

1st Quarter 2016 Earnings Call

- *Strong utility performance despite milder weather*
- *Midstream Investments delivers earnings contributions in-line with expectations*
- *Company reaffirms full year guidance of \$1.12 to \$1.20*

May 10, 2016

DELIVERING

ENERGY, SERVICE

AND VALUE



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This presentation and the oral statements made in connection herewith contain statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future operations, events, financial position, earnings, growth, costs, prospects capital investments or performance or underlying assumptions (including future regulatory filings and recovery, liquidity, capital resources, balance sheet, cash flow, capital investments and management, financing costs, and rate base or customer growth) and other statements that are not historical facts. These statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You should not place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied by these statements. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “will,” or other similar words. The absence of these words, however, does not mean that the statements are not forward-looking.

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

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

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Use of Non-GAAP Financial Measures

In addition to presenting its financial results in accordance with generally accepted accounting principles (“GAAP”), CenterPoint Energy also provides guidance based on adjusted diluted earnings per share, which is a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance that excludes or includes amounts that are not normally excluded or included in the most directly comparable GAAP financial measure. A full reconciliation of net income and diluted earnings per share to the basis used in providing guidance is provided in this presentation on slide 21. These non-GAAP financial measures should be considered as a supplement and complement to, and not as a substitute for, or superior to, the most directly comparable GAAP financial measure and may be different than non-GAAP financial measures used by other companies.

Management evaluates financial performance in part based on adjusted diluted earnings per share and believes that presenting this non-GAAP financial measure enhances an investor's understanding of CenterPoint Energy's overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future results across periods by excluding items that Management does not believe most accurately reflect its fundamental business performance, which include items reflected in the reconciliation table on slide 21 of this presentation. This non-GAAP financial measure should be considered as a supplement and complement to, and not as a substitute for, or superior to, the most directly comparable GAAP financial measure and may be different than non-GAAP financial measures used by other companies.



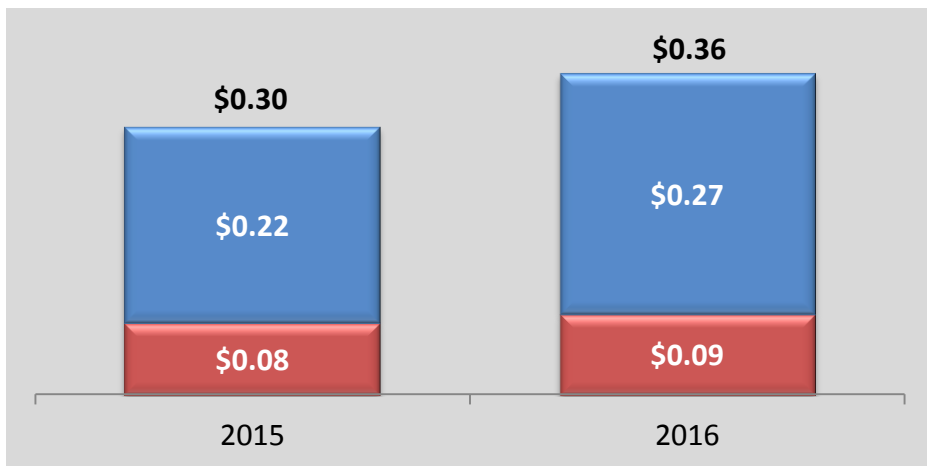
Earnings Call Highlights

- First Quarter Performance Highlights
- Full-Year Outlook
- Enable Midstream Highlights

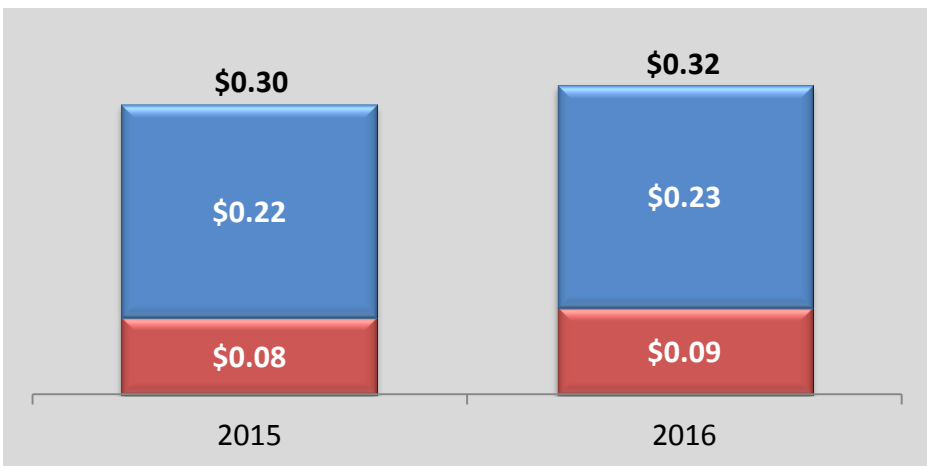


First Quarter 2016 Performance Highlights

Q1 GAAP EPS



Q1 EPS on a Guidance Basis



■ Utility Operations ■ Midstream Investments

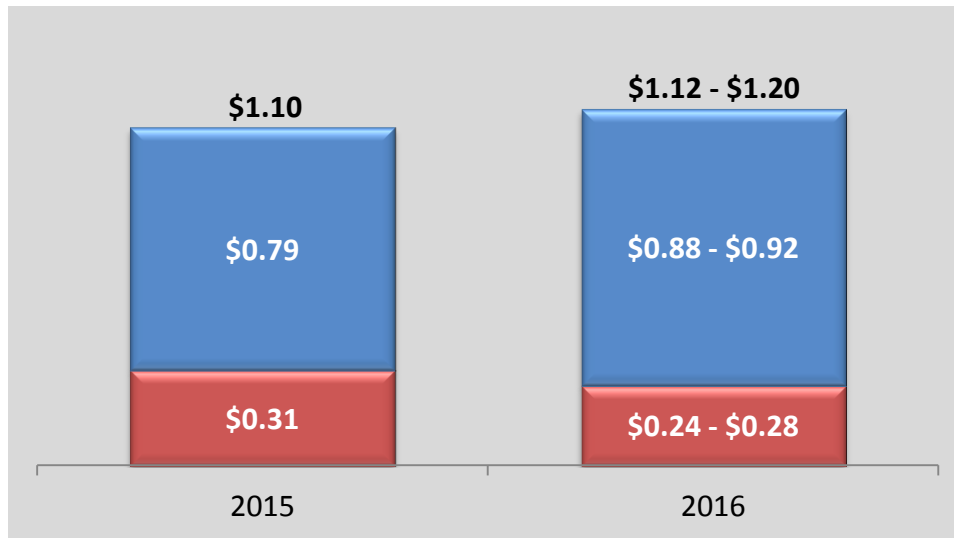
Q1 2016 vs Q1 2015 Drivers (EPS on a Guidance Basis)

- ↑ Rate Relief
- ↑ Customer Growth
- ↑ Midstream Investments
- ↓ Depreciation
- ↓ O&M Expenses
- ↓ Weather Related Usage

↑ Favorable Variance ↓ Unfavorable Variance

Note: Refer to slide 21 for reconciliation to GAAP measures and slide 2 for information on non-GAAP measures

2016 Guidance Range vs. 2015 EPS on a Guidance Basis



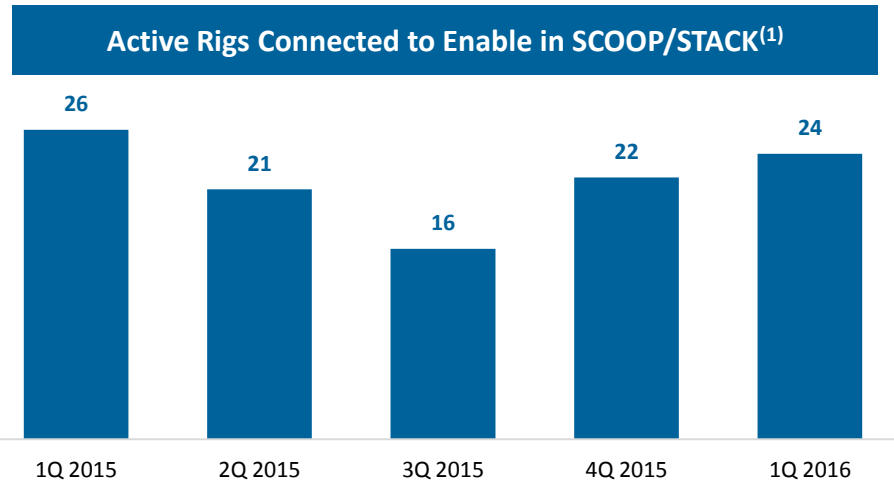
■ Utility Operations ■ Midstream Investments



- Our focus remains to invest in our current utility service territories to address ongoing growth, maintenance, reliability, safety and customer service
- Earnings from Utility Operations are expected to represent 75% - 80% of overall earnings in 2016
- We anticipate 2016 Utility Operations earnings growth will be driven by:
 - Customer and sales growth
 - Efficient rate recovery
 - Effective capital management
 - Optimization of financing costs

Enable Q1 2016 Performance

- Announced a first quarter 2016 cash distribution of \$0.318 per common and subordinated unit
- Increased first quarter 2016 per-day natural gas processed volumes by 6% compared to first quarter 2015



- Increased first quarter 2016 crude oil gathered volumes by 22.1 MBbl/d compared to first quarter 2015 and by 5.8 MBbl/d compared to fourth quarter 2015
- Enable has \$1.03 billion of available liquidity⁽²⁾ and achieved a first quarter 2016 distribution coverage ratio greater than 1.0x
- Enable continues to monitor customer activity levels and is focused on deploying capital efficiently

Source: Enable Midstream Partners, May 4, 2016, Press Release and Q1 Earnings Call. Please refer to these materials for an overview of Enable's Q1 Performance.

(1) As of the end of each quarter; as of April 12, 2016 there were 22 active rigs contractually dedicated to Enable's gathering and processing system in the SCOOP and STACK plays

(2) Available liquidity calculated as Revolving Credit Facility of \$1.75B less principal advances of \$715MM, less \$3MM in letters of credit



Earnings Call Highlights

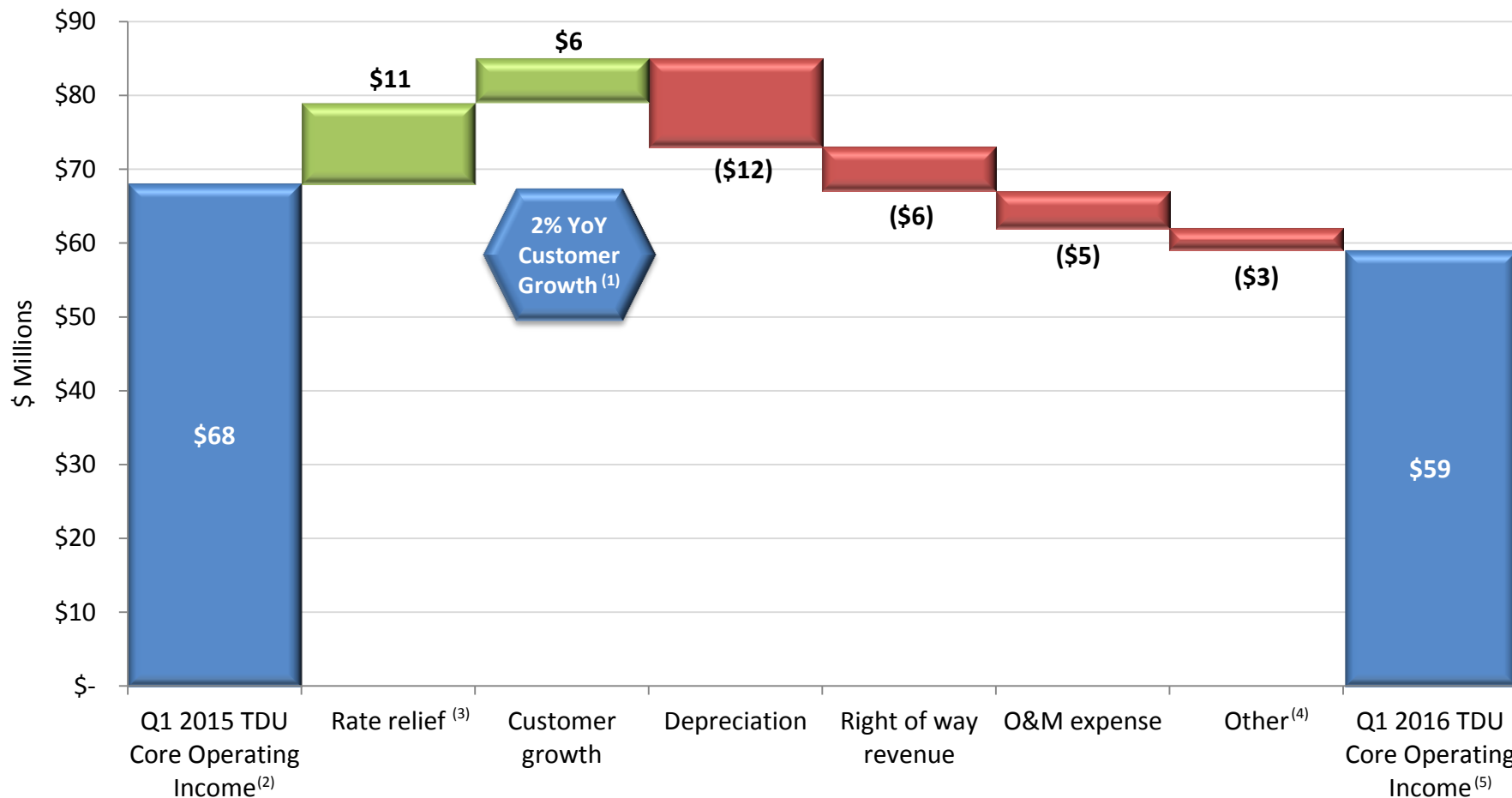
- Houston Electric Results
- Houston Electric Growth



A Houston Electric lineman working on lines damaged by storms the week of April 17th

Electric Transmission and Distribution

Operating Income Drivers: Q1 2015 vs Q1 2016



⁽¹⁾ Houston Electric's customer count increased from 2,310,706 as of March 31, 2015, to 2,364,784 as of March 31, 2016

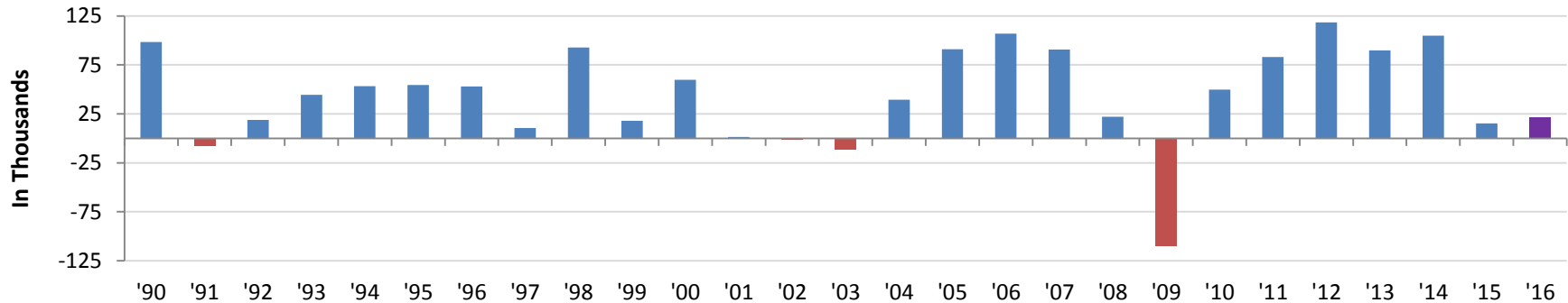
⁽²⁾ 2015 TDU core operating income represents total segment operating income of \$96 million, excluding operating income from transition and system restoration bonds of \$28 million

⁽³⁾ Net transmission related revenue

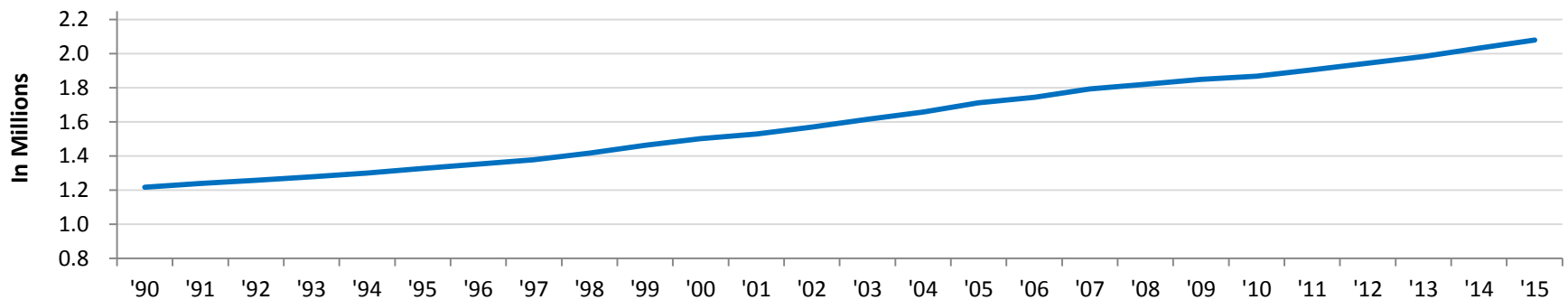
⁽⁴⁾ Primarily due to weather-related usage

⁽⁵⁾ 2016 TDU core operating income represents total segment operating income of \$83 million, excluding operating income from transition and system restoration bonds of \$24 million

December to December Houston Job Growth ^(1,2)



Houston Electric Residential Meter Count ⁽³⁾



- In 2015, metro Houston led the nation in population growth, adding 159,000 residents (more than Dallas or Atlanta) ⁽⁴⁾
- CenterPoint had in excess of 2% meter growth year-over-year, as of the 1st quarter of 2016

(1) Job growth data from the Texas Workforce Commission
 (2) 2016 job growth forecast from the Greater Houston Partnership
 (3) Meter count data from CenterPoint Energy
 (4) Houston population growth from the U.S. Census Bureau



Earnings Call Highlights

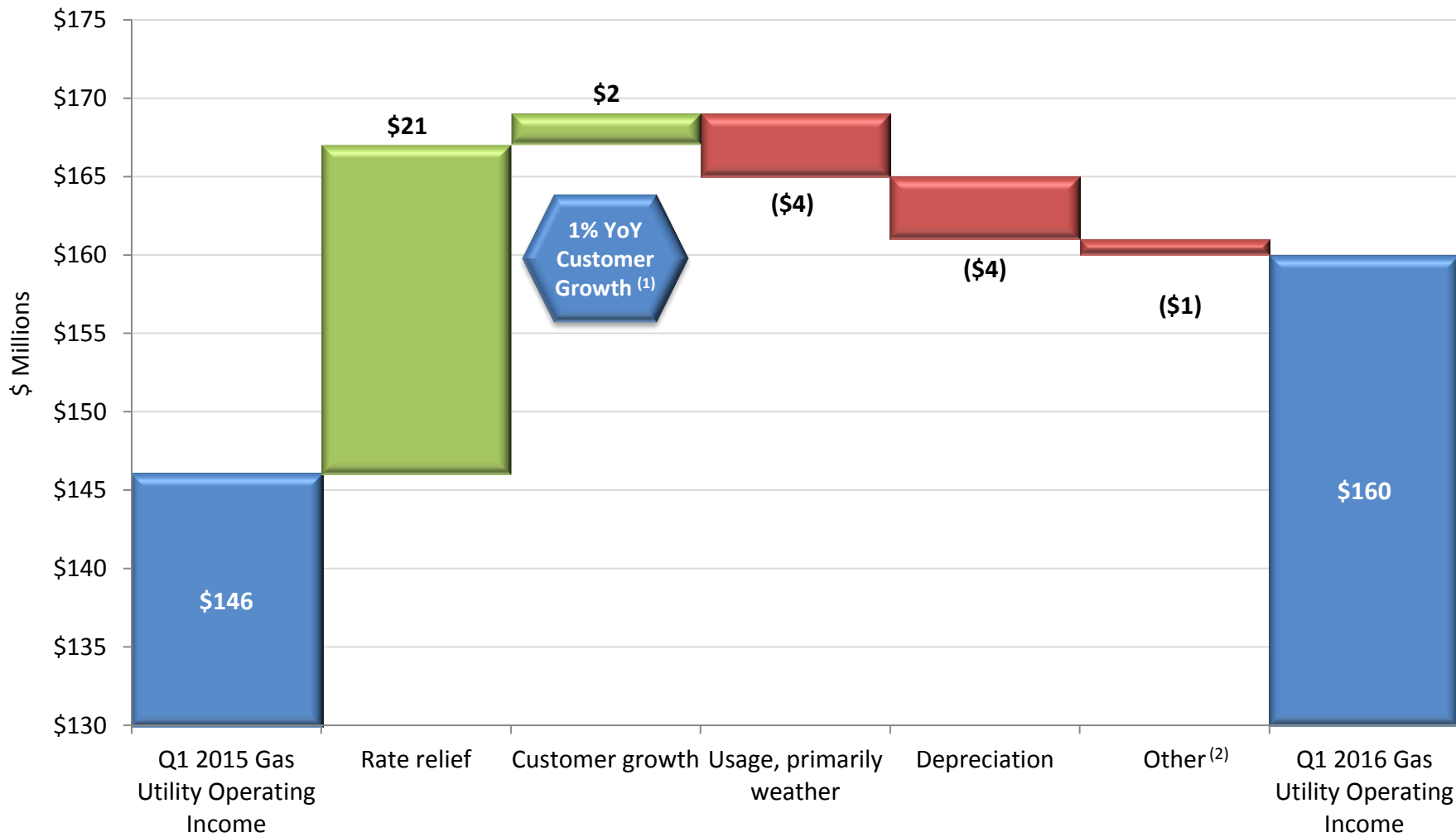
- Gas Utilities Results
- Energy Services Results
 - Acquisition of Continuum Retail Energy Services



2015 Minnesota Beltline Replacement Project in downtown Minneapolis

Natural Gas Utilities

Operating Income Drivers: Q1 2015 vs Q1 2016

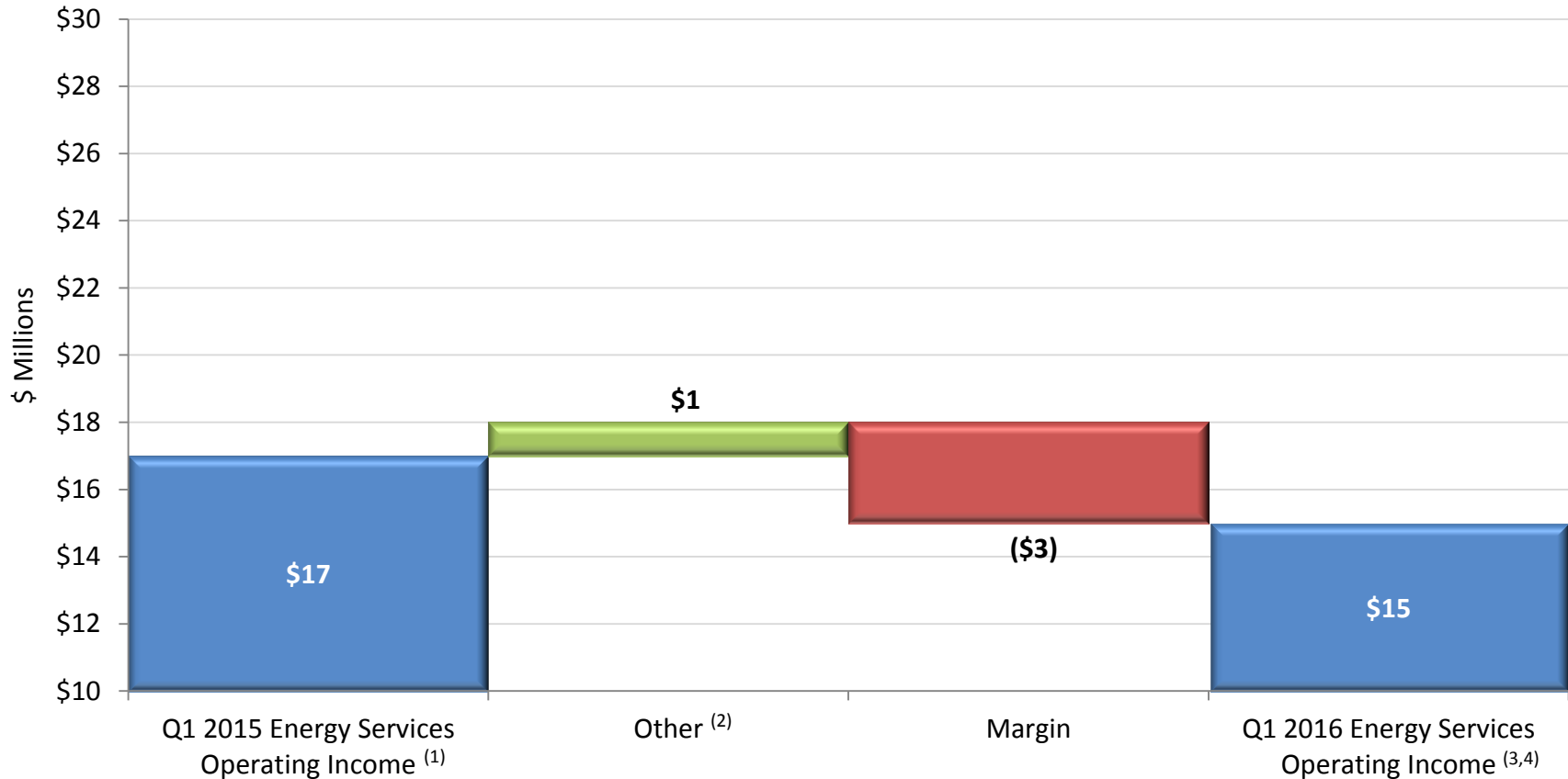


⁽¹⁾ Natural Gas Utilities' customer count increased from 3,389,148 on March 31, 2015, to 3,417,875 on March 31, 2016

⁽²⁾ Primarily due to higher labor and benefits expenses

Energy Services

Operating Income Drivers: Q1 2015 vs Q1 2016



⁽¹⁾ Operating income as reported in Q1 2015 was \$13 million. Chart excludes mark-to-market loss of \$4 million.

⁽²⁾ Primarily due to lower O&M expenses

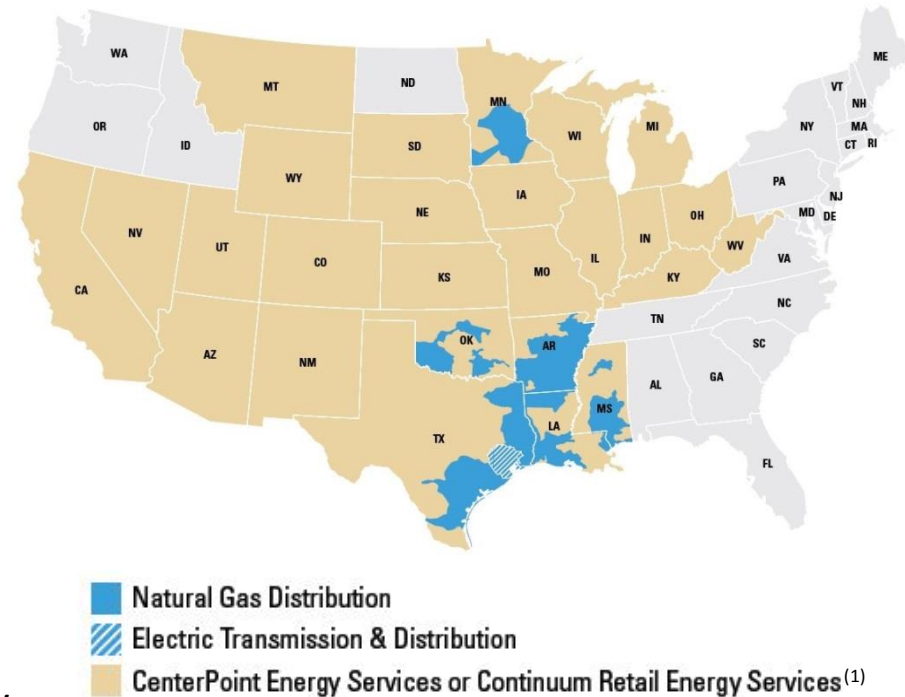
⁽³⁾ Excludes energy services business acquired from Continuum; acquisition closed on April 1, 2016

⁽⁴⁾ Operating income as reported in Q1 2016 was \$6 million. Chart excludes mark-to-market loss of \$9 million.

CenterPoint Energy Services Acquires Continuum's Retail Energy Services Business



- Acquisition closed on April 1, 2016
- Acquisition includes Continuum's retail business, Choice customers, and origination & logistics assets
- Aggregate purchase price of \$77.5 million plus working capital and customary post-closing purchase price adjustments
- Acquisition complements overall natural gas strategy and increases Energy Services' commercial and industrial customer base by over 30%
- Expanded operational footprint positions Energy Services to access more markets, grow efficiently, and achieve economies of scale
- Combined energy services business will continue to operate with a low Value-at-Risk business model
- Expected to increase annual gross margin of Energy Services by approximately 40%



Combined energy services business projected to contribute \$40 - \$50 million in annual operating income in 2017

⁽¹⁾ Includes Continuum's energy services customers and operational footprint



Earnings Call Highlights

- First Quarter Earnings
- Guidance Parameters
- Financing, Interest Expense & Tax



EPS: Q1 2016 vs Q1 2015



	Quarter Ended	
	March 31, 2016	March 31, 2015
	EPS	EPS
Consolidated as reported		
Midstream Investments	\$ 0.36	\$ 0.30
Utility Operations ⁽¹⁾	(0.09)	(0.08)
	<u>0.27</u>	<u>0.22</u>
Timing effects impacting CES ⁽²⁾:		
Mark-to-market (gains) losses	0.01	0.01
ZENS-related mark-to-market (gains) losses:		
Marketable securities ⁽³⁾	(0.13)	0.03
Indexed debt securities	0.08	(0.04)
	<u>\$ 0.23</u>	<u>\$ 0.22</u>
Utility operations earnings on an adjusted guidance basis		
Per the basis used in providing earnings guidance:		
Utility Operations on a guidance basis	\$ 0.23	\$ 0.22
Midstream Investments	0.09	0.08
Consolidated on a guidance basis	<u>\$ 0.32</u>	<u>\$ 0.30</u>

⁽¹⁾ CenterPoint earnings excluding Midstream Investments

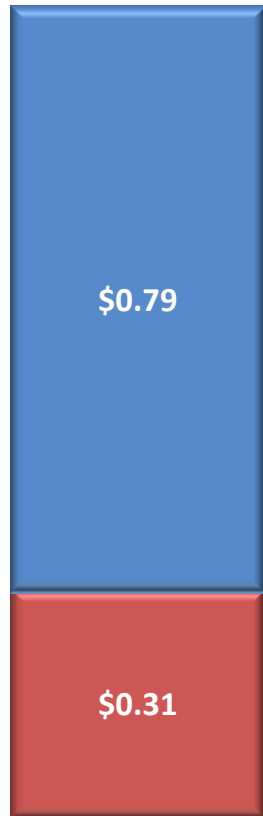
⁽²⁾ Energy Services segment

⁽³⁾ 2016 and 2015 results include Time Warner Inc., Time Warner Cable Inc., and Time Inc.. 2015 results also include AOL Inc. prior to the merger with Verizon.

2016 Earnings Guidance



2015 Consolidated
EPS: \$1.10



2016 Consolidated
EPS: \$1.12 - \$1.20



Earnings from Utility Operations were ~70% of overall earnings in 2015 and are expected to represent 75% - 80% in 2016

Utility Operations are expected to produce 75-80% of cash flow in 2016

2016 Utility Operations EPS growth expected to include:

- Enable preferred investment
- Interest expense benefit
- Utility operating income growth

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

➤ Liquidity and Capital Resources

- Anticipate strong balance sheet and cash flow
- Project total capital investment of ~\$1.4 billion for 2016
- No external sources or cash from operations needed to finance \$363 million investment in Enable's perpetual preferred securities
- Net incremental borrowings of ~\$150 million for 2016, inclusive of funding of the acquisition of Continuum's marketing business
- Expect to refinance \$600 million debt at Houston Electric in 2016
- \$325 million with a 6.15% coupon matured at CERC on May 1, 2016
- Equity issuance not anticipated in 2016 or 2017
- No anticipated incremental financing needs for 2017; dependent on factors including bonus depreciation, capital investment plans, and working capital

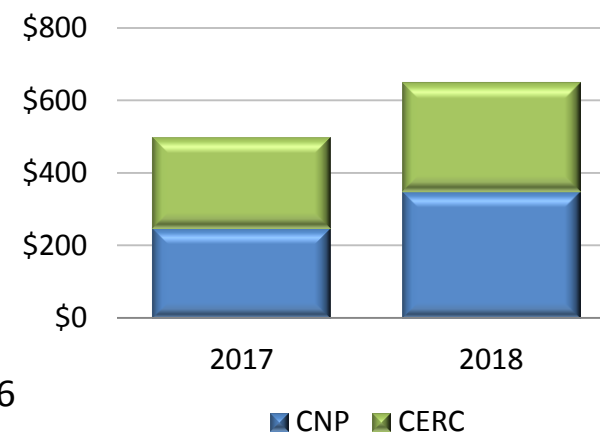
➤ Tax Rates

- Continue to anticipate 36% effective tax rate for 2016

➤ Interest Rates

- Full-year 2016 interest expense projected to be lower than 2015
- Near term maturities and refinancing suggest interest expense savings

Long Term Debt Maturities (\$MM)⁽¹⁾



Equity/Total Capital⁽²⁾
(as of March 31, 2016)

CenterPoint Energy Inc. Consolidated	37.1%
CenterPoint Energy Houston Electric, LLC	42.5%
CenterPoint Energy Resources Corp	58.6%

(1) Excludes transition and system restoration bonds

(2) Total debt includes revolver and commercial paper borrowings; excludes money pool borrowing

Appendix

Electric Transmission and Distribution: 2016 Regulatory Update

Requested annualized rate relief from pending 2016 filings: \$36.4 million

Mechanism	Expected Effective Date	Annual Increase (\$MM)	Comments	Docket #
DCRF	3Q 2016	\$36.4	Filed on April 4, 2016; request of \$49.4 million, representing a \$36.4 million increase from 2015 DCRF filing; approval expected during 3Q 2016	45747

Natural Gas Utilities: 2016 Regulatory Update

Requested annualized rate relief from pending 2016 filings: \$18.7 million

Jurisdiction	Expected Effective Date	Annual Increase (\$MM)	Comments	Docket #
Houston	3Q 2016	\$7.7	GRIP filed in March 2016; pending approval	10508
South Texas	3Q 2016	\$2.1	GRIP filed in March 2016; pending approval	10509
Beaumont/ East Texas	3Q 2016	\$4.2	GRIP filed in March 2016; pending approval	10510
Texas Coast	3Q 2016	\$4.2	GRIP filed in March 2016; pending approval	10511
Oklahoma	-	\$0.5	PBRC filed in March 2016; hearing scheduled for June 7, 2016; pending approval	PUD201600094

Natural Gas Utilities: 2016 Regulatory Update (Continued)

Requested annualized rate relief from pending 2015 filings: \$35.6 million

Jurisdiction	Expected Effective Date	Annual Increase (\$MM)	Comments	Docket #
Arkansas	3Q 2016	\$35.6	Rate case filed on November 10, 2015; pending approval	15-098-U

Additional pending 2015 filings

Jurisdiction	Effective Date	Rate Relief (\$MM)	Comments	Docket #
Minnesota	October 2015	Interim rates effective in October 2015	Rate case requesting an annual increase of \$54.1MM filed in August 2015; interim increase of \$47.8MM effective in October 2015; final decision from the MPUC expected in mid-2016	15-424

Rate relief from 2016 filings recognized in 2015 (includes interim rates⁽¹⁾): \$5.5 million

Jurisdiction	Date Recognized	Rate Relief (\$MM)	Comments	Docket #
Arkansas	December 2015	\$5.5	BDA filed in March 2016; revenue recognized in fourth quarter 2015; interim rates effective in June 2016; pending approval	06-161-U

MPUC – Minnesota Public Utilities Commission; BDA – Billing Determinant Rate Adjustment

⁽¹⁾ Interim rates begin the recognition of revenue, subject to refund (pending issuance of final order)

Reconciliation: Net Income and diluted EPS to the Basis Used in Providing Annual Earnings Guidance



	Quarter Ended			
	March 31, 2016		March 31, 2015	
	Net Income (in millions)	EPS	Net Income (in millions)	EPS
Consolidated as reported	\$ 154	\$ 0.36	\$ 131	\$ 0.30
Midstream Investments	(37)	(0.09)	(33)	(0.08)
Utility Operations ⁽¹⁾	117	0.27	98	0.22
Timing effects impacting CES ⁽²⁾:				
Mark-to-market (gains) losses	6	0.01	3	0.01
ZENS-related mark-to-market (gains) losses:				
Marketable securities ⁽³⁾	(58)	(0.13)	11	0.03
Indexed debt securities	36	0.08	(16)	(0.04)
Utility operations earnings on an adjusted guidance basis	\$ 101	\$ 0.23	\$ 96	\$ 0.22
Per the basis used in providing earnings guidance:				
Utility Operations on a guidance basis	\$ 101	\$ 0.23	\$ 96	\$ 0.22
Midstream Investments	37	0.09	33	0.08
Consolidated on a guidance basis	\$ 138	\$ 0.32	\$ 129	\$ 0.30

⁽¹⁾ CenterPoint earnings excluding Midstream Investments

⁽²⁾ Energy Services segment

⁽³⁾ 2016 and 2015 results include Time Warner Inc., Time Warner Cable Inc., and Time Inc.. 2015 results also include AOL Inc. prior to the merger with Verizon.