**Analyst Day**
**September 23, 2021**

**Jackie Richert – Director, Investor Relations**

Good morning, everyone. I am Jackie Richert. I want to welcome you to CenterPoint's 2021 Analyst Day.

I'll start off with the house keeping items this morning. The slides that are available today are going to be on the IR section of our website; hopefully you all have been able to download them at this point.

Our presentations this morning are expected to run through 10:40am CT this morning followed by a 10-minute break and then a Q&A session at the end. Please hold all questions until then. Our webcast portion will conclude after the Q&A. For those of you in person, we will then proceed to exhibits outside of a mobile generation facility and our PICARRO leak detection vehicles. From there we move to lunch and in-depth breakout sessions across the walkway and conclude around 2pm CT.

Our management's presentations today will contain projections and other forward-looking information and statements based on management's beliefs, assumptions and information currently available to management. Other than referencing historical facts, all of the information we are sharing today is forward-looking. These forward-looking statements are subject to risks or uncertainties and actual results could differ materially based upon various factors, including those risk factors, including those noted in our SEC filings. We undertake no obligation to revise or update any forward-looking statement, except as required.

We will also discuss:

- non-GAAP Utility EPS, also referred to as Utility EPS,

- non-GAAP earnings guidance
- Utility EPS growth targets and rates,
- as well as non-GAAP utility net income and long term funds from operations.

These non-GAAP measures could be materially different from GAAP measures, as reported. 2020 will be the base year for growth related comparisons, whether Utility EPS, rate base, or dividends, that we will discuss today in our 10-year plan, while the 10-year horizon for discussion is 2021 -2030.

For information on forward looking statements, non-GAAP measures and reconciliations, and guidance , please refer to our presentation materials under the Investors' section on our website. We may use our website to announce material information.

This presentation is being webcast in a listen only mode. Information on how to access the replay will be available on the website.

Now we'll turn toward the company profile. As many of you already know, CenterPoint Energy and its predecessor companies have been in business for more than 140 years. Currently, CenterPoint is a publicly traded, investment-grade, utility company with around $16 billion market cap and over $18 billion in rate base. We serve over 7 million metered customers across our electric and natural gas footprint which operate in 8 premium jurisdictions. Throughout the presentation this morning, our executive team will provide a more in-depth discussion of how we are positioning that footprint for the future.

With that, I'll turn the floor over to our CEO, Dave Lesar.

**Dave Lesar - President & CEO**

Welcome – to all of you joining us on the webcast and of course to those of you here in person we are very much looking forward today and sharing our story with you. Got a lot of exciting ground to cover today you will hear from many members of our management team get to see them in action I admit I am biased but I think its one of the best teams that exists in the industry today and today you're going to get a chance to see them in action. What will we cover today is a follows –

So what we're going to cover today, I'll make some opening comments, obviously give the usual headlines that I do, and basically unveil our new 10-year plan for all of our shareholders. We'll then have Jason come up here, and Jason is going to highlight our new industry-leading net zero carbon goal that we'll have. He'll talk about how it fits into our capital spend going forward, our operational plans going forward. Then we'll have Kenny and Scott come up, and I'll go through the sort of who, what, why, where, and when of the capital spend. Gregg Knight will then come up and really discuss how our capital spend is going to impact and benefit not only our communities but our customers.

Jason Ryan, our Head of Regulatory Affairs, will discuss how the great relationships we have with our regulators, how that fits in and helps our customers and also our shareholders. I'll come back up at the end after Jason. We'll stitch it all together in terms of showing you how the plan works and then we'll open it up for questions at that point in time. Now up front, I want to be perfectly clear on one item. We believe that this 10-year plan can be fully executed with the liquidity that we'll have on hand after we close the transactions of ET and the LDCs. It is not dependent on nor does it require the sale of any other pieces of our business. However, as we've said, given the high prices that we got for the gas LDCs, we will be open to additional sales if we can see a way to continually and efficiently recycle capital through our business if new opportunities arise for us. So, let's go ahead and get going. I first want to start by summarizing the CenterPoint value proposition as it exists out there today. And so, at CenterPoint today you're getting 8% utility EPS growth in 2021. You're getting 6% to 8% EPS growth through 2025. You have a $16 billion five-year capital spending plan with a 10% rate base CAGR. We have a commitment to exiting the midstream and transitioning to a more pure play utility. A focus on improving our balance sheet and efficiently recycling capital through our LDC gas sales. Funding our $300 million in equity needs through a five-year ATM, a focus on – I'll say a laser focus for you Anthony, on O&M cost control and continuing to serve us, our organically growing markets that we have. And we'll have a lot more to say about our organic growth a little bit later. So that's the value proposition for CenterPoint coming in to the meeting today. All in all, a really great place to be as a utility. But it's an even better place for us to start our new 10-year journey that we're going to unveil for you today. We currently have top decile earnings growth, all ahead of our peers that trade into premium. But we're not yet valued as a premium utility in the eyes of the market. And that is the next challenge that this management team is going to take on because going forward our headlines are about to get a lot better. So we believe that this 10-year plan is achievable and our management team is committed to delivering it to our shareholders. Now, so you can focus on the details of this plan as we unveil it. Let me tell you what the headlines are going to be today. The main takeaway is we believe we'll be doubling the earnings capacity, the dividend and the rate base of the company in less than 10 years. So here we go with the headlines. Headline one, earnings growth. During the next 10 years we will achieve 8% utility EPS growth in 2021, 2022, 2023, and 2024. After that, we'll have at least 6% to 8% annual utility EPS growth through 2030. But consistent with the past, our team is absolutely intent on delivering the mid to upper range of this 6% to 8% for the next six years of the plan after we hit the 8% mark. That will more than double our EPS, the dividend, and our rate base of the company in less than 10 years. This should be top decile earnings growth for the industry. Headline number two, increasing our capital spend. We're going to drive the CPS growth by first announcing today that we are increasing our current five year capitals plan to $18 billion plus from $16 billion. We're also announcing today a new $40 billion plus 10-year capital plan. We've also identified $1 billion in reserve capital that we will spend some time along this 10-year path when we can do so efficiently for both our shareholders and our customers. And as you'll be hearing from Scott and Kenny a little bit later, we have runway for capital spending well beyond this 10-year horizon. Bottom line, there is no capital spending cliff at CenterPoint as we go forward. This rate base growth will allow us to continue to improve the safety and resiliency of our system. And you heard last night from the mayor how important that is for Houston. Headline number three,  no equity needs in our 10-year plan. We are announcing today the elimination of our previously communicated $300 million of equity provided by our ATM plan. More importantly, we're announcing today that we'll not need any equity during this 10-year plan, none. Now this is possible because we can efficiently recycle the proceeds from the sale of the gas LDCs and ET, take the increased cash flow we're going to get from our business plus an allowable amount of regulated debt, and that will be what we need to execute this plan. Jason will walk through a little bit later how it all comes together and show you how it works. Headline 4, we expect to eliminate our midstream exposure by the end of next year. First, we fully expect the merger to close sometime in the fourth quarter. And to accelerate our exit timing from our midstream, we're announcing today that contingent forward sale of 50 million shares – 50 million units of ET. This, when coupled with the planned sale of our preferred units in ET after we close the transaction, will mean that we have monetized and eliminated well over 40% of our midstream exposure by the end of this year and we should be completely out of midstream by the end of next year. Headline number 5, a net zero carbon goal by 2035. Today we're going to be introducing an industry-leading net zero direct emissions carbon goal by 2035 that will establish a number of industry firsts. This plan is going to be clear. It's going to be transparent and it's going to apply across all of our jurisdictions. No exclusions to it unlike some other utilities. This net-zero goal will be almost 15 years ahead of where the peer average of utilities that own generation today. So it's a really, really great plan. Headline number 6, maintaining a strong balance sheet. This plan supports an FFO to debt ratio of 14% to 15% starting in 2022. It provides us more financial cushion and should reduce our parent company debt to around 20% by the end of 2022. Headline 7, we're going to keep rates affordable for our customers by maintaining cost discipline and continuing to optimize our growth. We will be maintaining our O&M reductions at 1% to 2% a year and we will be as I said, optimizing our organic growth opportunities. This is a new one. EV infrastructure opportunities in Houston alone are projected to add an incremental 1% to 2% annual organic growth on top of the already 2% organic growth we have in Houston. That is going to give us a lot of headroom to keep our customers rates affordable. So those are the headlines. Now more importantly, so you don't have to do the math, as we described this plan more fully. And you hear from the rest of the team. Here's what we believe we will look like in 10 years using the headlines that I just described and only the midpoint of the utility EPS growth that we talked about. But remember what I said, we're intent on making sure that we are in the mid to upper range of that 6% to 8%. So as you can see, it's a doubling of our utility EPS, our dividends and our rate base in less than 10 years. In summary to me, this is a very compelling utility story and it's all about sustainability, sustainable rates for our customers, sustainable earnings growth for our shareholders, and a sustainable positive impact on the environment for our communities, all leading to a more than doubling the size of the company through organic growth over 10 years. So let's switch gears for a minute and look at what the market tells us, a peer premium utility looks like today. They look like this on the slide. And you can see that even today we stack up pretty well versus the premium companies that we show here. At 8%, we have the top growth in utility EPS. At a 9% 10-year CAGR, we will likely have the best rate base growth in the industry.

At 8%, we'll have the highest dividend growth. With no need for equity, we'll be among the top peers. With our new net zero carbon goal, we're going to lead the list. And with 2% organic growth, we'll have the highest customer growth rate and our balance sheet metrics will be in line with our peers. So what we hear from folks today is that we don't have the track record of consistently hitting our targets. Now I can tell you as a CEO I don't like to hear words like that, but I accept it, because in the past it's a true statement. But with this new team, I hope you're seeing that our earnings track record is changing right before your eyes. And as you incorporate the financial impact of this 10-year plan, as we do in this slide, I think our comparisons to our peer utilities we show here would become even more favorable over time. I'd say that in terms of current performance, we already have the look of a premium utility. Now, I understand that as a CEO I can't wave a magic wand and declare that my shares should trade at a premium. We understand and accept that we have to earn our way to a premium utility. Our team and I believe that we can do that. So, I hope, in conclusion, at the end of the day that you come away seeing that not only do we have the building blocks to become a premium utility, but we're building that premium utility right in front of you. I think and our management team thinks we are going to be really hard to bet against. And at some point, I think we're going to get rerated. And I hope those of you that are on the call and in the room, are shareholders with us at that point in time. So, let me summarize what our new value proposition for CenterPoint is, based on this 10-year plan. CenterPoint, delivering industry-leading utility EPS and dividend growth for the next 10 years and beyond, investing in an exceptional $40 billion-plus capital program with a billion dollars held in reserve to apply when we can do it most efficiently, efficiently funding our growth with no equity issuance for the next 10 years, a full exit of midstream, industry-leading net zero goal, 15 years ahead of our peers, a healthy balance sheet, an ability to keep rates affordable, in essence, a pure play regulated utility with a consistent track record of delivery. That is our new value proposition and is your ultimate takeaway from today. So, today, we're starting a new and exciting journey at CenterPoint. Let me begin to describe that journey and how we're going to take advantage of the unique opportunities that we have as an organization. Then I'll finally let my colleagues get up and continue the story. Now, first, of course, it really helps to be in growing markets. And we certainly have that. Now, I've heard some people say that you don't have to have above average growth to be a premium utility. That's probably right because there's examples of that out there. But I can tell you I have been in business for 43 years. And one thing I learned early on is growth always matters and it doesn't matter what industry you're in. And we've got that growth. We are in really good growing markets. And I'll describe those here in a few minutes because growth, of course, provides a company a continuous tailwind. It helps create economic opportunities for our communities and for our customers. Growth always – also allows for a better alignment between those communities and our customers. We clearly have both in our territories. Let me give you some facts about our biggest territory, Houston. You heard some of this last night about our biggest territory, Houston. You heard some of this last night, those of you that listened to the Mayor. Fourth biggest city in the US and the only one in the top four is growing. And as you heard the mayor say last night, he believes within the next five years will catch Chicago and be the third biggest city in the US. Number two, location for Fortune 500 companies. Ranked number one in diversity. We're not just an oil and gas town. The Texas Medical Center, the world's largest, just on its own is the eighth biggest business district in the United States. And Houston's long track record of 2% organic growth is projected to continue. Now, to put that number in context given the size - that's the equivalent of dropping an Ann Arbor, Michigan into the city of Houston every year, after year, after year. And that's the kind of growth we have here. Despite COVID, housing starts are at a 15-year high in Houston. And here's a fun fact that Kenny brought to my attention. The electric vehicle infrastructure needed in the city of Houston in the next 10 years is the equivalent of 125,000 new houses being built. So that's three years of housing on top of our already record build. So lots of growth opportunities just here in Houston. If you go to the San Antonio to Austin corridor, it's projected to grow 50% by 2030. Guess what? We have the gas LDC business there. If you go outside of Texas, the population of Minnesota outgrew the US rate in the last decade. Outside of Minnesota, Indiana is the fastest growing state in the mid-west. The GDP growth rate for Indiana and Minnesota was faster than that in the US over the last decade. And we have constructive regulatory regimes wherever we go. Now I said earlier we would spend $40 billion-plus in the next 10 years. This is how that spend will play out over time. It will be biased toward electric, but a significant amount will go into our gas businesses. The slight drop off you see in 2025 reflects us finishing up the build out of our Indiana IRP plans and the sequencing of other capital spend ahead of already scheduled rate cases. Capital spend will then pick up an average $4.4 billion dollars per year for the next five years. And as you'll hear, we have years of capital spend in both gas and electric well beyond this 10 year horizon, all funded with the proceeds from our already announced strategic transactions, enhanced business cash flows and regulatory debt issuance, no external equity. So my colleagues, as I said earlier, will discuss kind of the why and the where and the how of our capital span. But today as I look back and sort of look at our business from 50,000 feet, what I see is a company that has the economic tailwinds and the long investment horizon to spend plenty of capital to provide safe, resilient, clean and affordable energy for our customers - a very, very powerful place to start a new 10-year journey. So it's time to get some of my team up here. So let me conclude with this thought; we have the organic growth, we have the management team., we have the employee base and we have the investment headroom to be a premium utility. At the end of the day, I'd like you to think of us as the sustainable utility, as I said earlier, sustainable rates for our customers, sustainable earnings growth for our shareholders and a sustainable positive impact on the environment for our communities. I believe and the management team believes that at CenterPoint the best is yet to come. So, enjoy the day. And let me turn the floor over to Jason

**Jason Wells - Executive Vice President & CFO**

Thank you, Dave, and good morning, everyone. I am thrilled that we can share our incredible plan with you this morning. And I want to take the opportunity to thank you all for traveling here to participate in Houston with us, as well as those that are participating on the webcast. We sincerely appreciate the time you're spending with us today. And I'm excited to begin by sharing how we're going to integrate environmental leadership into our 10-year strategic plan. You will hear, not just from me, but the rest of the management team that our focus on environmental leadership is the foundation for industry-leading growth. While we may be late in terms of announcing a net zero carbon reduction goal, we had been working rapidly to reduce our carbon footprint. And that work has served as the foundation for today's announcement that by 2035, we plan to be net zero for direct Scope 1 emissions across our entire service territory. And we plan to be net zero for all indirect or Scope 2 emissions at that same time. As Dave said, this puts us in the position to be the very first utility with generation to adopt a goal to achieve a net zero standard by 2035 and is nearly 15 years ahead of the average net zero goal of our peers. And we plan to reduce end use or Scope 3 emissions by 20% to 30% by 2035 as well. This also places us in a position of being the very first utility to adopt a meaningful Scope 3 reduction goal by 2035. The best part, these plans they're all backed by clear and transparent steps and the work is already well underway. So let's spend a minute talking about these clear and transparent steps that we're going to pursue to reduce our carbon footprint. We emitted about 5.2 million metric tons of carbon in 2020. We're currently on track to cut that amount by more than half by 2025. That more than 50% reduction in emissions is largely driven by the retirements of two of our three coal facilities in Indiana that we plan to replace with renewable generation and a gas peaking facility. That gas peaker will help address the intermittency that sometimes occurs with renewable generation so we can provide not only cleaner but reliable electricity for our customers in southern Indiana. And we're not stopping there. We're taking actions across both our gas and electric sides of our business to further reduce our carbon footprint. For example, you're going to hear from Scott in a few minutes about how our pipe modernization programs are driving our capital investment in our gas business. Those same plans will help us reduce our methane emissions by about a third by 2035. Those investments coupled with the fact that we are only one of a handful of gas LDCs currently utilizing the state-of-the-art PICARRO leak detection technology puts our gas business on a path to be an industry leader with respect to reduced methane emissions. We've also committed to and begun to implement our fleet electrification plan. We expect to convert about 100% of our light-duty vehicles and about 10% of our heavy duty-fleet to electric by 2030. Beyond these actions, we plan to only have one remaining coal plant in Indiana after 2025. The retirement of that facility will be addressed in our upcoming integrated resource planning filing where we'll work with our regulators and other stakeholders in Indiana to find a plan that will not only lower the cost for our customers but also provide cleaner, more reliable electricity for our customers. In the interim, we're also committed to improving the environmental footprint of our coal plants during this transition period. One example is through recycling of the fly ash material to minimize waste impacts. Approximately 90% of the fly ash material generated from our coal facilities is utilized as feedstock at a local cement plant. Moreover, we've recently announced an effort to recycle the historic ponded ash that's currently being stored at those facilities in Southern Indiana. This overall path to decarbonizing our assets should remove about 4.5 million metric tons of annual emissions by 2035 and squarely aligns our focus on environmental leadership with our capital investment plan for the benefit of our customers and our shareholders. The actions I just discussed should result in about an 85% to 90% reduction in our current emissions by 2035. Our plan only requires about 10% to 15% of overall

Scope 1 in Scope 2 emissions to be addressed through offsets. We look at a scenario here on this slide and how we can achieve a balance of that reduction. We'll first look to optimize offset opportunities through forestry, land use and properties we own, and then we're also exploring the potential to monetize renewable energy credits as well as expanding our energy efficiency monetize renewable credits as well as expanding our energy efficiency and conservation programs to address the remainder. As we establish what it really means to be an industry leading utility today, we've also accelerated our Scope 3 emissions goal of a 20% to 30% reduction across our system to 2035. This will reduce our customers end use emissions by another 4 to 6 million metric tons of carbon annually. What's really important about this goal is it's backed by technology that currently exists and the work is already well underway. For example, this commitment leverages our green hydrogen pilot in Minnesota, as well as our successful energy efficiency programs in Indiana, Ohio and Minnesota to achieve these targeted reductions. You're going to hear a lot more about our carbon reduction efforts from Kenny and Scott and how our customers are asking for and supporting the need for cleaner energy from Gregg. But our commitment to environmental leadership is more than just a net-zero carbon plan. Our accountability and alignment are demonstrated throughout the organization. We have an ESG Council which is a cross-functional group of business leaders and this council identifies, evaluates and recommends strategic opportunities to promote ESG objectives, all in the context of our 10-year plan. We've a named officer over Environmental and Corporate Sustainability and we will continue to have board oversight through our Governance Committee which will be designated as the Governance, Environmental and Sustainability Committee in the near future. Our executive compensation program already considers our safety and diversity and inclusion objectives. Starting in 2022, this will be enhanced to include environmental measures. This will show our alignment is more than just words. And from a governance perspective, our board continues to be refreshed by a mix of new and diverse perspectives. Two-thirds of our board has been appointed over the last five years and 55% of our directors are diverse. And we now have a strong independent board leadership structure with a recent introduction of our independent chairman. These actions should continue to demonstrate our responsiveness to shareholder feedback and expectations. And as we move forward this morning, I'll leave you with this, we are committed to more transparency around and more regular reporting of our progress on these net-zero goals. To that end, we're announcing the launch of a new ESG website, which is designed to provide regular updates on our progress in all areas of ESG. We realize this is an evolving space and we are continuing to advance our ESG strategies. We aren't done, we know there's more to do. As I mentioned, we will integrate our emission reduction goals into our executive compensation program next year. We're also aligning our ESG metrics with the UN Sustainable Development Goals as we develop a path for green or sustainable financing. And lastly, with the foundation of our carbon reduction goals, we will regularly report on our progress. Now, let me close by saying, I'm incredibly proud of the progress we've made to produce our carbon footprint. And I am thrilled we can share with you our industry-leading net-zero carbon goals today. I hope you see what we do. This is a plan backed by a clear and transparent steps and the work is already well-underway. And I hope you see through the rest of the presentation today our environmental leadership is influencing everything from our capital allocation to how we're working with our regulators to how we're engaging and adapting to our customers evolving needs. This effort is not a stand-alone goal. It is truly woven throughout our long-term strategy which we're excited to share with you today. So, now let me turn it over to Kenny Mercado, so we can share how our capital investment is providing cleaner, more resilient service for our electric customers.

**Kenny Mercado - EVP Electric Utility**

Thank you, Jason, and good morning to you all. You heard from Dave and you heard from Jason that this is a great time for CenterPoint Energy and it's also a really good time for our electric utility. It's wonderful to talk to you again and to see some of you in person versus our meeting that we had back in December. I feel even more optimistic about our business and the opportunities of our long-term plans for this electric business than I did back in December. I know you're familiar with our service territories. You see them on the slides. Combined – when you combine our two electric utilities, we have 2.7 million electric customers in Indiana and Greater Houston area. This includes 5,000 miles of transmission lines and 62,000 miles of distribution lines. A fun fact, just on Tuesday of this week, our Houston area had 19,000 megawatts of peak load which was 28% of the statewide ERCOT load. We're a big deal in Texas. As you heard from Dave and Jason, we want to emphasize today what we believe makes CNP, CenterPoint Energy a premium utility which is sustainable growth of our electric business and how we have line of sight into our long-term capital investments. So let's dive a little deeper into our 10-year and $23 billion plan, 10-year, $23 billion plan. And there are three major themes as you see on this slide broken up in the pie chart. The first theme and you heard it from Dave and you can hear it from us often, heard from our mayor last night, the first thing is growth. Being a premium utility means we are investing in growth. 47% of our capital investments is in growth system growth and system improvements, and it's supported by that 2% historically over 20 years 2% continuous growth. In the last 12 months, 2.5% growth in our service area just during the COVID timeframe. So we're very excited about the future in the area of growth. The second category and they're really the second thing that's going to be bigger and bigger in the future is $8 billion or 35% of our capital investment and it's around system reliability, system resiliency and system safety. We're going to modernize. We're going to harden. We're going to upgrade. And we're going to build a stronger infrastructure for tomorrow as we have been working so hard in our past. This is all about preserving and preparing for extreme weather conditions in the future. The third area, roughly 14% of our pie of our capital investment is $3 billion plus is in renewables. And yes, we are working hard on clean energy investments in the state of Indiana. We're working very hard on clean energy investments with our third parties in the State of Texas right here in the Houston area. You heard Jason talk about integrating our Net Zero transition by 2035 - this is where it happens. And we're preparing for the accelerated EV adoptions you heard Dave talk about earlier. Listen, $23 billion of capital for the next 10 years. It's driving a decade of growth and there's more to come after 2030. So, let's look at those three areas in a little bit more detail. The first, of course, is growth. After two decades, we still see continued growth in population and in economic development. Some of you, I know many of you traveled here today. There are cranes in downtown Houston, right? This has been common for many, many, many years. If you go just south of here, you see the eighth largest business district. Eighth largest business district in the country is the Texas Medical Center, the world's largest medical center. They've got cranes all around that area. They're constantly building new medical research institutions. If you go just west of our – of where we are today, you're in the Galleria of business and entertainment district. We're building high-rise condominiums and we're building a lot of new businesses. Again, solid growth in that area, all near downtown. If you drive 30 miles from here, any direction, you're going to have master plan homes under construction all across our service area typically in the count of around 30,000 to 35,000 homes per year. And one recent customer that's very headline oriented is Amazon, and they've added 4,000 new jobs recently with two new distribution centers, just another example. But in addition to all this, we're seeing continued growth in many sectors including manufacturing, storage, logistics, the port, aerospace, petrochemical, oil and gas, in many other parts of our business that are all growing. By 2030 it's highly possible that Houston, Texas, and some of you heard this last night from the mayor, will be the third largest city in our country. So let's now convert that low, that low, that incremental load into investments which is nearly 2x in our substation infrastructure business and 2x in our distribution infrastructure business when you compare past history of our investments. And you see on the slide that we're estimating about 230 megawatts of annual increased throughput in our service area. This equates to more capacity. We must build more capacity inside of our infrastructure of our systems. 400 miles of new transmission lines will be built over this 10-year timeframe. 600 miles of upgrades of our existing lines that need to be bigger and more robust and more reliable will be built during this timeframe. If I turn you over to our substation area where we're moving that boat power into the load centers, we're going to be adding 32 different substations balanced across our service area. These are significant investments in our infrastructure business. In addition, we're going to upgrade 90 of those substations, 90 upgrades because the capacity is limited and needs to be a bigger capacity for the future. If I take you down to our distribution area, 4,500 new underground residential lines. This is revenue. This is where the master plan communities are built and now we're serving them with underground communities are built. And now, we're serving them with underground residential distribution. 4,500 new miles of underground to serve our homes. 2,000 plus miles of feeders. Literally, the overhead construction that leaves a substation and takes that power right to the home, right to the small commercial, right to all of our businesses. 2,000 miles of this timeframe, plus another 400 miles of upgrades to our distribution capacity. While I don't have peer utility benchmarks to compare this data with other utilities, this is a 10-year look that's first in our time. I do think that we can all agree that this is a premium utility growth investment against our peers. So let's turn to our slide to the theme of resiliency and I know everybody in this room is talking a lot about resiliency. 50 miles, you're sitting here today. You're 50 miles from the Gulf of Mexico. One week ago last Monday we had a hurricane. Category 1, didn't make a lot of big news compared to what happened in New Orleans. But it was a real hurricane. It takes real people to get the work done. Hurricane Nicholas, 90 plus miles gust winds. We lost 470,000 customers at a peak and within one day, 24 hours, 70% of our customers are back in service. Within three days, 95% of our customers were back in service. And by five days, we had completed the exercise. Why did we do that so well? It's because we have skilled employees. We have skilled leadership. We have operational knowhow and knowledge. We have a can-do attitude. We lean on our mutual assistance friends and we make things happen. And every single employee of the company takes this serious. We're proud of what we did here recently with Hurricane Nicholas. But in addition to these Category 4 storms that we've seen in New Orleans and the Category 4 storm we've seen here, we can't forget about winter storm Uri that just hit us this past February. It was a big – created a big amount of havoc all around the State of Texas, including Houston. And it underscores the importance of electricity and what it does to play in the lives of our customers. So, for us, resiliency matters and it matters now. We are talking about resiliency now. And you'll hear Gregg talking a little bit more about this in his presentation. And our resiliency includes major investments within our transmission system on the bulk side, our substations that bring that power to the loads and our distribution. It all is included in both Houston and Indiana footprint. On the transmission side, we only have 280 miles remaining. You saw this on chart earlier, of our total miles, to harden and modernize. So, that's a good story. We've got about four to five years remaining. And we're going to upgrade our oldest 69 kV system that was built many, many years ago to our standard 138 kV system. Once that's completed, this will result in our entire transmission grid designed and operated to meet extreme winter conditions and wind – extreme wind conditions. We're also hardening and modernizing 120 substations including raising certain substations that are near our creeks, our bayous and our rivers. Some of you might remember Hurricane Harvey just a few years ago. It created a new watermark. And we're elevating our substations that are higher risk and making sure they will not be impacted by the next big flood event. We also have 550 miles of major underground. This is downtown Houston. This is major underground. And we're undergrounding – we're hardening that underground infrastructure and modernizing that infrastructure over these 10 years. It's an exciting opportunity to provide even better service to our most important large commercial customers. The next big opportunity comes from our distribution infrastructure. And for those of you who are asking the question, where can you spend these dollars and how you can spend these dollars? We have recently raised our standards to design and build all future projects to meet extreme winter and wind conditions. And this is very important to us. And in this plan, we have over 1,000 miles of distribution and modernization and hardening important to us and in this plan, we have over 1,000 miles of distribution modernization and hardening and we have additional incremental opportunities above that 1,000 miles to place overhead facilities in select place areas into underground. What we just call undergrounding. So we're looking at all those opportunities. But in this current plan, we have not added any incremental dollars for undergrounding. We also continue to execute on our proactive programs, replacement programs, aged infrastructure. We replace all of our cable, all of our poles that are aged, all of our transformers, big transformers and our breakers. We replaced those before they fail to improve the reliability of our system. The second area here in this slide is the blue area and it's really about technology. Our second area is around replacing 2.6 million smart meters with advanced technology, state of the art enabled meters of the future. It's going to be part of our 10-year plan. You may know that we have been a leader in smart grid technology for the past 20 years and we're very excited about the opportunity to expand this technology. And why? Because the market is demanding and our customers are demanding it. This investment will establish improved operational efficiency – it's got more bells and whistles that we have today. It will provide faster emergency response similar to what we discovered during the winter storm Uri. This will give us even faster capabilities in an emergency situation. It will absolutely enhance the reliability of our system and provide better customer satisfaction for Gregg's area. In addition to our smart meters, we're going to plan to expand our intelligent grid. It has worked so well, we're now expanding the use of our intelligent switching and our intelligent technology to enable us to have even more benefit and provide more service to our critical load customers on critical circuits. And this becomes very important post winter storm Uri, because it will provide absolute emergency response during major weather events. For your awareness, our intelligent grid is a leadership technology that we have been using for over 10 years and it provides real-time operational benefits to our systems and to our customers. The third area and probably the most exciting part of this resiliency story is the new tools that have been enabled by a recent legislation in Texas. This equates to possibly $1 billion of additional capital opportunities that's built into our plan. During the recent storm Nicholas, we utilized four 5-megawatt generators to support emergency backup needs including the Lake Jackson Civic Center. Some of you have pointed out, about a handful of you earlier that the gen set sitting out there takes almost half the block. Did you see it? And it's very impressive. We have – and not only did we acquire it, procure it, we delivered it and we turned it on during this last storm. So, we're really excited about the opportunity to participate in the space. In addition, we are studying a 500-megawatt emergency microgrid backup generation system that will enable more optimized load-shedding capabilities. Post winter storm Uri, this is a real interesting new opportunity. It's in our engineering studies right now and we're going to work the Public Utility Commission to present this and try to propose it as a future solution post-winter storms and provide more load-shedding capability. We're also evaluating new tools including 25 megawatts of battery storage opportunities. And then finally, we are planning to accelerate three transmission projects that fit the economic test within Texas market as the bill has enabled us to invest sooner than what was previously permitted based on the older reliability test. Our commission in Texas is all about accelerating transmission investments to improve the reliability grid. becomes a real benefit to the market and to the reliability of the system, and we're excited to take advantage of this opportunity. The third theme is renewable generation. And in light of the accelerated net zero by 2035 goal, and you heard Jason talk about this earlier, we have a real path to success and clear and transparent steps. I talked to you all about this back in December. And we start with direct renewable investments in our state of Indiana. Our plan includes the retirement of most of our coal by the end of 2023. And we will energize over 1.1 gigawatts of renewables by the end of 2024, utilizing our BTA and our PPA agreements, plus we anticipate long-term cost reduction benefits to our customers of $320 million in net present value over the next 20 years versus a status quo option. These benefits – these investments will absolutely benefit our customers and our businesses serving the state of Indiana. Secondly, we bring it back to Houston, Texas. We are being – there's a significant demand for third party utility scale renewable power as we speak. We've already been working on a couple of projects this year. This is an exciting opportunity for us in Houston. This is new third party renewable projects mainly solar in our service territory. And we are the transmission provider that they need to get that power into our grid. And so, we are seeing currently 12 utility scale solar projects totaling 3,800 megawatts. This is a big, big generation to be energized by 2022. We also project up to 25 storage projects and many, many more in the future. All of this is resulting in capacity needs on our side of the fence, more wires, larger wires, substation, transmission to integrate that technology. And we're estimating about $750 million in this 10-year plan to serve this new business opportunity. Thirdly, we have long-term investments supporting EV expansion. We talked about that in Dave's discussion earlier. You all may not know this but Houston is one of the largest commuter cities in the country. So, we're anticipating about 30% of new vehicles will be purchased in the EV market by 2030, and that seems like a reasonable number. It could be more than that. That's 400,000 vehicles in the Houston area. And we're working today on the planning of our infrastructure to ensure that we can support greater incremental load, as you heard from Dave, over the next 10 years. As you review this slide, you'll see 2 million tons of $CO_2$ emissions that could be avoided annually, really good news for our customers, for our businesses and for our climate and for our environment. We also see the potential of $80 in margin on a per vehicle per year basis for the company. And as Dave said earlier, this assumption is about three years of growth over that 10-year timeframe. So it's a really positive story for the company. Gregg will talk more detail during his presentation about other opportunities with Metro and the city and other areas. So let's switch gears for a moment and talk about our disciplined approach to operational excellence. We are proud to be a top-quartile O&M per customer utility for many years versus our peers in the industry. But that's not enough. We are working on – We're really embarking on a continuous improvement culture across our entire operations in electric and in Scott's area on the gas side. We are combining our continuous improvement experts with employees and operations across two critical maintenance areas: substation and major underground. Major underground maintains all of our big service, big customer areas. Substation is the heart and soul of our grid. These two groups are fundamental to the most important maintenance activities for our key assets, and they are focused on improving the scope of work, the type of work, the type of skills and addressing critical part replacements. And they are working hard as we speak. They are working hard to eliminate waste, to reduce repetitive work, to reduce truck rolls, to become more efficient without compromising safety, reliability and system integrity. Already, they've estimated about $1.5 million in savings that we will start to collect in 2022. So in closing, thank you for your time today. It's a pleasure to present our 10-year $23 billion plan to you. I'm really proud of our success. This year alone, we will make a $2 billion investment in the utility. I'm proud of our 3,500 hardworking employees within this business and I want to thank you all for your trust and spending $23 billion over the next 10 years. Beyond 2030, we have many, many more years of similar investments and opportunities ahead. And I look forward to your questions a little bit later. But now, I'm going to hand the mic over to my colleague Scott Doyle who leads our natural gas operations. Thank you.

**Scott Doye – EVP Natural Gas**

Well good morning and welcome to Houston and thank you for your continued interest in CenterPoint Energy. It's good to see many of you in person. It's good for us all to be back together as well. And welcome to those of you joining us through the telecast. Kenny and I have worked together quite a bit over the last 10 years and a lot of different roles in our company. And both of us, as you can tell today are very excited about the utility focused nature of our business and strategy going forward. I plan to spend the next few minutes highlighting the investments that will continue the transformation of our natural gas utility into a more modern and resilient network that meets our customer and community expectations for safety and environmental performance. We start with the pipeline distribution system that is the largest in the US, serving a diverse footprint across the Mid-Continent. This foundation provides a significant platform for sustainable capital investment well beyond the 10-year capital plan we are introducing today. I will outline the details shortly but our $16 billion plan will serve a growing customer base, while updating systems that serve our existing customers. As many of you know, we view the premium valuation we received for our natural gas utilities in Arkansas and Oklahoma earlier this year as confidence in the long term of this sector. Once the sale of these businesses are complete we will continue to be a top five gas utility in terms of customer count and top two or three in terms of miles of main. Turning to environmental performance. With the net zero commitment we announced today we now have industry-leading commitments for carbon reduction targets. All of this is taking place in some of the more constructive gas regulatory utility jurisdictions in the nation. By constructive we mean stable, predictive, and supportive. A quick note about Winter Storm Uri earlier this year which was horrible for our customers and our communities. We were fortunate to have regulators and legislators helping us develop solutions to ease the incremental gas costs burden for our customers. We are also pursuing claims against our suppliers where necessary and we are exploring other funding opportunities at the state and federal level to offset the remaining cost. Finally, we are working with our regulators to develop highly constructive solutions for recovery that minimize the impact to our customers. So far, this process is expected to have 80% of our gas expenses recovered in the first half of 2022. Moving forward, our natural gas utility continues to perform in the top quartile with our peers and expense management, all while we are also growing our customer base greater than 1% per year, which leads to our relentless focus on safe practices. As many of you will have the chance later today, we are several to see – where are several years into the deployment of advanced leak detection, utilizing it as our daily leak detection methodology. We've also developed advanced analytical tools to help inform our risk-based developed advanced analytical tools to help inform our risk-based pipeline replacement programs. And we've adopted leading leak repair practices that are in line with proposed rules under consideration at the national level. All of this leads to the natural gas utility supporting our 8% near-term utility EPS growth at CenterPoint Energy. Turning to our first-ever 10-year capital plan, I want to point out it's not shrinking after the sale of Arkansas and Oklahoma, rather it's increasing. The majority of our $16 billion plan is focused on modernizing and replacing legacy steel and vintage plastic systems, consistent with our risk-based plans. It also includes extending new infrastructure to serve the growing populations in all of our jurisdictions. Those include Houston, Minneapolis, suburban Indianapolis, and Central Texas. Included in our plan is the beginning of updating our metering technology infrastructure with enhanced safety and efficient service delivery features. In short, this system will allow us to move the natural gas utility toward similar benefits that smart meters deliver to the electric utility a decade ago. Finally, ensuring a natural gas supply for our customers in a dynamic environment, we'll include some investments on our side of the city gate. We will work to address the peaks, but also work to invest in spurring the inclusion of renewable fuels in our network. As we dig a little deeper in our system modernization plans, it begins with an elimination of known cast iron in 2020 and uncoded steel in 2025. The categories of pipe being replaced represent the outputs of our data-driven risk-based integrity management plans. Our goal is to mitigate risk in our system through aggressive replacement programs. And as a reminder, this is not new territory for us. As we completed similar programs in the past over the years, having removed cast iron in our legacy CenterPoint jurisdictions in 2018 just prior to the Vectren merger. Eliminating cast iron and bare steel allows us to focus on other categories such as earlier vintage plastic and other types of steel pipe. This all adds up to over 900 miles of pipe replacement each year. Looking beyond our 10-year plan, we currently have a plan to replace well over 13,000 miles of pipe in the next 15 years, representing less than 2% of our total system mileage in any given year. Stated another way, at less than 2%, our modern – our modernization plan is achievable and not burdensome on our customers, which is a significant improvement for both our customers, the environment and the overall expense of maintaining the system. Finally, we will achieve significant methane emissions reductions from our efforts with an approximate 33% reduction by 2035, all in support of our new ESG commitment. As all of you have observed over the past few years, there is much debate about the future of natural gas. But our experience in the areas we serve is that our communities and our customers continue to choose natural gas and the regulatory landscape continues to be supportive. We serve some of the most dynamic and growing economies even in a post-pandemic environment. Minneapolis, suburban Indianapolis, Houston, Central Texas between Austin and San Antonio anchor our greater than 1% annual customer growth. I mentioned our greater than 900 miles of pipeline replacements, but I also want to point out we are expanding our system by more than 800 miles per year as we extend to new communities. We expect our advanced metering technology which those of you in attendance will see shortly will be deployed over the coming decade with key features such as an automatic shutoff during certain conditions. We see this as an investment in our customer safety that hasn't been available until now. Let's take a quick pause to briefly discuss about natural gas costs. We've all seen them rise in the past few weeks but the indexes continue to be well below levels seen in past decades. We're working to mitigate the impacts to our customers, but our starting point for our customers is a current average residential bill between $40 and $70 per month depending on your location, which is roughly 1% or less of median household wage income. As in the past, we'll work closely with our regulators to explore ways to dampen the effects and keep rates affordable. Ultimately, the value proposition of natural gas is tough to overcome when used as a heating source, whether for home heating, water heating or industrial processes. While electrification has some merits in certain sectors of the economy, no other fuel source packs a more efficient and affordable delivery of energy and helps meet the ultimate carbon reduction goals of our nation when delivered directly to where the energy is needed. We believe natural gas has an enduring future when compared to alternatives, especially in climates like Minnesota where electric alternatives for heating homes just don't exist at minus 25 degrees. Speaking of our commitments to a cleaner future, we led the effort to establish a Natural Gas Innovation Act in Minnesota which paves the way for smarter investments in the next generation of fuels that will be transported on our infrastructure. Think of this act as the development of an integrated resource plan for our natural gas utilities. The Minnesota Commission will have to establish some rules and our first plan will be submitted later next year. As I've mentioned in the past, Minnesota is a great environment to explore a reasonable approach to energy transition. The regulatory, legislative, and advocacy communities are committed to working with industry to explore the full energy value stream in order to unlock potential for improving the environmental impacts of our energy choices. Our modernized pipeline network will be ready to serve the evolving expectations. CenterPoint is also committed to our investments in support of this journey as well. Our hydrogen production pilot in downtown Minneapolis is set to be operational by year-end. We'll generate hydrogen from water and renewable electricity and we'll inject it into our natural gas stream for delivery to homes and businesses. We have other opportunities for investment in other states and are targeting injection rates well within the industry accepted standard of 5% to 10% without the need for a significant investment in customer appliance upgrades at this time. Our commitment also includes electrifying our light fleet during the 10-year time horizon. Kenny, yes, we're going to have electric vehicles, I promise. It also includes exploring renewable natural gas in many of our service territories. While not new to our system, interest and investment in these alternatives has grown and we stand ready with enabling tariffs that support infrastructure development to connect to these sources. All of this is in support of meeting our carbon reduction commitments by 2035. Finally, a couple of thoughts on our continuous improvement efforts and our O&M discipline. As Kenny mentioned in his slides, we are building our continuous improvement muscles across the enterprise. In our natural gas business we are focused on finding additional efficiencies which includes eliminating certain tasks. In the future, deployment of our updated metering infrastructure will have some simple benefits once fully deployed. It includes enhanced response to leak calls through an automatic shutoff. It also includes elimination of sending a truck for a customer-initiated disconnect. It will include reduction of emissions associated with sending a truck to shut off natural gas for other reasons. Recently, we were also successful in standardizing processes across our full natural gas footprint. Maintaining a population of 4.7 million meters requires a lot of physical effort moving the meters around, maintaining them, and inspecting them, and ensuring that they're up to code and up to standard. One example of continuous improvement is our meter testing and inspection practices that yielded a tangible reduction in moving those meters around, eliminating truck rolls, and enhancing overall processing time. These efforts not only support our own O&M efforts, but they also promote safety. As I mentioned earlier, we continue to be in the top quartile for O&M performance when compared with our natural gas peers. I'm confident in the capital we are investing, the growth we are experiencing, and the technology tools that we've developed, that we can deliver on this plan. As you can tell, I'm confident in the future of this business in the more – in important energy needs that we deliver. The 4,000-plus colleagues who make up our natural gas business throughout our service territories are committed to building and operating a safe, reliable, and affordable system for our customers. It's now my privilege to turn the mic over to Gregg Knight who leads our Customer Technology and Customer Solutions business. And it's been good to have Gregg back over the last year as he's helped us reengage with our communities and cities just like you saw that those of you that were here last night and got to meet the mayor. So Gregg?

**Gregg Knight - EVP, Customer Transformation & Business Services**

Thank you, Scott. Well, good morning to those of you who are in the auditorium with us today. Welcome to Houston. And for those of you via the webcast, thank you for joining us. Well, you heard Dave and Jason talked about our exciting future for growth, and we're all really excited about what it's going to do for us. It's going to enable us to unlock an investment thesis that's going to deliver some amazing things for the customers and the communities that we serve across all of our territories. Our customers have evolving needs as they continue to become more environmentally-focused. And also, as they feel the impact of extreme weather events that have become really all too frequent across the nation. My comments today are really just intended to demonstrate how our strategy will support our customers and our communities in realizing an energy future that is resilient, clean, affordable and equitable. Now since our last meeting, I really believe that CenterPoint has become a premium utility. And what is a premium utility? Well, at its core, it earns trust by meeting and exceeding the needs and expectations of the customers and the communities that it serves. It's a partner that customers can count on to always be there and to support future economic growth. Some of you heard last night directly from the mayor of the city of Houston about our very productive relationship improvement which is an able work that we're now jointly pursuing to enhance the resiliency across the greater Houston community. And today, I'm going to further talk about a new era of a much stronger relationship that we have forged with the city that's really important to our future. First, CenterPoint has invested in community incubators to support innovative solutions in science, technology and the economy as well. CenterPoint Energy co-founded a new energy technology incubator through Greentown Labs to support economic development and also secure Houston's position as the global leader for energy innovation. We're also a founding partner of EVolve Houston, which is a nonprofit whose mission is to educate customers on how to reduce their greenhouse gas emissions through the adoption of vehicle electrification. Now workforce development investments help Houston's workforce respond to the energy needs of the future including the creation of a skill empowerment center for EV fleet management and batteries benefiting the Houston business community. Now, second, working together with the city of Houston, we're collaborating to build the first-ever resiliency-master energy plan. Resiliency now, as the plan is called, will help us strategically identify where infrastructure assets can be optimized and coordinated with the city for benefit to all who reside in our communities. We know that inclement weather uncertainty across the United States that resiliency must be our fundamental objective. And third, we're activating our digital maturity and our IT practice, which we expect will enhance the customer experience and improve our operating costs, while also supporting workforce automation. And agile IT ecosystem will help further streamline our processes and enhance speed to market, while supporting our drive towards affordability for customers and also for our communities as well. Now, customers really expect us to lead on sustainability. And in fact, they're actually demanding it. And nearly every conversation that I'm having with customers, they're really looking to CenterPoint for support to achieve their own sustainability objectives. They're actually looking to us to help them understand how we're growing and maintaining our own business and also how we can contribute to their climate goals of the communities and the customers that we serve in our various markets. But you heard Scott talked about how we support our customers by reducing emissions in our gas jurisdictions, and also leveraging new technologies like RNG and green hydrogen, and how we're working across our ecosystem to achieve that objective. Kenny also discussed our plan to transition from coal generation to more renewables and how we're also supporting electrification of transportation right here in Houston, both of which provides opportunities to support our customers aspirations. We've also maintained very strong energy efficiency and conservation improvement programs through our gas and our electric businesses. And in fact, we have an award-winning metro gas conservation improvement program that supports our customers and their sustainability goals. In 2020, our customer conservation improvement programs help customers save over $20 million annually. I'm sorry. Almost $20 million annually. And the related emissions reduction is the equivalent to removing 20,000 fossil fuel vehicles from the roads supporting the local community's climate action plans. Now let's dive a little bit deeper into the components of our resiliency now plan which is our EV future. METRO has served the city of Houston and the surrounding areas for more than four decades and recognizes their role in Houston's energy transition. Through working with our incubation partners, METRO has announced a commitment of 100% emission-free vehicle procurement by the year 2030 which is no small undertaking for the fourth largest city in the United States. Now we simply can't meet this critical city of Houston climate action plan without each other. Together, we're working on a 10-year infrastructure plan as Kenny discussed that will provide targeted investments to drive resiliency and account for all of the additional load that will come from adding over 1,200 buses to our electric system. This is a true collaboration and electrifying hundreds of buses in less than 10 years. And the infrastructure needed to support this. Now this is a little bit personal for us as a third of employees working at our downtown area including our own depend on Metro daily. And we're really proud to be enabler of cleaner transportation. Outside of Houston, customer sustainability expectations, well, they're really not much different. The demands are the same and we're also responding to their needs as well especially when it comes to saving both energy and money as well. We delivered a historic $2 million rebate check to the University of Minnesota which was part of the largest natural gas efficiency project ever undertaken in the state of Minnesota and also as a part of our own gas conservation improvement program. As a result of this the university saves about $5.4 million annually on their gas bill. And that equates to removing 8,900 fossil fuel vehicles from the roads of Minnesota. And we're also working with the university to develop a multi-year program that will install highefficiency equipment to help obtain carbon neutrality by the year 2050. In Indiana more than a dozen corporations have publicly created sustainability and renewable energy goals to support our efforts as well. Specifically, Berry Global has joined the Corporate Renewable Energy Buyers' Principles Group which consists of 50 global companies that publicly set environmental goals. In a letter supporting our 2020 IRP filing in Indiana, Berry Global said, the increase in renewable energy and the decrease in carbon intensity of CenterPoint's portfolio will provide tremendous assistance in achieving our own goals. We're excited about the future as you can see and the role that we're going to play in helping our customers achieve their aspirations, well, because we share them. And then our leadership team and employees are committed to achieving cost effective and enabled by digitalization, workforce automation and new ways of working safely. By focusing on affordability and infrastructure optimization. We truly believe that we and Houston and other communities will sustain economic vitality in our service territories and support our regions for all of its stakeholders. At CenterPoint Energy, we're really proud to be a part of the solution. We work to meet and exceed our customers' expectations for safe and reliable service that exceeds present and future technologies and maximizes those benefits. Now, all of you know that in order to achieve our goals, it's not only customers that we have to work with but also regulators. And at this point I'm going to invite Jason Ryan up to talk about how we're working in that space.

**Jason Ryan – SVP, Regulatory Services & Government Affairs**

Thank you, Gregg, and good morning, everyone. It's my pleasure to talk to you about our views from regulatory and government affairs perspective this morning. As you've already heard, we have the privilege to serve growing communities and as we – as the new management team execute on the 10-year plan that we unveiled today. We know that it's our responsibility to keep our service affordable for our customers. We also know that this new management team needs to work proactively with our regulators and with our legislators to improve service for our customers and value for our shareholders. I'm going to take everything we've talked about today so far and cover it in three areas, bringing it all together. First, we believe we are in a unique position to maintain affordable service for our customers even with the backdrop of inflationary concerns. Second, I want to highlight the constructive mechanisms in our jurisdictions that lead to timely recovery of our capital investments for the benefit of both our customers and our shareholders. And finally, I'll highlight some changes we've made to work effectively with our regulators and legislatures. The results of which initially, can be seen in legislation that was recently passed in every single state that we serve in the last year, benefiting all of our stakeholders. Let's dive right on affordability. I'll start with the electric business. You've heard a lot about our customer growth today. They put it in perspective of Ann Arbor, Michigan. Think about that for a minute. I'll pick some different cities that you might be familiar with. Think about it as 100,000 to 125,000 peaks the equivalent of adding a new customer base, the size of Pasadena, California; Berkeley, California; Hartford, Connecticut, if you want to pick the other coast. It's significant and it's happening here in Houston every single year. And that's before we even consider the benefit from additional low growth from electric vehicles that you heard management talked about today. This gives us an ever-expanding base to spread our fixed costs across. As important, is the benefit our customers have already see – received and that will continue to receive in the form of historical charges that roll off their bill. First, as you can see in the middle, we've decreased our rates for customers over the last five years as transition bonds and smart meter charges and others have rolled off their bill. Starting at that lower point, gives us the right headroom today. And we anticipate even more charges rolling off the bill during the next few years related to other storm and transition securitization bonds. This, too, provides significant rate headroom for the capital investment that you've heard about today. Finally, you've also heard about our focus on reducing O&M by 1% to 2% every year. All of this together puts us in a unique position to keep our service affordable for our customers, while we continue to deliver on industryleading growth for our shareholders in the future. We're in just as strong a position on natural gas. We recognize that there's been a lot of concern recently about the spot price of gas trading at over $5. We're focused on this but I think it's important to put this in context around this cost. First, the commodity portion of our bill has historically represented about half of the overall cost to our customers on a weighted average basis. Second, we hedge about 50% of our winter usage so we'll average a lower price of gas than what you're seeing in the market for the 2021-2022 heating season. And third, forward gas costs are projected to be lower in the coming months, returning to a normalized mid-$3 by about mid next year. So overall, we are focused on taking steps to keep the gas costs half of our bill affordable for our customers. But we do not see this as a fundamental reset to our overall cost of service for Scott's business. Now stepping back to the overall bill. Our gas bills have remained relatively flat in Texas and relatively flat in Minnesota with one small exception that you see on the chart over the last dozen years. These bills represent a cost that is 1% or lower of the customer share wallet. So given the growth in our gas jurisdictions, coupled with our expected O&M reductions, we are confident that we can continue to deliver industry-leading growth in our gas businesses as well while maintaining affordability of the service for our customers. Now I want to shift gears to highlight the constructive nature of the jurisdictions we serve. You see on the lefthand side of the slide that about 80% of our capital spend is anticipated to be eligible for recovery through capital mechanisms. That number goes to 85% when you include the spend on projects that require prior commission approval through a CPCM proceeding. This means that we will get the vast majority of the capital that we're spending in the 10-year plan into rates within about a year of when those projects are serving our customers. This supports the timely recovery for shareholders by reducing regulatory lag. It also reduces rate volatility for our customers by incrementally increasing rates over time between rate cases. On the other side of the slide, I won't cover it in detail, but we have other mechanisms in place to reduce volatility for our customers as well. Given Hurricane Nicholas was last week, for example, in Texas, we have the ability to defer prudently incurred storm costs as a regulatory asset, and we have the ability to securitize them if they exceed $100 million. These are all important tools to reduce volatility for both our customers and our shareholders. Moving on, I want to discuss the changes that we've made to improve our regulatory and legislative relationships. Our team works closely with our regulators and with our legislators to achieve constructive solutions for our customers, our shareholders and our communities. We do that today through a dedicated team of professionals that are on the ground where our regulators and our legislators work in our state capitals. And we've strengthen those teams over the last year. For example, in Austin, we've enhanced our leadership team over the last year in our regulatory space. And our teams all over our state capitals have strong connections back here in Houston, so we can be responsive to the needs of our business as well. So while we are a geographically dispersed leadership team in our state capitals, we are all coordinated, having reduced silos in the past few years. Let me turn to the slide content, and you can see that proof of our improved relationships both on the regulatory side and legislative side over the last year has resulted in constructive legislation that you've heard about today. You heard from Kenny about the nearly $1 billion of incremental CapEx associated from Texas legislation. What's incredibly important about the spend is that much of it leads to an overall bill for our customers. For example, the new category of economic transmission lines will only be approved under economic justification that leads to an overall reduction to the total cost to serve our customers. We think that's significant. These new tools in our toolbox also have a social benefit. For example, the emergency generation will benefit our entire community, relieving the burden for those customers who are unable to afford their own personal generators to power through a storm like Winter Storm Uri. Scott mentioned our planned investments under the Minnesota Natural Gas Innovation Act, which was – is one of the most constructive gas legislations out there that address the – how to affordably develop and deploy renewable resources in the gas space. Finally, our affordable natural gas service will continue to be a choice for all of our customers, as the legislators in all remaining seven states pass legislation to ban municipal gas bans. The progress on the legislative front really demonstrates the depth of our relationships. They are win-win solutions, and we look forward to continuing to build on them. We now have more tools to provide cleaner, more resilient service for our customers while continuing to support industry-leading growth for our shareholders. I'm proud of the progress that we've made under the new management team and look forward to continuing to work on constructive solutions while maintaining affordable service for the customers we have the privilege to serve. Let me now turn it back over to Jason Wells to give you more details on our financial plan.

**Jason Wells - Executive Vice President & CFO**

Thank you, Jason. So now you've heard about our industry-leading net zero carbon reduction goals, how we plan to spend $40 billion-plus in capital investment to improve service for our customers, why our customers are asking for and supporting these investments and how we're in an incredibly unique position to deliver industry leading growth for our shareholders while keeping our service affordable for our customers. I now want to spend some time on discussing why we believe we have a sustainable financial growth profile. Our value proposition is quite simple. We offer stable industry-leading earnings growth with a conservative financial risk profile. We are laser-focused at delivering 8% year-over-year utility EPS growth through 2024 and 6% to 8% long-term annual utility EPS growth through 2030 with a focus on delivering at or above the midpoint of that range. And we will grow dividends in line with our utility EPS growth targets over this timeframe. As Dave has mentioned, we are also committed to efficiently funding our $40 billion-plus 10-year capital investment plan and resulting earnings growth for the benefit of our customers and our shareholders. We've made a number of hard but necessary capital allocation in business optimization decisions that put us in an incredibly unique position to fund this growth without any external equity issuance that's needed in a 10-year plan and while continuing to prioritize a strong balance sheet. That is one with parent debt expected to be 20% of consolidated debt levels by the end of 2022 and maintaining FFO to debt of 14% to 15% throughout the plan. Now, I want to shift gears and I want to spend a few moments talking about the pending merger between Enable and Energy Transfer. As Dave said, we fully expect this transaction to close in the fourth quarter of this year. As we've discussed in the past, we are absolutely committed to efficiently exiting our exposure from the midstream sector. To that end, I want to provide a little bit more clarity around the timing of our exit. We have already locked into a contingent forward sale for 50 million energy transfer common units. This was an incredibly efficient way to begin to lock in a portion of the appreciation we have seen in energy transfer unit value since the merger was announced and to begin our time we exit. In addition, as we've intimated previously, we plan to sell the Energy Transfer preferred units that we'll be exchanging into as part of the merger before the end of this year. These two steps provide the foundation for our intention to monetize well over 40% of our entire Energy Transfer stake before the end of 2021. And most importantly, these two steps put us on track to execute on our plan to fully exit our exposure to midstream before the end of 2022. As we look forward post our exit from midstream, we will be among the premium pure play regulated utilities with over 95% of our earnings coming from regulated utility assets. So now let's focus on our core utility business. I'll start with a look at our 10-year capital investment plan which is the foundation for industry-leading growth plan. investment plan which is the foundation for our industry leading growth plan. As you've heard from Kenny and Scott, the very tangible examples of how these investments are going to improve our service, that is making our system safer, more resilient to providing cleaner energy into lowering our cost structure for customers. And as you've heard from Dave, we've already identified $1 billion in reserve capital that we'll look to fold into this plan when we can efficiently fund it and efficiently execute it for our customers. Overall, there are three key points I want to reinforce. First, this spend doesn't rely on any big bets. This is routine spend and consistent with what our customers are asking for. Second, this profile is reflective of a longer term focus of having a bias towards the electric side of the business. And third, we're able to earn a timely return on this capital investment with over 80% of the spend included in rates within one year of being placed into service. Now, as Dave and I both have mentioned, we will fund the next 10 years of our capital investment plan through efficiently recycling capital, internally generated cash flow and incurring debt consistent with our capital structure targets, which means no external equity is needed for this plan. Let me start by highlighting how we plan to fund the incremental CapEx in the first five years of the plan. Building off the plan that we outlined last December. The slide here highlights our ability to increase that five-year CapEx plan by roughly $2 billion while also eliminating the previously communicated ATM equity plan of $300 million. About half of that CapEx increase will be funded with operating company debt consistent with our regulatory capital structure targets. We'll fund the balance with the $300 million in incremental proceeds we expect to receive from the sale of our Arkansas and

Oklahoma gas LDCs. As well as new – a new source of incremental cash flow of about $550 million. This is really driven by two things First, this relates to about $350 million from electing a new method for deducting repairs from a tax perspective and an expected $250 million from the securitization of our remaining coal rate base as part of our coal transition. And finally, it also includes about $450 million from the expected incremental proceeds from the appreciation we have seen in energy transfer unit value since the merger was announced. Now, to be clear, our plan is not sensitive to the valuation of energy transfer units. The current value of energy transfer is sufficient to provide the level of funding I'm discussing today. But we are equally committed to exploring additional asset sales to efficiently recycle capital to the extent necessary. Now, let's turn to the back half of the 10-year plan. The level of growth in the first five years of our plan puts us in a great position to fund all of the capital investment in the back half of the plan with operating cash flow, debt consistent with our parent – debt consistent with our capital structure and incremental debt capacity that will be created at the parent level. To be clear, this is maintaining a similar set of credit metrics. That is 20% parent debt to total debt; FFO to debt of 14% to 15%, but utilizing the additional debt capacity that will be created through the overall growth in the company over the course of this plan. I also want to reiterate the last five years do not require any additional asset sales for growth. We retain that full flexibility to recycle capital should other growth opportunities arise. Our increased capital investment plan leads into our 10-year rate base outlook. And as you can see, we project about 11% near term rate-based growth CAGR, which normalizes into an approximately 9% CAGR over the full 10-year plan. Our 2030 projected rate base is north of $37 billion, which would more than double the size of the earnings power of the company over the next 10 years. And finally, our projected rate base split of about 60% electric and 40% gas put us in a position that is consistent with several other premium peer utilities today. Now turning to this next slide, we are reaffirming the previously stated $1.25 to $1.27 2021 utility EPS guidance and we're initiating 2022 utility EPS guidance of $1.35 to $1.37. We anticipate $0.07 to $0.08 of net customer growth and rate relief year-over-year. Our organic growth as you've heard today is a key component of our industry leading utility EPS growth. There are also several onetime items that will contribute $0.03 to $0.04. These include the previously recorded tax benefits in the second quarter that will be more than offset by expenses incurred related to the recent governance changes that we announced, as well as certain onetime items that will be recorded in the balance of the year. Additionally, we expect $0.02 to $0.03 of benefit from achievable O&M reductions from our continuous improvement programs across the business that you've heard about throughout these presentations. And finally, we're reflecting about a $0.02 reduction in earnings from the closing of our Arkansas and Oklahoma Gas LDCs. The key highlight here is we play to grow utility earnings per share at 8% each year through 2024, and then grow at 6% to 8% each year through 2030 with a focus at delivering at or above the midpoint of that range during that time period. And as you can see on this slide, we intend to grow our dividends in line with our utility EPS growth over the 10- year plan. Our annual 8% growth rate through 2024 is tops among the premium peer utility set and our dividend growth one way are on top of our utility EPS growth provides a compelling total return proposition for our shareholders As you can see on this final slide, we have committed to a meaningful incremental in our five-year plan that we announced last December. To put this in context, if the market was to apply our current utility earnings multiple of about 20 times our 2025 earnings, it would translate to a stock price of more than $35 per share. That's well over a 30% increase from today's levels. And it would be a well over 40% increase if the market was to apply the average per premium multiple. As David said, the best is yet to come here at CenterPoint. So, in closing, I want to reiterate how tangible our plan is that we have industry-leading earnings growth underpinned by a sound financial position with no big bets. I'm excited to be part of the team here at CenterPoint. And on behalf of all of us on the management team, we thank you for joining us here in Houston and we look forward to answering your questions and spending incremental time with you throughout the day.

So, with that, let me turn it over to Dave for his closing comments.

**Dave Lesar - President & CEO**

Okay. We've said a lot this morning. So, believe it or not, I'm going to be very quick with my closing comments. As I said, when I signed off last time, we're going to be the sustainable utility, sustainable rates for our customers, sustainable growth and earnings for our shareholders, and a sustainable positive impact on our environment. I said it. Jason said it. Everyone said it. At CenterPoint, the best is yet to come. So, I think we're going to go, what, Jackie, now?  We'll take a 10-minute break. We'll set up and then we'll go to Q&A. So thank you everyone.

**Q & A**

**Shar Pourreza - Guggenheim**

Hey, guys. A couple of questions. First, Dave, on the $3 billion of capital on the clean generation side, remind us what you assume and plan as far as utility owned versus PPA especially in Indiana around the 1.1 gigawatts. I guess another way to ask is the $3 billion figure, your total generation needs, or is there an amount above this you assume will come from PPAs?

**Dave Lesar:**

Now, it's going to be a combination. I'll let Kenny answer the question.

**Kenny Mercado:**

We've got about $1.4 billion, $1.5 billion over the next four years. 50% of that is PPA; 50% is that is BTA. It's about a 50/50 split. That's what our commission requested. Totally, through the 10 years, there's probably around $2.3 billion of total. There's some other things in there that are above and beyond the renewable investments.

**Shar Pourreza – Guggenheim:**

Thank you for that. And then on the $4 billion of CapEx, no equity through the 10-year plan. Obviously it's going to come from ET utilizing cash flow some incremental leverage, right? What would – Dave, what would drive you to look at further LDC sales if you have sort of no equity needs in your CapEx plans or kind of well stated? Is it kind of the decarbonization driver as you're thinking about net neutral? Is it to capitalize on sort of the transaction multiples we've seen? Could it be timed with the $1 billion of reserve capital that you kind of mention could come into plan? So, how do we think about that?

**Dave Lesar:**

The answer is yes to all of what you said. No, I think that having the optionality of the additional billion dollars is just a wonderful luxury to have. And I think if you look at the combination of opportunities we have, a lot going on in Washington right now. Let's see what comes out of that. Could be fantastic opportunities for a utility like CenterPoint.

Those of you that were here last night and listened to the mayor, he talked – he is all about resiliency right now. And so, there are certainly additional capital that we can move into this 10-year horizon to basically meet the resiliency needs that the city of Houston is demanding. One of you asked a really great question to him last night about affordability. You heard his answer.

It's – you've just got to do it. It's something you've got to suck it up and get it into the bills. The opportunities beyond 10 years potentially accelerating some of those in. And so, we're in a position. It's just a great luxury to have. We know we have a set of assets in the LDCs. We still have – we have communication all the time with potential buyers. We know the value of those assets.

So, it is sitting out there as basically the liquidity to take on new opportunities as they come by. So, as I said, $40 billion is a lot to absorb. So, my view is let's get on with that. Let's get on down the road. We know we've got another billion that we could fold in when we want. And there's even more opportunity in that 10-year period and beyond. And we have the – we have the liquidity ability with the LDCs to meet that.

Most importantly, without having to issue any more equity. And so, the shareholders that we have today, I want to have them benefit from these opportunities that we have and not have to dilute them down to meet this great future we have.

**Jeremy Tonet – JP Morgan:**

Hi. Jeremy Tonet, JPMorgan. Just maybe picking up on the $1 billion a little bit more. Is there anything preventing that from going into the plan today, I guess. It sounds like it's really baked. Is it just there's a lot going on and want that to settle before moving on? Just trying to marry the LDC, it seems like the valuations are quite robust there. The opportunity to recycle capital is great. And so, didn't know if there's any kind of gating items for that $1 billion to kind of time more asset rotation there. And does your portfolio mix shift play into your thought process and divesting LDCs?

**Dave Lesar:**

I'll answer it. Maybe at one level, Jason can go down and be a little more granular. At the end of the day, I've been in business a long time and efficient capital allocation and spending capital efficiently is really important to me. And so $40 billion is a big capital increase for a company like ours. The hesitancy to put it in the plan is not that we don't know what it is. We do. But is, are we going to have the engineering resources. Are we going to have the project management resources, all of those kinds of things to make sure that we can do these projects in an efficient way. On the timeline that I want them to be done.

So to some extent the burden is on the two gentlemen to my right to demonstrate that they have the – essentially the organizational infrastructure to execute this. I'm absolutely confident we do.

But as I said earlier, it's a great luxury to hold back and then as Jason said, when we can officially fund it which we can with our liquidity and we can make sure that it's going to support a customer and get into the regulatory environment, we'll start layering that in. so, there's really no gating issue other than my sort of inherent let's do things efficiently approach to life.

**Jeremy Tonet - JP Morgan:**

That's very helpful. Thanks. One more if I could just on gas prices and that was a lot of helpful color that you provided there. But still if you look at the 2022 strip kind of higher than where it was in 2019 and before in recent history and just wondering that seems like there's some fear in the marketplace with regards to higher gas prices, bill pressure. Could this adversely impact regulatory outcomes in your jurisdictions? Any thoughts that you can provide on that moving forward here or what mechanisms can be done to alleviate customer bills?

**Jason Wells:**

We feel very confident in the capital investment plan that we outlined. We understand that the commodity cost is creeping up. So we focused on, as Jason Ryan highlighted, we went into the 2021 2022 winter season with about 50% hedged. We're seeing gas costs come back down. Starting from a really good spot with bills less than 1%. I think what's important is what Scott highlighted. These are necessary and critical safety related investments.

This is an incredibly efficient and affordable form of energy for our customers that I think was reinforced with the winter storm Uri and how the gas systems stood up and provided much needed heating relief. And so while this temporary tick up in commodity prices is something that we're focusing on, we feel confident in the long term delivery of our plan.

**Dave Lesar:**

Let me take a risk here and probably say maybe no one in this room has more knowledge about the natural gas business than I do since I spent 20 plus years in that business. And so, I am a couple years removed from it but I do continue to watch it because it is important into our business. But if you look at the other markers that are out there, I think it's a lot easier to build a bear case for gas prices than a bull case. And I'll just give you a set of what I used to watch when I was at Halliburton - rig count. Gas rig count is up 40% this year. The regular rig count is up 50%.

Somebody doesn't rent a rig to have it sit around. So that says those rigs are going to work and that well count is going to increase. So more production is going to come on to the market. There's this concept of capital discipline which better capital discipline does exist in the E&P space. But at $5 a gas, I would say almost every basin in the US is profitable at $5 gas, especially the wet gas basins like the Permian Basin where you need a lower gas price to break even because you have all the liquids that you produce with it.

You look at the gas strip. It's not an absolutely perfect predictor of where things are going, but it's back down to $3 as you get in to 2022. And so, yeah, if I was back in my oil and gas service days, I'd be looking at those markers and saying gas prices are going to come down and not go up.

**Jason Wells:**

If I could take a step back and also add to the question about the $1 billion in reserve capital, two themes that I think are important and I hope that you see them in this management team. We're absolutely committed to delivering on our commitments to stakeholders. And holding back $1 billion of capital puts us in a really unique position that for whatever reason, if we encounter challenges with respect to the supply chain permitting, it gives us the opportunity to fold capital into our plan and deliver at a minimum on the plan that we've outlined to you. So this focus on consistently delivering, if anything, under promise and over deliver is a very key theme.

The other theme that I think is really important that I want to reinforce, I think you saw it last night for those of you that attended the reception, is a theme about partnership. We're in the early innings with respect to this Texas legislation. We're in the early innings with respect to resiliency now here in Houston. We want to work with our stakeholders on effective solutions that work for everybody. And so this gives us an opportunity where we have ideas on where that capital spend can be deployed effectively. But we can partner with our stakeholders and do it in a very constructive manner. And so I wanted to reinforce that aspect of some of the themes and why we haven't folded that $1 billion into the plan that we outlined today.

**Insoo Kim - Goldman Sachs:**

Thank you. Insoo Kim from Goldman Sachs. First question maybe for Scott and/or Dave. But just following up on that gas comment, is there any current – like what's the gas storage capability you guys have at the LDCs at all? Do you own any? And have there been more conversations just about potentially investing in more gas storage capacity at the utilities just to further hedge or balance out the remaining.

**Scott Doyle:**

Sure. I'll start with where we are. We have storage, own storage here in Houston as well as in our Indiana market as well. We also have peaking capabilities, LNG peaking as well as propane air peaking in our Minnesota, Indiana, and even Houston markets as well. As we've looked out at storage potential right now in the market, it's priced at a premium at the moment. We're going to get through the next season and work through some other mitigants that we’ve got in place, but we'll continue to look at that and see if there's opportunity to expand particularly in a market like this.

**Insoo Kim – Goldman Sachs:**

Got it. And a second question for Dave, with the impressive, and I guess, top decile growth forecast that you are laying out kind of 8% point range on an annual basis. Help us with any contingencies or what type of contingencies you've baked into the plan, so that if certain low growth assumptions don't work out, if gas prices go higher and this squeezes bills, and there's some moving parts here and there that we could still be comfortable that from an execution basis that the consistency that people are looking for, they'll be able to achieve that.

**Dave Lesar:**

I think – yeah, maybe the first thought is what Jason said. This is an under promise, over deliver approach to things, number one. Number two, we always have cost levers to pull in terms of managing it. But I guess, I sit back and say, Jason I think put his finger. This is – we're not taking any big risks in this capital spending program. We're not going to build a nuclear plant. We're not going to do this, the kinds of things where your capital could really get away from you. This is bread and butter capital stuff that essentially we do every day.

My view is that you're going to have bumps in the road. They come along. That's what you pay a management team to do. A management team handles bumps in the road as they come along. So, I have a list of contingencies I would do. I, Jason does, I'm not going to tell these guys what it is because I want to pull those contingencies if we ever get to that point. I'm sure they have their own levers that they can pull in their own business. But I think at the end of the day, it's a competence of a management team.

Your confidence in us that will handle the bumps in the road as they come along. I've been doing it for a long time. I've got a lot of confidence I can get it done.

**Steve Fleishman – Wolfe Research:**

Hi. Steve Fleishman at Wolfe. First, just rough idea of the business mix of the company between electric and gas I guess starting point after the LDC sales and where that goes to by 2025 or by 2030.

**Jason Wells:**

Right after the gas LDC sales closed, we'll be just under 60% electric, just over 40% gas. As we outline the capital investment plans, there's a slight bias in the electric business over the 10-year horizon. So by 2030, we should be just slightly over 60% electric and just slightly under 40% gas.

**Steve Fleishman – Wolfe Research:**

Okay. And then just a question on the incremental. You got a lot of incremental proceeds from your prior plan. And I know you talked about kind of the incremental rate base. And I guess if you looked at the prior midpoint to the new high end of the range, still feels like some of that's not fully getting into earnings or rate base over the period. Is that somewhat just due to that 20% that doesn't immediately go into rates? How should we think about that?

**Jason Wells:**

There are a couple of things there. But, I mean, there's one, slight regulatory lag, for some of the capital spend that doesn't immediately going to rates within one year of being placed into service. Coming back to this theme, we're outlining a plan that we're absolutely confident that we can deliver on. And so we've put some conservative assumptions around here. We haven't stretched on things like growth, coming back to the last question. And so as we continue to execute on this plan, we look forward to providing further updates.

**Steve Fleishman – Wolfe Research:**

And then one last question just on Energy Transfer for – the announcement today on the forward sale, is that – are you fixing a price for the stock with that forward sale?

**Jason Wells:**

We are.

It was fixed on the 21st. So we sold that. The only contingency related to the transaction that we announced is the close. So to the extent that the close doesn't occur, there's no obviously sale. As we've expressed today, we are confident that transaction will close here in Q4. When it does, we will have – we will receive proceeds at a fixed price on – which is a slight discount to where ET was trading on the 21st this week.

**Steve Fleishman – Wolfe Research:**

And just any – on the closing, just any more color on FTC approval and – it sounds like you feel good about it. Is that...

**Dave Lesar:**

As I said, we don't want to get into disclosing where we are with the FTC in those discussions because really, we're not having those discussions. It's Enable and ET. I think the fact that we say that we fully expect it to close in the fourth quarter should convey our confidence in that happening.

**Durgesh Chopra – Evercore ISI:**

Thank you. Durgesh Chopra with Evercore ISI. Why don't I pass this microphone? Maybe, Jason, just can you give us any color – you sort of gave us the utility EPS guidance. But can you give us any color on parent overhead, maybe the key components of it? Obviously, there's debt but then any sort of savings or the synergies with Enable separation. Just any – maybe the parts for us to model that the parent drag.

**Jason Wells:**

Let me just put a plug in the materials that we outlined and released today in the appendix. Those include modeling drivers for not only 2021 and 2022. We've gotten some feedback from shareholders in the past sort of for more visibility.

So I want to highlight that material is in the deck. But to be responsive to your question, corporate allocations really are driven by a couple of things. It's the parent company debt. It's the preferred dividends and it's a small amount of salaries. We do see a fundamental shift in that cost structure coming down, a couple of things that are driving that.

The Series B preferred dividends have converted to common here this year. So you should see a lower amount of dividends in 2022. We also have a reset on the Series A preferreds beginning at the end of 2023. So that will also lead to a pretty significant step down in parent company costs. And part of the $3 billion of recycling capital from those transactions and paying down debt. That debt that we paid down will be at the parent company level. So you should see a glide path to a much lower amount of parent company costs over the next several years.

**Durgesh Chopra:**

Got you. And just as it relates to the repairs tax deduction, so obviously you took repairs historically as I understand it, if that's correct. Are you actually are going to be taking repairs moving forward as well as part of your sort of capital program and then that's factored into your rate base projections and all that stuff?

**Jason Wells:**

That's correct. The company elected the tax repair method on the electric side of the business a number of years ago. What I would say is that the industry has continued to evolve its thinking. The Treasury has issued guidance around the electric sector. So we're truing up the amount that we've historically deducted on the electric side. We have not, today, elected the tax repairs deduction on the gas side. So that will be a new deduction going forward. And what is largely driving the balance of the – what will be on an after-tax basis about $350 million of incremental cash flow and our plan.

Durgesh, to your point, it's a timing difference. And so that timing difference will generate a deferred tax liability. That deferred tax liability will be a deduction from rate base, so that customers get that benefit going forward. So, it's a very efficient way to fund our rate base growth. And the rate base projections that we've outlined today include the assumption around that that higher deferred tax liability from the tax repairs deduction.

**Julien Dumoulin-Smith – Bank of America:**

All right. Julien Dumoulin-Smith, BofA. Good morning and thank you, guys. So, if I can come back to the earnings growth question, right, and I'll frame it this way. So, many of your premium peers just talk about sort of a single number range through the period. And you guys, in this instance, have raised your outlooks for four of the five years arguably. Maybe if I can push you a little bit further, what about that 2025 year? It kind of stands out a little bit, especially considering that you all in your own slides identifying no equity needs now, kudos, as well as a 9% rate-based trajectory.

It all seems to point to a certain level of conservatism. I understand that there are certain dynamics in 2025 specifically. But again, when you think about the ability to go the full 8% for the full five years, what stands out? Anything you flag, etcetera?

**Jason Wells:**

I think it's just reinforcing this concept of under promising and over delivering. One of the things that I want to point out though is that we're in a pretty great position with respect to rate cases. We only have one major rate case over the next several years and that's in Minnesota. We'll have several rate cases that will impact 2025. And so we've made obviously certain assumptions around those rate cases. But we want to work with stakeholders as we're going into that, define a constructive solution for our customers and our shareholders. And so that's really driving sort of what will be a refreshed view of the long-term earnings in 2025 and beyond. But I think and what I hope you've taken away from my comments, Dave's comments is that we're laser-focused at delivering at or above that midpoint of that range during the back part of that plan.

**Julien Dumoulin-Smith – Bank of America:**

Excellent. Good to hear. And then if I can, I know this there's a few different moving pieces in the capital budget so I'll just throw it back to a little bit. You guys raised from I think sort of an opportunity of $1.5 billion from I think the last call up to $2 billion now. Identify a little bit more in that bucket what that delta is. But also you talk about a reserve CapEx budget now of an additional $1 billion, right? So you raise it and then you throw out something sort of incremental. What's in that reserve and how does this ultimately tie back to some of the legislative opportunities created? You all have identified transmission at times.

**Jason Wells:**

So the primary driver for the increase from about $1.5 billion that we had kind of tease at the second quarter to now about $2 billion that we're raising it really is driven by a continued refinement of our expectations around the impact of the Texas legislation. And I don't know, Kenny, if you want to share some thoughts around how critical those investments are for our communities and where the money is going.

Kenny Mercado

I think you know it's a good question and it's something that we debate internally all the time because at the end of the day, we exist to serve our customers at a good rate. But I think you put your finger on one of them, the continuous improvement program and focus there passing some of that along to our customers. But I think the thing that we have that most other utilities don't that people forget in the equation is our organic growth. So by continuing to grow, for instance, our Houston Electric business 2% to the quarter-over-quarter, year after year, you know, you're spreading essentially that fixed cost across a wider base, which also helps in terms of the impact on customer billing. So, you know, we're cognizant of the sort of responsibility we have. And I think the combination of continuous improvement, organic growth and, you know, just bringing new technology and more resiliency and hardening of the grid, which, you know, sort of pays benefits over time is the key to doing that. But we're confident that, you know, we can pass muster with the PUC here in Texas and our other jurisdictions with respect to the CapEx that we're going to spend.

**Insoo Kim:**

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**Kenny Mercado:**

It's what Jason described earlier and what Gregg Knight was referencing in his presentation. We're working with our key cities. It can be the city of Galveston that's hammered pretty hard with a major event. Just recently the Brazosport / Lake Jackson area. But even the bigger Houston, Texas, the underserved communities, we want to do a number of things there that could still be incremental to where we are today. But it begins with how do we further harden those infrastructures. How can we make it harder than they are today. Maybe take them to another degree.

But also, let's find – the perfect places where you have underprivileged and you have emergency needs where there's critical loads that could be hospital, could be whatever. And we're trying to find those perfect places. The sort of those optimal places where we could make some even bigger investments and potentially underground the infrastructure in those areas and make it a win for the city, make it a win for the state and a win for us. And so, we have not put any of those dollars into these budgets. And we go from overhead in modern times to underground. You're looking at some pretty significant investments that would provide long-term sustainable value to those complete communities.

And so, this is a process we're working on right now. You heard the mayor talk about it last night. We're actually excited about working from a resiliency angle to really make that difference.

**Jason Wells:**

I would add that from the probably the largest driver from the second quarter call to now on the $2 billion increase was an amount related to the mobile generation, which we're really excited about. And this is not a generation that's expected to run regularly. But if you think back to the Uri storm, our system was designed to shed about 3 gigawatts of load when ERCOT called upon us. And that went to 5 gigawatts immediately.

And so, our thinking behind this was that we would expand the mobile gen program to about 500 megawatts. And that gives us the opportunity to address the risk of a 5 gigawatt load shed event where now we can roll power at least every four hours for those customers where we were unable to do that because our system was designed for only 3-gigs of load shed. And so, seeing the real value of mobile gen allowed us and gave us confidence that when we work with stakeholders, we can increase the capital investment plan. And as we look at that billion dollars of reserve capital, it really comes down to the Texas legislation, it’s still very much early innings. We believe that there is an opportunity for the electric transmission lines that are based on economic justification to provide incremental tools to help with the reliability and resiliency while lowering the overall costs for customers.

But we need to work through permitting, stakeholder involvement and so that's what we're doing now and again coming back to the theme of resiliency now that you heard last night continuing to work to finalize that plan with the mayor.

**Kenny Mercado:**

And the other part of this is if you look at what happened in New Orleans 35,000 poles were destroyed. What we see is an incremental opportunity. I gave you a picture of a thousand miles. We've got 50,000 more miles to go, right. So we have a lot of work, very important work. The way we're attacking it is we want to prioritize the highest needs first and go down the path. But without question, when you have three major storms and basically one calendar year we need to up our game.

We need to have more and more investment in that space. So we're going to continue to find more incremental ways to invest in the distribution grid for modernization and a technology solution because now you have so many different sources integrating into the distributed. Your distribution grid is becoming like the transmission grid already is, right. And that's our objective is really to do more to enable all these new technologies to participate.

**Julien Dumoulin-Smith – Bank of America:**

Jason, if I can hold you even more accountable about sort of the embedded levers within what you described. Credit, you're still committing to this 14% to 15% through that period without the equity. And despite the fact that you are likely to receive some additional latitude as you get out of this midstream business, right. I just want to make sure I'm clear about potential further balance sheet strength relative to what's required.

**Jason Wells:**

That's correct, Julien. We're certainly going to advocate as we exit our exposure to midstream for a better business risk profile particularly from Moody's with – and advocate for a lower downgrade threshold that would be more consistent with our dual fuel peers, about 13%. Our intention is not to use that additional balance sheet capacity. Rather – we'd rather have a healthy cushion between where our credit metrics stand and where downgrade threshold is. So we'll advocate for it but we'll retain that flexibility.

**Julien Dumoulin-Smith – Bank of America:**

Right. And you'll rebase that 6% to 8% as you roll forward, right? That – Once you get to 2024, that 6% to 8% is off the elevated 8% baseline.

**Jason Wells:**

There's no rebasing or – we are growing year over year over year on our earnings and have committed to that starting last year, and that's what we're committing to here in this plan.

**Dave Lesar:**

Yeah. And just to be clear, no, there is no rebasing.

**Sophie Karp – KeyBanc:**

Hi. Good morning. Sophie Karp, KeyBanc. Thank you for the detailed presentation. I wanted to ask you a little bit on the O&M part of the equation where it's clearly 1% to 2% contribution to the EPS growth as you outlined. And we can all appreciate that it's difficult, it might be difficult to promulgate a sustained, sustainable cost cutting and O&M efficiency culture through the levels of organization all the way down to the people who operate on the frontlines. Could you maybe talk a little bit about what you're doing with that respect and how is this going?

**Dave Lesar:**

Sure. Maybe Jason can open the discussion and then Scott and Kenny who are going to be responsible for getting it done can add your two cents' worth or your 1% to 2% worth.

**Scott Doyle:**

1% to 2% worth, right.

**Jason Wells:**

I think what's important about our O&M reductions of 1% to 2% annually is that they're driven by not only a focus on continuous improvement which we'll talk about but they're also driven by investments that we're making on the capital side to lower our overall cost structure. We highlighted this year that we're finally on one common IT platform after the acquisition of Vectren. We only are going to experience a portion of that benefit for this year. But going forward we will have that full benefit in future years. We've talked about the benefit from the coal transition, the lower O&M costs associated with not or with retiring our coal facilities.

Scott highlighted briefly the deployment of fully smart meters, limiting the amount of time that we have – or allowing us rather to remotely disconnect customers, minimizing time with meter reads. So there's a number of capital investment opportunities that are lowering our cost structure in addition to the theme around continuous improvement and I'll let Scott and Kenny maybe give some examples of how that's been adopted in the field.

**Kenny Mercado:**

To me there's like a trifecta effect. If you find a capital investment that can reduce – that can improve the reliability, then literally what you're what you're really saying is you're going to get an operational benefit because there's an operational savings there. You're going to get a reliability benefit. You're going to have less outage associated with whatever you put in there. And you're going to get a satisfied customer because they are no longer experiencing a bad outage. So the more we can find more trifectas where we're going to improve the reliability of our grid, reduce outage time, and make our customers more satisfied, that's the win.

And I'll give you one good example, our intelligent grid, I mentioned to you earlier, we've been a leader in this space for 10 years now. We basically have put a mini breaker in the middle of the line that allows us to sectionalize that line. So when you have a storm and you got a lot of crews and you're going out on that to repair, it will automatically take 30%, 40%, 50% of the customers who are clear from the outage event and keep – put them back on and then allow the crews to go to another 30% of the section and reduce their window time, reduce their travel time, and they can reduce their travel time, we can save costs. And if they can get to the outage quicker, we've improved reliability and if we can improve reliability better, we made a customer satisfied. Because one, 30% of them went back really quick, and two, the others are going to get there sooner because we've troubleshooted it faster.

So, our continuous improvement is going to continue to be focused on how do we improve reliability, how do we reduce outage minutes, and how do we cut costs, reduce costs sustainably and not impact the integrity of the grid, the safety of the grid and provide better customer satisfaction. This is an opportunity that we will have for years ahead of us.

And what's really special about the time now is we're creating a culture. We have a safety culture today. Everybody understands or they have a very important role in managing safety. We're building is a continuous improvement culture that has been utilized quite frankly in our Evansville area, for Scott, for a long time, and they brought that skill set into the Houston and other state areas. So that culture is now spreading across the electric operations. I gave you two examples earlier, but that is only the beginning. I've got 14 offices right here in the Greater Houston area, and each office is kind of slowly building their own culture around how can we make continuous improvement, stick, sustain and become viable in our business plans.

**Scott Doyle:**

Yeah. Thanks, Kenny. And I'll just add to culture and then build on a couple of examples, and maybe spread it even broader across the organization. Part of that culture is at the lowest level in our organization is giving them the tools to actually solve their own problems.

And when I participated in one of our training exercises, we've trained well over 200 of our employees in the tools to do culture and/or to do process improvement. And what I said to them was is, look, I really don't know what you do on a day in and day out basis. And I hope you're not waiting for me to come give you the answer. And so, some of it is is them taking hold culturally of their own solutions.

If we go over to Gregg's area, Gregg will tell you in the IT space, they're further along in that. But where they need to evolve to is the agile delivery method for new technology. And so, they're ready for that and are in that culturally doing that, doing that with several of our new systems and new processes that we're rolling out.

In the gas business, I'll use one real simple example and it's along the lines of industrial engineering processes that gets a lot of our engineers are excited. But we have a meter shop in our Indianapolis area that was experiencing a larger influx of meters that needed to be processed. And as a result, they just relayed out the assembly line for lack of a better approach. They were able to then double the capacity of that shop.

And as a result, we now have built additional capacity without adding staff or adding overtime as a result of that. So there's lots of what I call post-Vectren merger, lots of micro integration opportunities that we have out there that we can even get our hands around the lifts that's available. You'll see in one of the breakout sessions later today the two people that are leading that effort for us and they've got a lot of detail about that as well. So it's a good place to find out more.

And hopefully when you go to the breakouts, I don't know if we have the pictures Kate or Darren, but you'll see pictures of the guys and they feel motivated, inspired, and really wanted to make a difference. It's phenomenal to watch.

**Sophie Karp:**

Thank you. My other question was when you formulate your projections through the end of the decade, right, obviously it's a very long-term plan. I'm wondering if when you think about customer bill impact wondering if – when you think about customer bill impact, if you're factoring in the increasing frequency of adverse weather events through that timeframe or are you assuming that going to constant frequency of these events is you have a securitization mechanism, so obviously that helps to mitigate. But how do you think about the actual physical impact of climate change on your plan at this point? Like do you expect that that will be a headwind with greater frequency of these events and higher costs over time or do you expect that that will not be the case? Thank you.

**Jason Wells:**

So, we've run many sensitivities on this plan. And looking at the results, the sensitivities gives us confidence we can deliver on it. To address your question, I want to offer perspective that was shared by Mayor Turner last night that I think – for those of you that attended the reception, heard, but I think it's really appropriate. The alternative of not making these investments is actually more costly. So, the plan that we've outlined is focused on helping support resiliency, minimizing the impact of extreme events, providing cleaner energy, minimizing the impact of climate change, and what we can do with our footprint.

Avoiding those investments will just continue to compound the risk of extreme events. And so, we believe that there will be stakeholder support to make these investments, to put us in a position that is more effective than not making them. And so, that's why we have confidence in the plan that we outlined to you today.

**Kenny Mercado:**

And, Jason, that Entergy cost estimate for the most recent storm is somewhere between $2.2 billion and $2.6 billion high-level estimate. It's a significant penalty. Big price it’s still going to get – they're starting to pay for that. So, that's the point. We're trying to reduce that overhead cost - that potential that's out there. This is our job.

**Dave Lesar:**

And I think just one more maybe editorial comment to keep in mind, it's everybody wants to focus on headwinds, but we have one of the greatest tailwinds in the utility space and that's our organic growth that we have here in Houston and in some of our other states. And as I said in my prepared remarks, it's a continuous tailwind on your business. So it allows you to make those resiliency investments now. So if you get a weather event, but you have a more resilient system, it's not going to impact us as much. And so, I think it's we look at it as a balance as we look at our 10-year scenarios and what might happen. We know at least once every 10 years, in Houston we're going to have a major hurricane event. So we factor that in.

The quicker we can get more resilient, the less impact that's going to have. Taking advantage of the organic growth and the infrastructure and the technology we use to essentially put that infrastructure in. You put it in with the latest technology, with the most weather hardened capability. Those sorts of things. So getting out ahead of it with this capital spend and taking advantage of that growth. I mean, a couple of us said it. But people don't understand how big and dense our territory in Houston is. The concept of dropping in a Berkeley, California this year and a Pasadena, California next year and a Harvard, Connecticut the year after. I mean that creates this fantastic tailwind that we have behind us to invest across the entire system.

**Ashar Khan - Verition:**

The first point of a great presentation by all of you guys. So very impressed. I don't know if you can just elaborate a little bit about the regulatory calendar in the different jurisdictions to the 2025 in Texas, Minnesota and Indiana. And Jason, a question for you is what kind of ROEs have you assumed in this plan till 2025 in terms of the different jurisdictions if you can share on that?

**Dave Lesar:**

That's a question tailor-made for Jason and Jason.

**Jason Wells:**

Let's start first with the outline of the regulatory calendar.

**Jason Ryan:**

Absolutely. Thanks for the question. As Jason well described earlier, we are entering into a phase where our general rate case calendar is a little lighter than what we had in the past. We've got a Minnesota case coming up later this year and then we skip forward to a handful of rate cases in the 2023-2024 time period in many of our major jurisdictions. Those cases in Texas on both gas and electric and with Indiana Electric that you see on our schedule, those are kind at the book ends of the statutory schedule.

So, we are planning to execute on the rate case schedule that we've laid out there. There's some possibility that you can move things around in a nonmaterial way. But what you see on the schedule is what we're planning to execute on.

**Jason Wells:**

And from a return on equity standpoint, I won't speak to the specifics of what we've assumed in our model. But I will reinforce the notion that we tried to share so far which is we have outlined a plan that we are absolutely confident we can achieve. Our focus is on under-promising and over-delivering. So, we have not made any aggressive assumptions around allowed returns, but obviously not going to get more granular than that until we can work through those rate case processes with all relevant stakeholders.

**Dave Lesar:**

Yeah. I think just one last point. I think it's important to remember in Texas, our electric business is regulated by the PUC. Our gas business is regulated by the Texas Railroad Commission. And so with an ROE that the PUC might put on our electric business is not necessarily the ROE that we're going to have in our Gas business.

**Jackie Richert:**

Next question?

**Dave Lesar:**

Is that it, no more. Alright, Jackie do you want to wrap it up.

**Jackie Richert:**

Absolutely. Thank you everyone for participating. And that is going to conclude the webcast portion of our presentations today, so thank you to all of those that joined us online.

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.

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. Any statement in this document regarding future events, such as CenterPoint Energy’s carbon emission reduction goals, including its net-zero emission goals, and its ability to achieve such goals and related timing thereof, the advancement of and use of new technologies for alternative energy sources, CenterPoint Energy’s ability to continue to modernize its distribution grid, executive management continuity and succession planning, future board composition, corporate governance commitments, strategic plans and value creation, capital investments, business opportunities, future financial performance and results of operations, renewable energy growth objectives, growth and guidance (including earnings and customer growth, utility and rate base growth expectations), the expected closing of previously announced strategic transactions,  and any other statement that is not historical facts are forward-looking statements. We caution you not to place undue reliance on any forward-looking statements and that assumptions, beliefs, expectations, intentions and projections about future events may and often do vary materially from actual results. Accordingly, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

Important factors that could cause actual results to differ materially from those indicated by the provided forward-looking information include risks and uncertainties relating to: (1) the performance of Enable, the amount of cash distributions CenterPoint Energy receives from Enable, Enable’s ability to redeem the Enable Series A Preferred Units in certain circumstances and the value of CenterPoint Energy’s interest in Enable; (2) the integration of the businesses acquired in the merger with Vectren Corporation (Vectren), including the integration of technology systems, the outcome of shareholder litigation filed against Vectren that could reduce the benefits of the merger, the ability to realize additional benefits and commercial opportunities from the merger, including the development of new opportunities and the performance of projects undertaken by Energy Systems Group, a subsidiary of CenterPoint Energy, which are subject to, among other factors, the level of success in bidding contracts and cancellation and/or reductions in the scope of projects by customers and obligations related to warranties, guarantees and other contractual and legal obligations; (3) the recording of impairment charges; (4) industrial, commercial and residential growth in CenterPoint Energy’s service territories and changes in market demand, including the demand for CenterPoint Energy’s non-utility products and services and effects of energy efficiency measures and demographic patterns; (5) timely and appropriate rate actions that allow recovery of costs and a reasonable return on investment, including the timing and amount of natural gas purchase costs associated with the February 2021 winter storm event recovered; (6) future economic and political conditions in regional and national markets and their effect on sales, prices and costs; (7) weather variations and other natural phenomena, including the impact of severe weather events on operations and capital, such as impacts from the February 2021 winter storm event; (8) CenterPoint Energy's or Enable's business strategies and strategic initiatives, restructurings, joint ventures and acquisitions or dispositions of assets or businesses, including the announced sale of our Natural Gas businesses in Arkansas and Oklahoma, which we cannot assure will be completed or will have the anticipated benefits to us, and the merger of Enable with Energy Transfer, which we cannot assure will be completed or will have the anticipated benefits to us or Enable; (9) the outcome of litigation, including litigation related to the February 2021 winter storm event; (10) the ability of retail electric providers (REPs), including REP affiliates of NRG Energy, Inc. and Vistra Energy Corp., to satisfy their obligations to CenterPoint Energy and Houston Electric, including the negative impact on such ability related to COVID-19 and the February 2021 winter storm event; (11) the COVID-19 pandemic and its effect on CenterPoint Energy's and Enable's operations, business and financial condition, the industries and communities they serve, U.S. and world financial markets and supply chains, potential regulatory actions and changes in customer and stakeholder behaviors relating thereto; (12) state and federal legislative and regulatory actions or developments affecting various aspects of CenterPoint Energy's businesses (including the businesses of Enable), including, among others, energy deregulation or re-regulation, pipeline integrity and safety, regulations relating to climate change, air emissions, carbon, waste water discharges and the handling and disposal of coal combustion residuals, and changes in regulation and legislation pertaining to trade, health care, finance and actions regarding the rates charged by our regulated businesses; (13) direct or indirect effects on CenterPoint Energy's or Enable's facilities, resources, operations and financial condition resulting from terrorism, cyber attacks or intrusions, data security breaches or other attempts to disrupt their businesses or the businesses of third parties, or other catastrophic events such as fires, ice, explosions, leaks, severe weather events, pandemic health events or other occurrences; (14) tax legislation, including the effects of the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the comprehensive tax reform legislation informally referred to as the Tax Cuts and Jobs Act (which includes but is not limited to any potential changes to tax rates, tax credits and/or interest deductibility), as well as any changes in tax laws under the Biden administration and uncertainties involving state commissions' and local municipalities' regulatory requirements and determinations regarding the treatment of excess deferred income taxes and CenterPoint Energy's rates; (15) CenterPoint Energy's ability to mitigate weather impacts through normalization or rate mechanisms, and the effectiveness of such mechanisms; (16) actions by credit rating agencies, including any potential downgrades to credit ratings; (17) matters affecting regulatory approval, legislative actions, construction, implementation of necessary technology or other issues with respect to major capital projects that result in delays or cancellation or in cost overruns that cannot be recouped in rates; (18) the impact of unplanned facility outages or other closures; (19) CenterPoint Energy's ability to fund and invest planned capital and the timely recovery of CenterPoint Energy's investments, including those related to Indiana Electric's generation transition plan as part of its most recent IRP; (20) CenterPoint Energy's ability to successfully construct and operate electric generating facilities, including complying with applicable environmental standards and the implementation of a well-balanced energy and resource mix, as appropriate; (21) the sufficiency of CenterPoint Energy's insurance coverage, including availability, cost, coverage and terms and ability to recover claims; (22) 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; (23) changes in rates of inflation; (24) inability of various counterparties or customers to meet their obligations to CenterPoint Energy; (25) the extent and effectiveness of CenterPoint Energy's and Enable's risk management and hedging activities, including but not limited to, financial and weather hedges; (26) timely and appropriate regulatory actions, which include actions allowing securitization, for any future hurricanes or other severe weather events, or natural disasters or other recovery of costs; (27) CenterPoint Energy's or Enable's ability to recruit, effectively transition and retain management and key employees and maintain good labor relations; (28) changes in technology, particularly with respect to efficient battery storage or the emergence or growth of new, developing or alternative sources of generation; (29) the impact of alternate energy sources on the demand for natural gas; (30) the timing and outcome of any audits, disputes and other proceedings related to taxes; (31) the transition to a replacement for the LIBOR benchmark interest rate; (32) the effect of changes in and application of accounting standards and pronouncements; (33) CenterPoint Energy's ability to execute operations and maintenance management initiatives, targets and goals; and (34) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, CenterPoint Energy's Quarterly Report on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021 and other reports CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.

This document contains time-sensitive information that is accurate as of September 23, 2021. Some of the information in this document is unaudited and may be subject to change. We undertake no obligation to update the information presented herein, except as required by law.

**Use of Non-GAAP Financial Measures**. In this document CenterPoint Energy presents non-GAAP Utility net income, non-GAAP Utility earnings per share ("Utility EPS") and non-GAAP long-term funds from operations ("FFO") which are not generally accepted accounting principles ("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.

2021 Utility EPS includes net income from Electric and Natural Gas segments, as well as after tax Corporate and Other operating income and an allocation of corporate overhead based upon the Utility's relative earnings contribution. Corporate overhead consists primarily of interest expense, preferred stock dividend requirements, and other items directly attributable to the parent along with the associated income taxes. Utility EPS excludes (a) earnings or losses from the change in value of CenterPoint Energy's 2.0% Zero-Premium Exchangeable Subordinated Notes due 2029 (“ZENS”) and related securities, (b) certain expenses associated with Vectren merger integration, (c) Midstream Investments segment and associated income from the Enable preferred units and a corresponding amount of debt in addition to an allocation of associated corporate overhead and impact, including related expenses, associated with the merger between Enable and Energy Transfer, (d) cost associated with the early extinguishment of debt and (e) gain and impact, including related expenses, associated with gas LDC sales. 2021 Utility EPS does not consider the items noted above and other potential impacts, such as changes in accounting standards, impairments or other  unusual items, which could have a material impact on GAAP reported results for the applicable guidance period. 2021 Utility EPS also considers assumptions for certain significant variables that may impact earnings, such as customer growth and usage including normal weather, throughput, recovery of capital invested, effective tax rates, financing activities and related interest rates and regulatory and judicial proceedings. In addition, the 2021 Utility EPS guidance range assumes a continued re-opening of the economy in CenterPoint Energy's service territories throughout 2021.To the extent actual results deviate from these assumptions, the 2021 Utility EPS guidance range may not be met or the projected annual Utility EPS growth rate may change. CenterPoint Energy is unable to present a quantitative reconciliation of forward-looking non-GAAP Utility net income, Utility EPS and long-term FFO because changes in the value of ZENS and related securities, future impairments and other unusual items are not estimable and are difficult to predict due to various factors outside of management’s control.

The appendix to the analyst day presentation located on our website contains a reconciliation of income (loss) available to common shareholders and diluted earnings (loss) per share to the basis used in providing guidance.

Management evaluates the Company’s financial performance in part based on non-GAAP Utility net income, Utility EPS and long-term FFO. Management believes 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, where applicable. CenterPoint Energy’s non-GAAP Utility net income, Utility EPS and long-term FFO, which are non-GAAP financial measures, should be considered as a supplement to, and not as a substitute for, or superior to, income available to common shareholders, diluted earnings per share, and net cash provided by operating activities 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.

Analyst Day
September 23, 2021

**Net Zero Disclaimer.** While we believe that we have a clear path towards achieving our net zero emissions (Scope 1 and Scope 2) by 2035 goals, our analysis and path forward required us to make a number of assumptions. These goals and underlying assumptions involve risks and uncertainties and are not guarantees. Should one or more of our underlying assumptions prove incorrect, our actual results and ability to achieve net zero emissions by 2035 could differ materially from our expectations. Certain of the assumptions that could impact our ability to meet our net zero emissions goals include: emission levels, service territory size and capacity needs remaining in line with Company expectations (inclusive of changes related to the sale of our natural gas businesses in Arkansas and Oklahoma); regulatory approval of our generation transition plan; impacts of future environmental regulations or legislation; impacts of future carbon pricing regulation or legislation; price and availability of carbon offsets; price of fuel, such as natural gas; cost of energy generation technologies, such as wind and solar, natural gas and storage solutions; adoption of alternative energy by the public, including adoption of electric vehicles; rate of technology innovation with regards to alternative energy resources; our ability to implement our modernization plans for our pipelines and facilities; retirement dates of our coal facilities by 2035; and enhancement of energy efficiencies. As Texas is in an unregulated market, our Scope 2 estimates exclude Texas electric T&D assets in the line loss calculation and exclude emissions related to purchased power between ’24E-’26E. Our Scope 3 estimates exclude the emissions of transport customers and emissions related to upstream extraction. Please also review the section entitled “Forward-Looking Statements” included in this document.