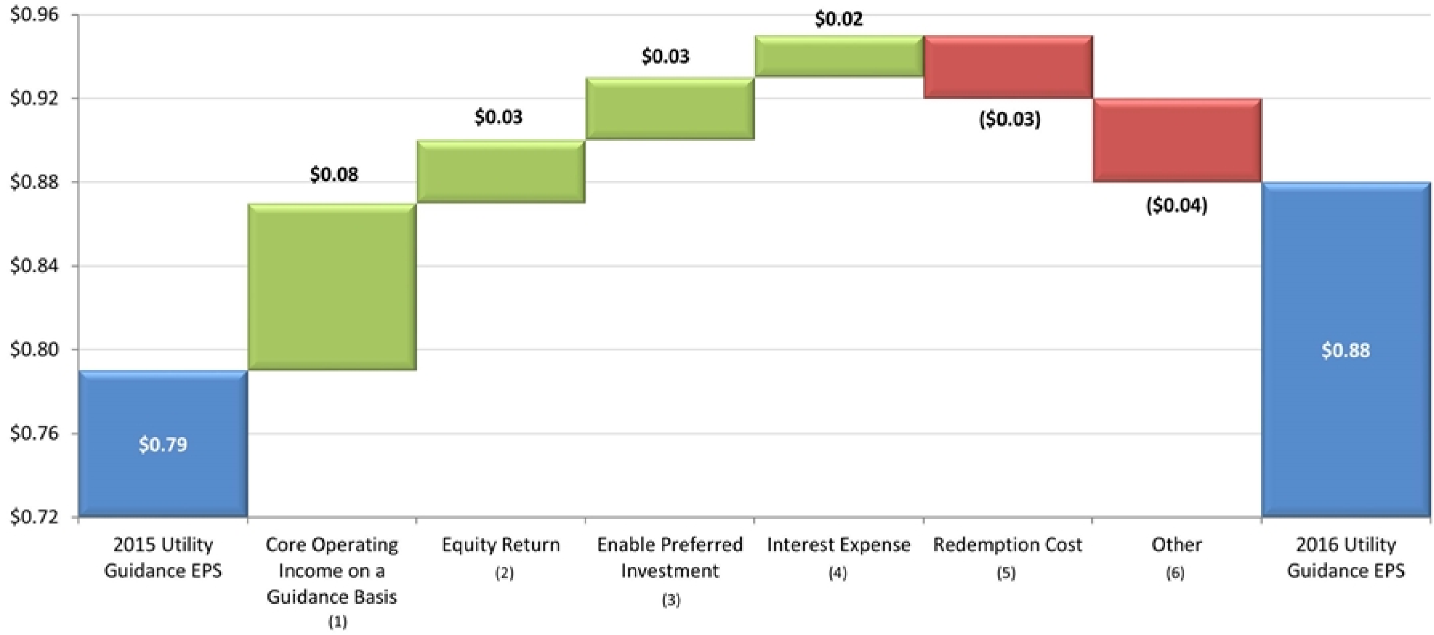
# Reconciliation: Diluted EPS to Adjusted Diluted EPS Used in Providing Annual Earnings Guidance

CenterPoint Energy

| | Q4 2016 | Q4 2015 | FY 2016 | FY 2015 |
|---|---|---|---|---|
| Diluted EPS as reported | $0.23 | $(1.18) | $1.00 | $(1.61) |
| Loss on impairment of Midstream Investments | - | $1.44 | - | $2.69 |
| Timing effects impacting CES | $0.01 | - | $0.03 | $(0.01) |
| ZENS-related mark-to-market losses | $0.02 | $0.01 | $0.13 | $0.03 |
| Consolidated EPS on a guidance basis | $0.26 | $0.27 | $1.16 | $1.10 |

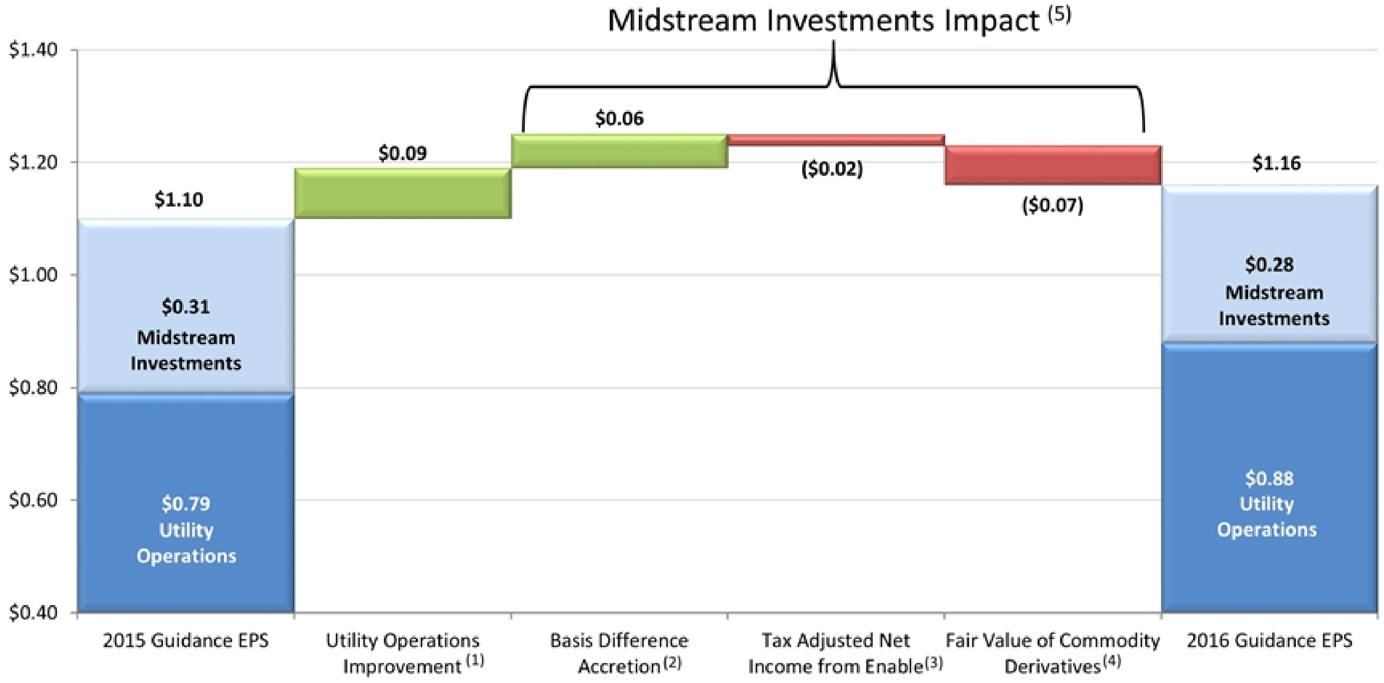
Note: Refer to slide 34 and 35 for reconciliation to GAAP measures and slide 2 for information on non-GAAP measures

# Utility Operations Adjusted Diluted EPS Drivers 2015 vs 2016 (Guidance Basis)




(1) Excludes equity return; please refer to slide 33 for more detail on core operating income
(2) The Equity Amortization schedule on page 38 details the increase between the 2015 and 2016 equity returns
(3) 2016 income from investment in Enable Midstream series A preferred units of $22 million
(4) Interest expense reductions of $14 million; excludes transition and system restoration bonds
(5) 4th quarter 2016 charge of $22 million for early redemption of bonds otherwise due in 2018
(6) Taxes, AFUDC, other income, and Other Operations segment
Note: Refer to slide 2 for information on non-GAAP measures

# Consolidated Adjusted Diluted EPS Drivers 2015 vs 2016 (Guidance Basis)




[1] See previous slide
[2] Increased to $48 million in 2016 versus $8 million in 2015. Basis difference is being amortized over approximately 33 years.
[3] Includes impact of Louisiana state tax law change; uses an average 2016 ownership of 55.3%
[4] Fair value adjustments for commodity derivatives provided a $0.04 benefit in 2015 and reduced earnings by $0.03 in 2016; uses an average 2016 ownership of 55.3%
[5] Midstream Investments components adjusted for the effective tax rate

Note: Refer to slide 2 for information on non-GAAP measures

# Liquidity and Capital Resources

- **2016**
  - Adjusted FFO/Total Debt – 24% [(1)]
  - Equity / Total Capital – 36% [(1)]
  - Interest expense savings of $14 million with over $600 million of 6% plus debt retired in 2016 [(1)]
- **2017**
  - Planned capital investment of approximately $1.5 billion
  - Net incremental borrowings anticipated of $200 - $500 million; dependent on factors including bonus depreciation, capital investment plans and working capital
  - Equity issuance not anticipated
  - Anticipate competitive dividend growth of 4%
  - Guidance EPS growth of 8% to 15% projected to reduce the 2017 payout ratio to be in the range of 80% to 86% (from $1.07 / $1.33 to $1.07 / $1.25)

[(1)] Excludes transition and system restoration bonds

Note: Refer to slides 36 and 37 for Adjusted FFO/Total Debt calculation and slide 2 for information on non-GAAP measures

# 2017 Guidance Outlook

- Reiterate 2017 full-year guidance of $1.25 - $1.33 per diluted share
  - $0.93 - $0.97 expected from utility operations
  - $0.31 - $0.37 expected from midstream investments
- 2017 earnings growth expected to be driven by:
  - Utility growth primarily driven by rate relief and continued customer additions
  - Increased contribution from Energy Services
    - 2017 operating income estimate of $45 to $55 million
  - Full year of income from investment in Enable's preferred units
    - Estimated net income increase of approximately $9 million
  - Increased earnings per Enable Midstream Partners' forecast
    - Enable forecasted 2017 net income attributable to common and subordinated units of $315 to $385 million
  - Lower interest expense
    - Estimated net income improvement of $10 to $20 million
  - Lower tax rate
    - 37% 2016 effective tax rate versus 36% anticipated 2017 effective tax rate

Note: Refer to slide 2 for information on non-GAAP measures

# Tax Discussion

# CenterPoint's Current Tax Position

**Effective Tax Rates**

- CenterPoint's 2016 Effective Tax Rate was 37% (projected rate of 36% plus the income tax expense recognized due to the Louisiana state tax law change)

**Cash Tax Rates**

- CenterPoint's 2016 cash tax rate was approximately 4%
  - All remaining federal tax carry forwards (NOLs, etc.) were utilized as of Dec. 31, 2016
  - Lower than the statutory rate primarily due to 50% bonus depreciation and taxable loss allocated from Enable

**Midstream Investment Impact**

- Taxable income or loss at the Enable level is based on their operations and tax elections at the partnership level
- CenterPoint reports taxable income or loss on the consolidated tax return based on the Schedule K-1 that is received from Enable

# CenterPoint's Deferred Tax Liability

- CenterPoint has a net deferred tax liability of $5.3 billion as of Dec. 31, 2016 which would be reduced if a lower federal income tax rate is enacted
  - Any reduction in regulated balances would be subject to regulatory review and likely get re-characterized as a regulatory liability and amortized to customers over time
  - Any reduction in unregulated balances would likely be recognized as an income tax benefit on the income statement or through other comprehensive income increasing owner's equity in the period of enactment

| December 31, 2016 ($ in millions) | Utility Related [(1)] | Non-Utility Related | Total |
|---|---|---|---|
| **Deferred Tax Assets** | | | |
| Benefits and compensation | $82 | $234 | $316 |
| Loss and credit carryforwards | | $79 | $79 |
| Assets retirement obligations | $76 | $1 | $77 |
| Other | $5 | $16 | $21 |
| Valuation allowance | | ($5) | ($5) |
| Total deferred tax assets | $163 | $325 | $488 |
| | | | |
| **Deferred Tax Liabilities** | | | |
| Property, plant, and equipment | $2,545 | $58 | $2,603 |
| Investment in unconsolidated affiliates | | $1,383 | $1,383 |
| Securitization | | $683 | $683 |
| Regulatory assets/liabilities, net | ($65) | $265 | $200 |
| Investment in marketable securities and indexed debt | | $772 | $772 |
| Indexed debt securities derivative | | $4 | $4 |
| Other | $1 | $105 | $106 |
| Total deferred tax liabilities | $2,481 | $3,270 | $5,751 |
| | | | |
| **Net Deferred Tax Liabilities** | $2,318 | $2,945 | $5,263 |

(1) The "Utility Related" net deferred tax liabilities is largely comprised of regulated balances, but also includes amounts that are not incorporated in the setting of rates

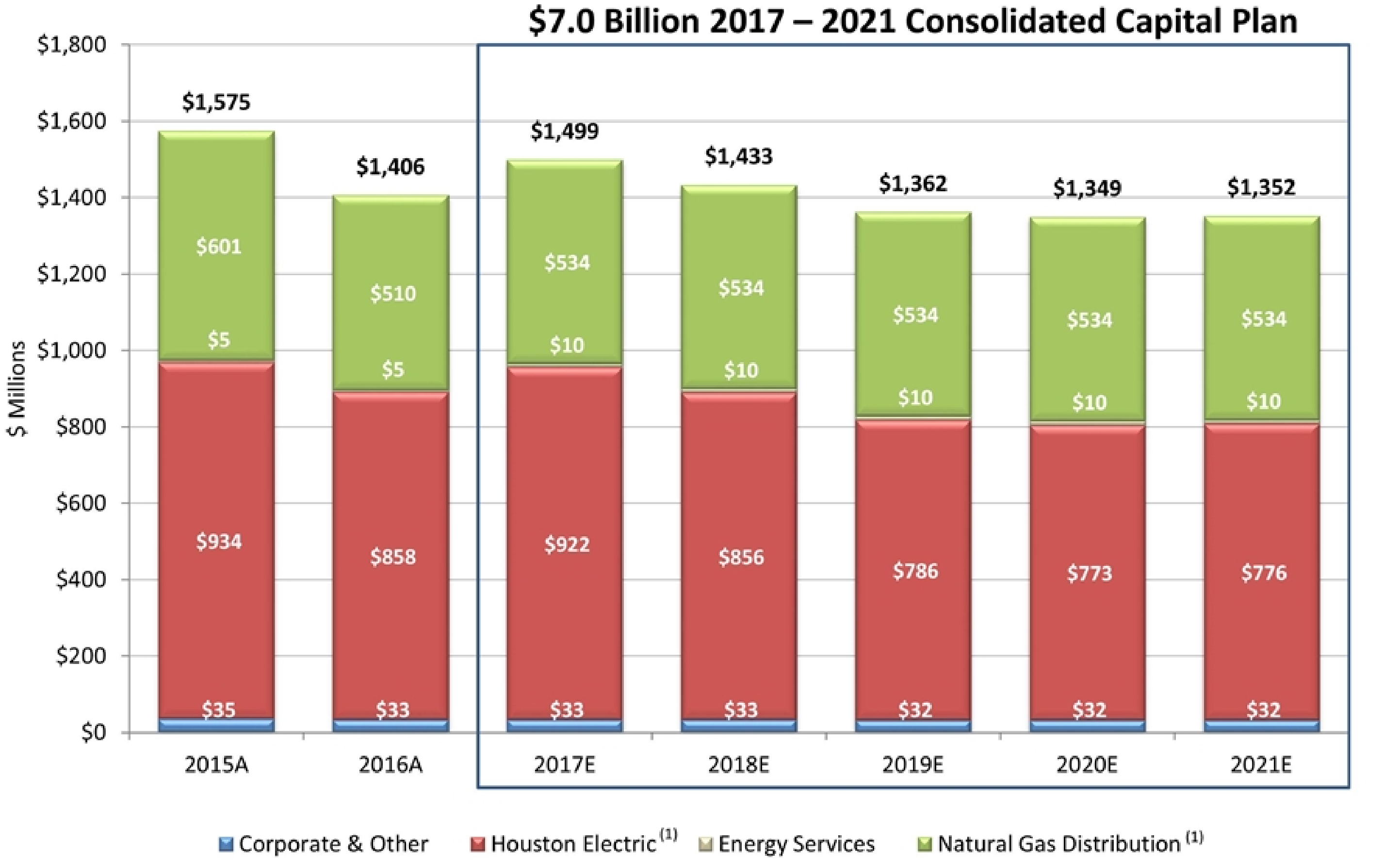
## Potential Tax Reform Implications

- Using only the following assumptions (and assuming the current business segments) [1]
  - Lower corporate tax rate of 20%
  - 100% expensing of capital investments
  - Permanent disallowance of interest deductibility
- CenterPoint should have the following impacts
  - Accretive to EPS
  - Reduced future cash tax rates and effective tax rates
  - A stronger balance sheet as a result of unregulated deferred tax reductions

[1] These assumptions are not comprehensive and do not address other potential tax reforms being contemplated, including but not limited to, taxation of partnership interests, transition rules for regulated utilities and cross-border adjustability. The impacts described above do not consider the effects of these other potential tax reform proposals or the specific implications to regulated utilities such as the re-characterization of deferred tax liability to a regulatory liability, amortized to customers over time.

# Appendix

# Consolidated Capital Investment Outlook




(1) Includes AFUDC

# Electric Transmission and Distribution 2016 Regulatory Update

| Mechanism Docket # | Annual Increase ($ in millions) | Filing Date | Effective Date | Approval Date | Additional Information |
|---|---|---|---|---|---|
| DCRF [1] 45747 | $45.0 | April 2016 | September 2016 | July 2016 | Based on an increase in eligible distribution-invested capital from January 1, 2010 through December 31, 2015 of $689 million. Unless otherwise changed in a subsequent DCRF filing, an annualized DCRF charge of $49 million will be effective September 2017. |
| TCOS 46230 | $3.5 | July 2016 | September 2016 | September 2016 | Based on an incremental increase in total rate base of $95.6 million. |
| EECRF [2] 46014 | $10.6 | June 2016 | March 2017 | October 2016 | Recovers $45.5 million, including an incentive of $10.6 million based on 2015 program performance. |
| TCOS 46703 | $7.8 | December 2016 | (3) | (3) | Based on an incremental increase in total rate base of $109.6 million. Approval is expected in Q1 2017. |

DCRF – Distribution Cost Recovery Factor; TCOS – Transmission Cost of Service; EECRF – Energy Efficiency Cost Recovery Factor

[1] Represents the new DCRF charge, not a year over year increase

[2] Amounts are recorded when approved

[3] Effective dates or approval dates not yet available and approved rates could differ materially

# Natural Gas Distribution 2016 Regulatory Update

| Jurisdiction | Mechanism Docket # | Annual Increase ($ in millions) | Filing Date | Effective Date | Approval Date | Additional Information |
|---|---|---|---|---|---|---|
| Houston, South Texas, Beaumont/East Texas, Texas Coast (Railroad Commission) | GRIP 10508, 10509, 10510, 10511 | $18.2 | March 2016 | July 2016 | July 2016 | Based on net change in invested capital of $115.5 million. |
| Houston and Texas Coast [1] (Railroad Commission) | Rate Case 10567 | $31.0 | November 2016 | (2) | (2) | Based on rate base of $669 million and a 10.25% ROE on a 55.1% equity ratio. Final order is expected in Q2 2017. |
| Arkansas (APSC) | Rate Case 15-098-U | $14.2 | November 2015 | September 2016 | September 2016 | Based on an ROE of 9.5%. Also approved an FRP. |
| Arkansas (APSC) | EECR [3] 07-081-TF | $0.5 | August 2016 | January 2017 | (2) | Recovers $11.0 million, including an incentive of $0.5 million based on 2015 program performance. |
| Mississippi (MPSC) | RRA 12-UN-139 | $2.7 | July 2016 | October 2016 | October 2016 | Based on ROE of 9.47%. |
| Oklahoma (OCC) | EECR [3] PUD201600094 | $0.4 | March 2016 | July 2016 | July 2016 | Recovers $2.4 million, including an incentive of $0.4 million based on 2015 program performance. |

GRIP – Gas Reliability Infrastructure Program; FRP – Formula Rate Plan; EECR – Energy Efficiency Cost Recovery; RRA – Rate Regulation Adjustment
(1) In addition to requesting the change in rates, Natural Gas Distribution proposed consolidation of the Houston and Texas Coast divisions into a Texas Gulf division
(2) Effective dates or approval dates not yet available and approved rates could differ materially
(3) Amounts are recorded when approved

# Natural Gas Distribution
# 2016 Regulatory Update

| Jurisdiction | Mechanism Docket # | Annual Increase ($ in millions) | Filing Date | Effective Date | Approval Date | Additional Information |
|---|---|---|---|---|---|---|
| Minnesota (MPUC) | Rate Case 15-424 | $27.5 | August 2015 | December 2016 | June 2016 | Interim increase of $47.8 million effective in October 2015. Final rates based on an ROE of 9.49% and interim rate refund implemented in December 2016. |
| Minnesota (MPUC) | CIP [1] G008/ M-16-366 | $12.7 | May 2016 | September 2016 | September 2016 | Based on 2015 results. |
| Minnesota (MPUC) | Decoupling [2] G008/ GR-13-316 | $24.6 | September 2016 | September 2016 | December 2016 | Reflects revenue under recovery for the period July 1, 2015 through June 30, 2016. |
| Louisiana (LPSC) | RSP U-34251, U-34249 | $1.3 | September 2016 | December 2016 | (3) | Authorized ROE of 9.95% and a capital structure of 48% debt and 52% equity. |
| Louisiana (LPSC) | RSP U-33818, U-33817 | $2.3 | October 2015 | December 2016 | (3) | Authorized ROE of 9.95% and a capital structure of 48% debt and 52% equity. |

CIP – Conservation Improvement Program; RSP – Rate Stabilization Plan

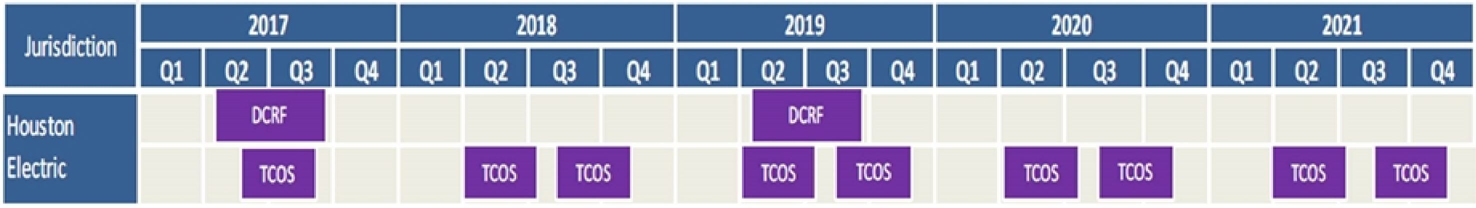
(1) Amounts are recorded when approved

(2) The amount was recorded during the under recovery period

(3) Effective dates or approval dates not yet available and approved rates could differ materially

# Estimated Rate Filing Timelines as of December 31, 2016

## Houston Electric [1]




## Natural Gas Distribution [1]


[1] Rate filings and timelines are subject to change and may be impacted by factors such as regulatory, legislative and economic factors

# Reconciliation: Operating Income to Core Operating Income on a Guidance (Non-GAAP) Basis

| Operating Income ($ in millions) | Year Ended December 31, 2016 | Year Ended December 31, 2015 | Difference Fav/(Unfav) |
|---|---|---|---|
| Electric Transmission and Distribution | $ 628 | $ 607 | $ 21 |
| Transition and System Restoration Bond Companies | (91) | (105) | 14 |
| TDU Core Operating Income | 537 | 502 | 35 |
| Energy Services | 20 | 42 | (22) |
| Mark-to-market (gain) loss | 21 | (4) | 25 |
| Energy Services Operating Income, excluding mark-to-market | 41 | 38 | 3 |
| Natural Gas Distribution Operating Income | 303 | 273 | 30 |
| Core Operating Income on a guidance basis | $ 881 | $ 813 | $ 68 |

Note: Refer to slide 2 for information on non-GAAP measures

# Reconciliation: Net Income (Loss) and Diluted EPS to Adjusted Net Income and Adjusted Diluted EPS Used in Providing Annual Earnings Guidance

| | Twelve Months Ended | | | |
|---|---|---|---|---|
| | December 31, 2016 | | December 31, 2015 | |
| | Net Income (in millions) | Diluted EPS | Net Income (in millions) | Diluted EPS |
| **Consolidated as reported** | $ 432 | $ 1.00 | $ (692) | $ (1.61) |
| Midstream Investments | (121) | (0.28) | 1,024 | 2.38 |
| Utility Operations [1] | 311 | 0.72 | 332 | 0.77 |
| **Loss on impairment of Midstream Investments:** | | | | |
| CenterPoint's impairment of its investment in Enable (net of taxes of $456)[3] | - | - | 769 | 1.79 |
| CenterPoint's share of Enable's impairment of its goodwill and long-lived assets (net of taxes of $233)[3] | - | - | 388 | 0.90 |
| Total loss on impairment | - | - | 1,157 | 2.69 |
| **Midstream Investments excluding loss on impairment** | 121 | 0.28 | 133 | 0.31 |
| **Consolidated excluding loss on impairment** | 432 | 1.00 | 465 | 1.08 |
| **Timing effects impacting CES[2]:** | | | | |
| Mark-to-market (gains) losses (net of taxes of $8 and $2)[3] | 13 | 0.03 | (2) | (0.01) |
| **ZENS-related mark-to-market (gains) losses:** | | | | |
| Marketable securities (net of taxes of $114 and $33) [3][4] | (212) | (0.49) | 60 | 0.14 |
| Indexed debt securities (net of taxes of $145 and $26) [3][5] | 268 | 0.62 | (48) | (0.11) |
| **Utility operations earnings on an adjusted guidance basis** | $ 380 | $ 0.88 | $ 342 | $ 0.79 |
| **Adjusted net income and adjusted diluted EPS used in providing earnings guidance:** | | | | |
| Utility Operations on a guidance basis | $ 380 | $ 0.88 | $ 342 | $ 0.79 |
| Midstream Investments excluding loss on impairment | 121 | 0.28 | 133 | 0.31 |
| **Consolidated on a guidance basis** | $ 501 | $ 1.16 | $ 475 | $ 1.10 |

[1] CenterPoint earnings excluding Midstream Investments

[2] Energy Services segment

[3] Taxes are computed based on the impact removing such item would have on tax expense

[4] As of May 18, 2016, comprised of Time Warner Inc., Charter Communications, Inc. and Time Inc. Prior to May 18, 2016, comprised of Time Warner Inc., Time Warner Cable Inc. and Time Inc. Results prior to June 23, 2015 also included AOL Inc.

[5] 2016 includes amount associated with the Charter Communications, Inc. and Time Warner Cable Inc. merger 2015 includes amount associated with Verizon tender offer for AOL, Inc common stock

Note: Refer to slide 2 for information on non-GAAP measures

# Reconciliation: Net Income (Loss) and Diluted EPS to Adjusted Net Income and Adjusted Diluted EPS Used in Providing Annual Earnings Guidance

CenterPoint. Energy

| | Quarter Ended | | | |
|---|---|---|---|---|
| | December 31, 2016 | | December 31, 2015 | |
| | Net Income (in millions) | Diluted EPS | Net Income (in millions) | Diluted EPS |
| **Consolidated as reported** | $ 101 | $ 0.23 | $ (509) | $ (1.18) |
| Midstream Investments | (25) | (0.06) | 589 | 1.37 |
| Utility Operations [1] | 76 | 0.17 | 80 | 0.19 |
| **Loss on impairment of Midstream Investments:** | | | | |
| CenterPoint's impairment of its investment in Enable (net of taxes of $362)[3] | - | - | 613 | 1.43 |
| CenterPoint's share of Enable's impairment of its goodwill and long-lived assets (net of taxes of $2)[3] | - | - | 7 | 0.01 |
| Total loss on impairment | - | - | 620 | 1.44 |
| **Midstream Investments excluding loss on impairment** | 25 | 0.06 | 31 | 0.07 |
| **Consolidated excluding loss on impairment** | 101 | 0.23 | 111 | 0.26 |
| **Timing effects impacting CES[2]:** | | | | |
| Mark-to-market (gains) losses (net of taxes of $1)[3] | 2 | 0.01 | - | - |
| **ZENS-related mark-to-market (gains) losses:** | | | | |
| Marketable securities (net of taxes of $49 and $8) [3][4] | (90) | (0.21) | 13 | 0.03 |
| Indexed debt securities (net of taxes of $55 and $4) [3] | 100 | 0.23 | (8) | (0.02) |
| **Utility operations earnings on an adjusted guidance basis** | $ 88 | $ 0.20 | $ 85 | $ 0.20 |
| **Adjusted net income and adjusted diluted EPS used in providing earnings guidance:** | | | | |
| Utility Operations on a guidance basis | $ 88 | $ 0.20 | $ 85 | $ 0.20 |
| Midstream Investments excluding loss on impairment | 25 | 0.06 | 31 | 0.07 |
| **Consolidated on a guidance basis** | $ 113 | $ 0.26 | $ 116 | $ 0.27 |

[1] CenterPoint earnings excluding Midstream Investments

[2] Energy Services segment

[3] Taxes are computed based on the impact removing such item would have on tax expense

[4] As of May 18, 2016, comprised of Time Warner Inc., Charter Communications, Inc. and Time Inc. Prior to May 18, 2016, comprised of Time Warner Inc., Time Warner Cable Inc. and Time Inc.

Note: Refer to slide 2 for information on non-GAAP measures

# Adjusted Funds From Operations (FFO)

| ($ in millions) | Year Ended December 31, 2016 | Year Ended December 31, 2015 |
|---|---|---|
| Amounts included in Cash Flows from Operating Activities: | | |
| Net income (loss) | $ 432 | $ (692) |
| Depreciation and amortization | 1,126 | 970 |
| Amortization of deferred financing costs | 26 | 27 |
| Deferred income taxes | 213 | (413) |
| Unrealized loss (gain) on marketable securities | (326) | 93 |
| Loss (gain) on indexed debt securities | 413 | (74) |
| Write-down of natural gas inventory | 1 | 4 |
| Equity in (earnings) losses of unconsolidated affiliates, net of distributions | (208) | 1,779 |
| Pension contributions | (9) | (66) |
| Funds From Operations | $ 1,668 | $ 1,628 |
| Amounts included in Cash Flows from Investing Activities: | | |
| Distributions from unconsolidated affiliates in excess of cumulative earnings | 297 | 148 |
| Less: Amounts associated with Transition and System Restoration Bond Companies | (456) | (368) |
| **Adjusted Funds From Operations (FFO)** | **$ 1,509** | **$ 1,408** |

This slide includes adjusted funds from operations ("FFO") which is net cash provided by operating activities:

- excluding (I) changes in other assets and liabilities, (II) other, net and (III) amounts related to transition and system restoration bonds; and
- including distributions from unconsolidated affiliates in excess of cumulative earnings included in cash flow from investing activities

# Ratio of Adjusted FFO/Total Debt
# Excluding Transition and System Restoration Bonds

| ($ in millions) | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Short-term Debt: | | |
| Short-term borrowings | $ 35 | $ 40 |
| Current portion of transition and system restoration bonds* | 411 | 391 |
| Indexed debt (ZENS)** | 114 | 145 |
| Current portion of other long-term debt | 500 | 328 |
| Long-term Debt: | | |
| Transition and system restoration bonds* | 1,867 | 2,276 |
| Other | 5,665 | 5,590 |
| Total Debt | $ 8,592 | $ 8,770 |
| Less: Transition and system restoration bonds (including current portion)* | (2,278) | (2,667) |
| **Total Debt, excluding transition and system restoration bonds** | **$ 6,314** | **$ 6,103** |
| | | |
| **Adjusted FFO/Total Debt, excluding transition and system restoration bonds** | **23.9%** | **23.1%** |

* The transition and system restoration bonds are serviced with dedicated revenue streams, and the bonds are non-recourse to CenterPoint Energy and CenterPoint Energy Houston Electric.

** The debt component reflected on the financial statements was $114 million and $145 million, as of December 31, 2016 and December 31, 2015, respectively. The principal amount on which 2% interest is paid was $828 million on each of December 31, 2016 and December 31, 2015. The contingent principal amount was $514 million and $705 million as of December 31, 2016 and December 31, 2015, respectively. At maturity or upon redemption, holders of ZENS will receive cash at the higher of the contingent principal amount or the value of the reference shares of Time Warner Inc., Time Inc. and Charter Communications, Inc.

This slide includes adjusted funds from operations ("FFO") which is net cash provided by operating activities:
- excluding (I) changes in other assets and liabilities, (II) other, net and (III) amounts related to transition and system restoration bonds; and
- including distributions from unconsolidated affiliates in excess of cumulative earnings included in cash flow from investing activities

# Estimated Amortization for Pre-Tax Equity Earnings

## Associated with the Recovery of Certain Qualified Cost and Storm Restoration Costs

CenterPoint. Energy

*As of December 31, 2016*

| | | TBC II | TBC III | TBC IV | SRBC | Total |
|---|---|---|---|---|---|---|
| Actual | 2005 | $ 213,804 | $ - | $ - | $ - | **$ 213,804** |
| | 2006 | 6,644,004 | - | - | - | **6,644,004** |
| | 2007 | 7,140,194 | - | - | - | **7,140,194** |
| | 2008 | 6,673,765 | 4,743,048 | - | - | **11,416,813** |
| | 2009 | 7,279,677 | 6,074,697 | - | 95,841 | **13,450,215** |
| | 2010 | 9,071,326 | 5,745,580 | - | 2,657,384 | **17,474,291** |
| | 2011 | 9,902,590 | 6,994,650 | - | 2,840,737 | **19,737,978** |
| | 2012 | 9,717,059 | 6,837,290 | 27,873,514 | 2,473,992 | **46,901,855** |
| | 2013 | 10,383,183 | 7,251,470 | 24,082,419 | 2,235,567 | **43,952,640** |
| | 2014 | 11,442,612 | 8,699,455 | 42,944,063 | 3,680,587 | **66,766,717** |
| | 2015 | 13,547,311 | 12,683,240 | 18,689,309 | 2,358,968 | **47,278,828** |
| | 2016 | 12,508,807 | 5,121,694 | 42,041,721 | 4,901,568 | **64,573,791** |
| Estimated | 2017 | 13,533,909 | 9,213,691 | 14,254,321 | 108,426 | **37,110,348** |
| | 2018 | 12,516,226 | 9,884,158 | 31,192,725 | 3,162,666 | **56,755,775** |
| | 2019 | 7,075,581 | 10,198,176 | 32,245,500 | 3,358,552 | **52,877,809** |
| | 2020 | - | 888,815 | 33,312,818 | 3,553,835 | **37,755,468** |
| | 2021 | - | - | 34,561,685 | 3,752,367 | **38,314,051** |
| | 2022 | - | - | 35,927,883 | 2,274,062 | **38,201,945** |
| | 2023 | - | - | 37,353,476 | - | **37,353,476** |
| | 2024 | - | - | 30,305,677 | - | **30,305,677** |
| | | $ 137,650,048 | $ 94,335,964 | $ 404,785,110 | $ 37,454,553 | **$ 674,225,675** |

The table provides

1) the pre-tax equity return recognized by CenterPoint Energy, Inc. (CenterPoint Energy) during each of the years 2005 through 2016 related to CenterPoint Energy Houston Electric, LLC's (CEHE) recovery of certain qualified costs or storm restoration costs, as applicable, pursuant to the past issuance of transition bonds by CenterPoint Energy Transition Bond Company II, LLC (Transition BondCo II) and CenterPoint Energy Transition Bond Company III, LLC (Transition BondCo III) or CenterPoint Energy Transition Bond Company IV, LLC (Transition BondCo IV) or system restoration bonds by CenterPoint Energy Restoration Bond Company, LLC (System Restoration BondCo), as applicable and

2) the estimated pre-tax equity return currently expected to be recognized in each of the years 2017 through 2024 related to CEHE's recovery of certain qualified costs or storm restoration costs, as applicable, pursuant to the past issuance of transition bonds by Transition BondCo II, Transition BondCo III or Transition BondCo IV or system restoration bonds by System Restoration BondCo, as applicable.

The amounts reflected for 2017 through 2024 are based on CenterPoint Energy's estimates as of December 31, 2016. However, the equity returns to be recognized in future periods with respect to each series of transition or system restoration bonds, as applicable, will be periodically subject to adjustment based on tariff adjustments for any overcollections or undercollections of transition charges or system restoration charges, as applicable. The equity return amounts reflected in the table are reported in the financial statements of CenterPoint Energy and CenterPoint Energy Houston Electric as revenues from electric transmission and distribution utility.