



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

David Mordy – Director of Investor Relations

Thank you, Thea. Good morning, everyone. Welcome to our third quarter 2016 earnings conference call. We recognize this is a busy day for earnings calls, so we especially appreciate your interest in CenterPoint. Scott Prochazka, president and CEO, Tracy Bridge, executive vice president and president of our Electric Division, Joe McGoldrick, executive vice president and president of our Gas Division and Bill Rogers, executive vice president and CFO, will discuss our third quarter 2016 results and provide highlights on other key areas.

In conjunction with the call today, we will be using slides which can be found under the Investors' section on our website, CenterPointEnergy.com. For a reconciliation of the non-GAAP measures used in providing earnings guidance in today's call, please refer to our earnings press release and our slides, which along with our Form 10-Q have been posted on our website.

Please note that we may announce material information using SEC filings, press releases, public conference calls, webcasts and posts to the Investors' section of our website. In the future, we will continue to use these channels to communicate important information and encourage you to review the information on our website.

Today, management is going to discuss certain topics that will contain projections and forward-looking information that are based on management's beliefs, assumptions and information currently available to management. These forward-looking statements are subject to risks or uncertainties. Actual results could differ materially based upon factors including weather variations, regulatory actions, economic conditions and growth, commodity prices, changes in our service territories, and other risk factors noted in our SEC filings.



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

We will also discuss our guidance for 2016. The guidance range considers Utility Operations performance to date and certain significant variables that may impact earnings, such as weather, regulatory and judicial proceedings, throughput, commodity prices, effective tax rates, and financing activities. In providing this guidance, the company uses a non-GAAP measure of adjusted diluted earnings per share that does not include other potential impacts, such as changes in accounting standards or unusual items, earnings or losses from the change in the value of the Zero-Premium Exchangeable Subordinated Notes or ZENS securities and the related stocks, or the timing effects of mark-to-market accounting in the company's Energy Services business. The guidance range also considers such factors as Enable's most recent public forecast and effective tax rates. The company does not include other potential impacts such as any changes in accounting standards or Enable Midstream's unusual items.

Before Scott begins, I would like to mention that this call is being recorded.

Information on how to access the replay can be found on our website.

And with that, I will now turn the call over to Scott.

Scott Prochazka – President & CEO

Thank you, David and good morning ladies and gentlemen. Thank you for joining us today and thank you for your interest in CenterPoint Energy.

We will begin on slide 4. This morning we reported third quarter 2016 net income of \$179 million, or 41 cents per diluted share, compared with a loss of \$391 million, or a loss of 91



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

cents per diluted share in the same quarter of last year. The 2015 loss is inclusive of impairment charges related to Midstream Investments.

On a guidance basis, third quarter 2016 adjusted earnings were \$177 million, or 41 cents per diluted share, compared with adjusted earnings of \$146 million, or 34 cents per diluted share in the same quarter of last year.

Utility Operations and Midstream Investments both performed well this quarter. We had a strong contribution from Houston Electric during their peak season, as well as solid results from Gas Distribution and Energy Services.

On a guidance basis, Utility Operations contributed 31 cents per diluted share in the third quarter of 2016, compared to 24 cents per diluted share in the same quarter of last year, improving 7 cents per share.

Our strong third quarter utility performance was driven by a number of factors. We continue to see solid customer growth in both our electric and gas utilities. Combined, our utilities added over 86,000 metered customers during the last 12 months. Capital expenditures remain strong as we invest to meet growth, safety and reliability needs within our service territories. Rate relief, driven by capital investment, continues to be an important contributor to earnings growth. Tracy and Joe will provide additional regulatory updates for their business segments later in the call.



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

Slide 5 provides some of the highlights from Enable's third quarter results. Midstream Investments contributed 10 cents per diluted share for both the third quarter of 2016 and the same period of last year. On their third quarter call Wednesday, Enable guided to the midpoint of their previous 2016 guidance for net income attributable to unit holders. This equates to the high end of our guidance range for Midstream Investments. For the first three quarters of 2016, Enable has achieved a coverage ratio of 1.26x.

Enable also provided an initial estimate for 2017 net income attributable to unit holders, which represents notable growth over their estimate for 2016. Their 2017 forecast is driven by several favorable developments. Rig counts continue to increase. The number of rigs contractually dedicated to Enable rose more than 13% during the last quarter. Enable also signed a new 10-year gathering and processing agreement in the STACK, replacing an existing percent of proceeds contract, and adding 61,000 additional gross dedicated acres to their STACK footprint. The terms of the contract increases their fee based margin and reduces their commodity exposure. We are very pleased to see these improvements and the positive impact it has on their 2017 forecast.

On Monday, we announced the purchase of Atmos Energy Marketing from Atmos Energy. Our gas marketing and sales business continues to be a steady contributor to earnings growth and is a valuable complement to the organic growth of our natural gas utilities. Joe will share more about this purchase in his remarks.



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

As most of you are aware, in February we announced our intention to evaluate strategic alternatives for our Midstream Investments segment. Our objective is twofold; first, explore ways to reduce CenterPoint share price volatility caused by commodity price impacts on Enable's earnings and unit price. And second, only take action if we can create sustained value for our long-term shareholders. The options open for consideration are a sale, a spin of a new company containing CenterPoint's stake in Enable or keep our current stake in Enable and work to reduce exposure to commodity price influences. That process continues and Bill will provide, more detail on the sale evaluation process and the tax considerations in connection with a spin.

Turning to slide 6, given the year-to-date performance and outlook for both Utility Operations and Midstream Investments, we are updating our 2016 full year earnings guidance to \$1.16 to \$1.20 per diluted share. Our investors value consistent, steady growth and we continue to target 4-6% annual earnings growth through 2018.

Tracy will now update you on Houston Electric.

Tracy Bridge – EVP & President – Houston Electric

Thank you, Scott.

I am pleased with Houston Electric's operational and financial results this quarter. Starting on slide 8, core operating income in the third quarter of 2016 was 234 million dollars compared with 219 million dollars for the same period last year. The business benefited from



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

rate relief, customer growth and higher equity return, primarily related to true-up proceeds. These benefits were partially offset by higher depreciation and other taxes.

By the time we have our next earnings call, Houston will have hosted Super Bowl 51. It's great to see Houston getting ready with enhancements throughout the city. Houston's growing economy continues to require substantial electric infrastructure improvements and capital investment. Through the end of the third quarter, we've invested \$638 million in capital and our meter count is up 2% from the third quarter of 2015. As a reminder, 2% customer growth equates to approximately 25 to 30 million dollars of incremental revenue annually.

O&M expense in the third quarter of 2016 was 1.7% higher than the same period last year, excluding certain expenses that have revenue offsets. We continue to focus on keeping annual O&M growth under 2%.

Slide 9 provides an overview of regulatory developments year-to-date. Our regulatory strategy remains on track. Since the last earnings call, we received approval for our July Transmission Cost of Service, or TCOS filing. Adjusted rates from our TCOS filing, as well as our April Distribution Cost Recovery Factor, or DCRF filing, went into effect in September. Additionally, we recently received approval for our 10.6 million dollar energy efficiency performance incentive, and we will recognize those earnings in the fourth quarter.

Joe will now update you on the results for Natural Gas Operations.



Third Quarter 2016 Earnings Conference Call
November 4, 2016

Joe McGoldrick – EVP & President – Gas Division

Thank you, Tracy.

Our Natural Gas Operations, which includes both our Natural Gas Distribution business and our non-regulated Energy Services business, had a strong third quarter.

Turning to slide 11, Natural Gas Distribution's third quarter operating income was \$22 million compared to \$11 million for the same period in 2015. Operating income was higher due to several factors including rate relief, revenue from decoupling mechanisms, lower bad debt expense and lower sales and use tax. These increases were partially offset by higher depreciation and labor and benefits expense.

We continue to see solid Natural Gas Distribution customer growth of approximately 1% having added nearly 35,000 customers since the third quarter of 2015.

O&M expenses were approximately 1.5% higher in the third quarter of 2016 compared to the same period last year, excluding certain expenses that have revenue offsets. Despite the quarter-to-quarter variability that can occur, O&M expense discipline remains a priority.

We continue to benefit from our long-standing regulatory strategy of utilizing constructive rate mechanisms, like the decoupling mechanisms in Arkansas and Minnesota that contributed to earnings this quarter. For a complete overview of regulatory developments this year, please see slides 12 and 13. I will speak to a few of the highlights.



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

In September, we received a final order for our Arkansas rate case, which provided for an annual increase of \$14.2 million. This increase, implemented in September, reflects a 9.5% ROE and establishes a Formula Rate Plan tariff which allows rates to be adjusted based on a plus or minus 50 basis point banded ROE approach and a projected test year.

In Minnesota, the \$12.7 million Conservation Improvement Program incentive, which we filed in May 2016, was approved by the Minnesota commission and recognized in the third quarter this year.

Later this month, we plan to file a Houston and Texas Coast rate case that seeks to combine two rate jurisdictions that are operationally and geographically aligned. We are required to file a rate case in our Houston jurisdiction, and once finalized, this case will reset rate base and allow us to utilize the GRIP mechanism in the future. We do not anticipate receiving incremental GRIP revenues in these two jurisdictions while the case is active. Because we have not filed the rate case yet, we cannot share any further details at this time.

Turning to slide 14, operating income for our Energy Services business was \$7 million for the third quarter of 2016, compared with \$2 million for the same period last year, excluding a mark-to-market loss of \$2 million and gain of \$5 million, respectively.

As announced on Monday, we have signed an agreement with Atmos Energy to acquire their retail energy services business, Atmos Energy Marketing or AEM. This business is complementary to our existing energy services business and will allow us to grow our customer



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

base and revenues, while maintaining a low VAR operating model and a cost-effective organization. This deal will increase our scale, geographic reach and expand our capabilities. We are particularly excited about AEM's impressive large industrial customer mix and their talented and experienced employees. Energy Services continues to be a steady and growing contributor to CenterPoint's earnings growth.

I'll close by pointing out that in addition to Houston Electric being the host electric utility serving the upcoming Super Bowl, Gas Distribution will also be serving the Super Bowl in Houston as well as Super Bowl 52 in Minneapolis at US Bank stadium. I'll now turn the call over to Bill, who will cover financial performance and forecasts.

Bill Rogers – Executive Vice President and CFO

Thank you, Joe and good morning everyone. I will begin on slide 16.

Today we reported third quarter 2016 earnings of 41 cents per diluted share. On a guidance basis, earnings were also 41 cents per diluted share versus 34 cents for third quarter 2015. Guidance basis earnings per share increased 7 cents for our Utility Operations segment compared to last year. Our Midstream Investments segment was 10 cents per share for this quarter and third quarter 2015. As Tracy and Joe discussed, combined core operating income improved \$31 million, excluding mark-to-market adjustments.

Year-to-date we have delivered 90 cents in guidance basis EPS, consisting of 68 cents in Utility Operations earnings and 22 cents in Midstream Investment earnings. We are updating



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

our full year 2016 EPS guidance range to \$1.16 to \$1.20 based on the strength of our combined performance year-to-date, our expectations for the fourth quarter, and Enable's recent confirmation of its 2016 guidance. We are also confirming our year-over-year EPS growth target of 4% to 6% in 2017 and 2018. Dividend increases will come with earnings growth at a rate that will allow us to gradually move our payout ratio lower.

As Scott and Joe have mentioned, we announced an agreement to purchase Atmos Energy Marketing on Monday. We plan to finance this through internally generated cash flow and/or debt financing. We expect this acquisition to be modestly accretive in 2017, after costs associated with acquisition and integration into CES. As Joe reviewed in our second quarter call, we are forecasting that our CES business will provide \$45 to \$55 million in operating income in 2017. We expect AEM to be additive to this forecast.

As previously disclosed, in 2017 we expect to benefit approximately \$12 million in net income, from a full year of our investment in Enable preferred securities and from interest expense savings.

Slide 17 details our expected financing plans, interest expense and effective tax rate.

Cash from operations remains strong. Therefore, we continue to believe we will not need equity in either 2017 or 2018. Further, we foresee modest incremental debt requirements in those years. We are committed to strong credit metrics and our target



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

consolidated FFO/Debt of 18% - 20%. As of the third quarter, we are well above that target credit metric.

Additionally, we expect our effective tax rate for the full year 2016 to be 37% due to the one-time recognition of deferred tax for Midstream's segment income in the second quarter. On a going forward basis, we expect the effective tax rate to be 36%.

Finally, I'll take a moment to expand on the Enable strategic review. We recognize this process is taking longer than expected. We continue to explore three options: sale, spin or keep. You can review our objectives for a potential transaction on slide 18. Our criteria for consideration of a sale or spin include comparable earnings and dividends per share, improved visibility and certainty of future earnings, and lower volatility from our Midstream Investments. We would seek to meet these criteria without a change to our credit ratings.

With respect to the sale option, we continue our discussions with third parties that have an interest in our Midstream Investment. Should those discussions continue past mid-January, the partnership agreement requires that we submit a right of first offer or ROFO notice to OGE to continue such discussions. Due to the confidential nature of our discussions, we are not providing any further comment at this time.

With respect to the spin option, we are working to gain certainty regarding the tax characteristics of a spin and confirmation of minimal tax leakage that may occur as a result of a spin. Further, we continue to research capital market considerations with our existing investors



Third Quarter 2016 Earnings Conference Call
November 4, 2016

and others, including whether the resulting entity from a spin would be an attractive security for our portfolio managers.

Let me conclude by reminding you that our board of directors declared a 25.75 cents dividend per share on October 27th payable on December 9th. And with that, I will turn the call back over to David.

David Mordy – Director of Investor Relations

Thank you, Bill. We will now open the call to questions. In the interest of time, I will ask you to limit yourself to one question and a follow-up. Thea?

- Operator: Our first question is from Greg Gordon with ISI.
- Durgesh Chopra: Hey good morning guys. It is actually Durgesh on for Greg. Can you hear me?
- Scott Prochazka: Yes good morning, Greg. We can hear you.
- Durgesh Chopra: Hey good morning. Just the question was related to...
- Greg Gordon: I'm here Durgesh, I've got it, thanks.
- Greg Gordon: So our question is given the significant improvement in the outlook at Enable, why are you not reassessing the consolidated 4% to 6% growth rate in the context of a no transaction scenario? It seems that your expectations that underpinned four to six would be a scenario where Enable would be range bound in terms of its earnings and cash flow contribution and it appears that they're poised to see significant potential growth in earnings and distributions?
- Scott Prochazka: Yes Greg I would say the answer to this is more of a timing issue than anything. We are going through now the process of finalizing our own plan for the utilities as we

speaking. Our board approves our financial plan in December as we get near the end of the year.

Our time for providing updated forecast will be at our fourth quarter call but I think your observations are valid certainly and what we've seen from Enable as well as the work we're doing with our utilities will be reflective in the new guidance that we provide on the fourth quarter call.

Operator: Our next question is from Insoo Kim with RBC Capital.

Insoo Kim: Hey good morning, everyone. Just first given your comment on the spin option, are you currently awaiting a response from the IRS? And if so, do you have any expectation on a timeframe as to whether you will get a confirmation that it will be largely a tax-free transaction?

Bill Rogers: Insoo good morning it's Bill. We have not shared whether or not we have filed or will file with the IRS, what we have shared in my comments on the call is what we must confirm that we have minimal tax leakage associated with the spend should we continue down that path.

Insoo Kim: Understood. And then the third option of keeping Enable and I think you have mentioned reducing the volatility associated with that, would that just involve Enable or working with Enable to increase their fee-based contracts structures?

Scott Prochazka: Yes, it is working with Enable. The dialogue between governance and management is a constructive one and management is focused on this as evidenced by the renegotiation of some contracts that they've been working on to accomplish that. So that comment about trying to reduce commodity exposure is with what management will do at Enable.



Third Quarter 2016 Earnings Conference Call
November 4, 2016

Insoo Kim: Understood. And finally, just regarding the Atmos Energy marketing acquisition, is the strategy for the energy services business to continue to make ongoing acquisitions to grow that business?

Scott Prochazka: Yes, let me characterize the strategy this way. We see it as an important part of our business mix, it's a great complement to our gas utilities and we continue to -- we will continue to look for opportunities organically through the management team for growing that business just as we're growing our utilities.

I would characterize any thoughts around M&A as opportunistic as opposed to a stated strategy in that direction. Our goal though is to continue to grow that business just as we're growing our utilities.

Insoo Kim: Got it. Thank you and I will see you in a few days.

Operator: The next question is from Abe Azar with Deutsche Bank

Abe Azar: Is your new 2016 guidance, is that the new base for the 4% to 6% growth from here?

Scott Prochazka: Yes it is.

Abe Azar: Okay. And can you comment a little bit more on the dividend growth? I heard you mention the goal to decrease the payout ratio, is there any targets for dividend growth from here?

Bill Rogers: There are no specific targets with respect to dividend growth and of course at the end of day its Board of Director's responsibility to review a number of factors prior to their declaration of a dividend. Having said that, we do intend to grow the dividend. It just may not be at the same robust pace of our earnings growth and this will allow us to grow the dividend and bring down the payout ratio at the same time.



Third Quarter 2016 Earnings Conference Call
November 4, 2016

Operator: The next question is from Ali Agha of SunTrust.

Ali Agha: Thank you. Good morning. Scott, just wanted to clarify, in the past you had mentioned that your plans for what you want to do with Enable would firm them up and communicate to us in the second half of this year. Am I hearing it right that the time may slip given some of these things playing out and maybe it is more early next year we will hear from you or is that still by the end of this year we should definitively hear from you.

Scott Prochazka: Yes, as Bill said, the process is taking a little bit longer than originally anticipated. I can't tell you when the process will specifically end. As Bill said, we still are in conversations with third parties and should those dialogues continue past the end of the year than I guess it's technically possible that it goes on into the following year. But as long as we're having these dialogues, the process will continue.

Ali Agha: I see. And second question, just so that we are clear on the conversion from the Enable numbers to yours, I know there is basis differential, etc... but if you just took their 2017 net income guidance, what does that translate into for CenterPoint just taking their numbers as they publicly stated those?

Bill Rogers: Ali this is Bill. They confirmed it around the midpoint of their guidance and that number would translate into \$0.21 per share for us on an annual basis plus another \$0.07 due to the accretion and for a total of \$0.28. That's why in our prepared remarks we said we should be at the high-end of the guidance that we have provided

Ali Agha: Right. But they have also put out their '17 net income number as well. I was more focused on that.

Bill Rogers: So they've put out their '17 net income number, we have not translated what that might mean into earnings per unit and from that earnings per share of CenterPoint..

- Ali Agha: But the basis differential will be roughly the same as it is for '16?
- Bill Rogers: That will be unchanged.
- Operator: The next question will come from Neel Mitra with Tudor, Pickering.
- Neel Mitra: Hi, good morning. How do we look at the sale option for Enable after the 120-day period is passed since you rejected OGE or its partner's offer? At that point would you preclude the option of a sale or would you restart the process and how would that work?
- Bill Rogers: Neel, good morning, it's Bill. I think to be clear, we haven't commented on OG&E's offer, what we said in our prepared remarks is we remain in discussions with other parties and should those discussions continue past mid-January then per our partnership agreement, we would need to give OG&E another right of first offer or ROFO.
- Neel Mitra: Got it. Okay. And it seems like you are evaluating the possibility of a spin more and it seems that you are getting a little bit more comfortable with that if I'm reading right. How do you consider the possibility of that trading as a standalone C-CORP versus the MLP aspects that OG&E and the public float would own?
- Bill Rogers: Right. When we announced the strategic review process, we said we would be on concurrent paths of thinking about either a sale or a spin. So I wouldn't want to imply that we're weighting one or of those more heavily than the other. We are attentive to what I refer to is capital markets considerations including how that C-CORP would trade and how portfolio managers would think of it as a security.
- Neel Mitra: Okay. Thank you.
- Operator: The next question will come from Nick Raza with Citigroup.

- Nick Raza: Thank you, guys. Just a couple of quick clean-up questions on the Atmos acquisition, are we to assume that is a similar multiple as the prior acquisition, the Continuum acquisition?
- Bill Rogers: So the way we take a look at these is the internal rate of return and the return on equity from the total investment, so that's the way we evaluate them. With respect to a multiple, we haven't disclosed that but it's \$40 million for their business plus working capital.
- Nick Raza: Okay. And then in terms of just going back to your response on Enable about managing the commodity volatility and sort of working with Enable essentially to fix some of their contracts, is there sort of an appetite to get rid of some of that volatility by doing more preferred issuances?
- Scott Prochazka: Well I think that's probably a question better set for Enable than for us or are you asking about it from our perspective?
- Nick Raza: Yes.
- Scott Prochazka: Yes, the preferred investment we made was essentially taking an amount of money that we had invested as debt and investing it is preferred at a time when that would be helpful for Enable. Our stated objective as we have stated for quite some time is that we see Enable as a source of cash rather than a use of cash and I think that general theme still holds.
- Nick Raza: Okay, fair enough. Thanks guys.
- Operator: The next question will come from Charles Fishman with Morningstar.



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

Charles Fishman: Hi good morning. Good morning. Tracy, unless I missed it, I didn't hear you mentioned right-of-way revenue which was always a nice little earnings stream in your segment. Can you update that?

Tracy Bridge: Good morning, Charles. We anticipate for 2016 that our miscellaneous revenue including right-of-way would be in the range of \$10 million.

Charles Fishman: So it is continuing to have that lower trajectory as you stated in the past, correct?

Tracy Bridge: That's correct.

Charles Fishman: Okay. And then the second question I had on the Atmos acquisition, I assume just because Atmos is based up in Dallas that maybe their concentration of customers was heavier in the Dallas and North Texas area than your existing business. Is that what made it such a good fit?

Joe McGoldrick: This is Joe. Actually they are based in Houston for this business and they have two primary offices in Houston, Texas and Franklin, Tennessee. So we have some overlapping service territories, but in this acquisition we would pick up six additional states with new customers and they have a pretty heavy concentration in the Tennessee, Kentucky area. So that's a nice complement to our existing portfolio.

Charles Fishman: So it's almost non-Texas stuff that maybe with the benefit on this.

Joe McGoldrick: That's clearly part of it yes

Charles Fishman: Okay, thank you. That's all I had.

Operator: The next question will come from Lasan Johong with Auvila Research.

- Lasan Johong: Thank you. On the acquisition, could you talk about the differences in margin, unit margins between your existing retail business and the Atmos acquisition?
- Joe McGoldrick: This is Joe again. We don't give comments on unit margins by type of customer, but I will say that they definitely have a bigger mix of industrial, large industrial customers. It's almost 400 Bcf of throughput on approximately 1,000 customers. So that's much higher used customers than we currently have in our portfolio. So we actually like that aspect of it but we don't -- we don't comment on specific unit margins by customer type.
- Lasan Johong: Okay, then given your comments just now, is there a preference of which way CenterPoint is leaning more towards the small commercial and residential or to the larger customers?
- Joe McGoldrick: We like the addition that this gives us, but we'll concentrate on all of our customer segments and make sure we provide them with great service, but we think this complements our portfolio nicely and it gets us into, as I mentioned earlier, some additional markets where we didn't have a presence.
- Lasan Johong: Got it. And one follow-up on Enable. What is the point of trying to convert -- and I'm not saying one is better than the other -- but trying to convert a racehorse into a farm horse when you are talking about pulling back on the commodity volatility. Maybe the whole point of owning something like Enable is to gain that upside in the commodities.
- Scott Prochazka: I think the way to think about it is there is a -- the actions we were talking about earlier about reducing volatility, have to do with the structure of the contract not the pace at which Enable may pursue opportunities and grow. So, it has to do with reducing volatility not taking away from the growth possibilities of that segment.
- Lasan Johong: I think I understand. Okay. Thank you very much.



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

Operator: The final question will come from Noah Hauser.

Noah Hauser: Hi, thanks guys. During the September conference season, you gave some drivers for 2017 for utility net income. Are those drivers still intact or how should we be thinking about that now?

Bill Rogers: Noah, this is Bill and those drivers are intact and we will be updating all of that in our year-end conference call after we have Board approval for our budgets and our capital expenditures for the 2017 year.

Noah Hauser: Is there anything else aside from the Atmos acquisition that would presumably be additive to that or is there anything else we should be focused on that could've changed?

Bill Rogers: I would say only on the margin.

Noah Hauser: Okay. Thank you.

David Mordy: Thank you everyone, for your interest in CenterPoint Energy. We look forward to seeing you at EEI. We will now conclude our third quarter 2016 earnings call and have a nice day.

Operator: This concludes CenterPoint Energy's Third Quarter 2016 Earnings Conference Call. Thank you for your participation. You may now disconnect.



Third Quarter 2016 Earnings Conference Call November 4, 2016

CenterPoint Energy, Inc., headquartered in Houston, Texas, is a domestic energy delivery company that includes electric transmission & distribution, natural gas distribution and energy services operations. The company serves more than five million metered customers primarily in Arkansas, Louisiana, Minnesota, Mississippi, Oklahoma, and Texas. The company also owns a 55.4 percent limited partner interest in Enable Midstream Partners, a publicly traded master limited partnership it jointly controls with OGE Energy Corp., which owns, operates and develops natural gas and crude oil infrastructure assets. With more than 7,400 employees, CenterPoint Energy and its predecessor companies have been in business for more than 140 years. For more information, visit the website at www.CenterPointEnergy.com.

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual events and results may differ materially from those expressed or implied by these forward-looking statements. Any statements in this news release regarding future earnings, and future financial performance and results of operations, including, but not limited to earnings guidance, targeted dividend growth rate and any other statements that are not historical facts are forward-looking statements. Each forward-looking statement contained in this news release speaks only as of the date of this release. Factors that could affect actual results include (1) state and federal legislative and regulatory actions or developments affecting various aspects of CenterPoint Energy's businesses (including the businesses of Enable Midstream Partners (Enable Midstream)), including, among others, energy deregulation or re-regulation, pipeline integrity and safety, health care reform, financial reform, tax legislation, and actions regarding the rates charged by CenterPoint Energy's regulated businesses; (2) state and federal legislative and regulatory actions or developments relating to the environment, including those related to global climate change; (3) recording of non-cash goodwill, long-lived asset or other than temporary impairment charges by or related to Enable Midstream; (4) timely and appropriate rate actions that allow recovery of costs and a reasonable return on investment; (5) the timing and outcome of any audits, disputes or other proceedings related to taxes; (6) problems with construction, implementation of necessary technology or other issues with respect to major capital projects that result in delays or in cost overruns that cannot be recouped in rates; (7) industrial, commercial and residential growth in CenterPoint Energy's service territories and changes in market demand, including the effects of energy efficiency measures and demographic patterns; (8) the timing and extent of changes in commodity prices, particularly natural gas and natural gas liquids, and the effects of geographic and seasonal commodity price differentials, and the impact of commodity changes on producer related activities; (9) weather variations and other natural phenomena, including the impact on operations and capital from severe weather events; (10) any direct or indirect effects on CenterPoint Energy's facilities, operations and financial condition resulting from terrorism, cyber-attacks, data security breaches or other attempts to disrupt its businesses or the businesses of third parties, or other catastrophic events; (11) the impact of unplanned facility outages; (12) timely and appropriate regulatory actions allowing securitization or other recovery of costs associated with any future hurricanes or natural disasters; (13) changes in interest rates or rates of inflation; (14) commercial bank and financial market conditions, CenterPoint Energy's access to capital, the cost of such capital, and the results of its financing and refinancing efforts, including availability of funds in the debt capital markets; (15) actions by credit rating agencies; (16) effectiveness of CenterPoint Energy's risk management activities; (17) inability of various counterparties to meet their obligations; (18) non-payment for services due to financial distress of CenterPoint Energy's and Enable Midstream's customers; (19) the ability of GenOn Energy, Inc. (formerly known as RRI Energy, Inc.), a wholly owned subsidiary of NRG Energy, Inc., and its subsidiaries to satisfy their obligations to CenterPoint Energy and its subsidiaries; (20) the ability of retail electric providers, and particularly the largest customers of the TDU, to satisfy their obligations

-more-

to CenterPoint Energy and its subsidiaries; (21) the outcome of litigation; (22) CenterPoint Energy's ability to control costs, invest planned capital, or execute growth projects; (23) the investment performance of pension and postretirement benefit plans; (24) potential business strategies, including restructurings, joint ventures, and acquisitions or dispositions of assets or businesses, for which no assurance can be given that they will be completed or will provide the anticipated benefits to CenterPoint Energy; (25) acquisition and merger activities and successful integration of such activities, involving CenterPoint Energy or its competitors; (26) the ability to recruit, effectively transition and retain management and key employees and maintain good labor relations; (27) future economic conditions in regional and national markets and their effects on sales, prices and costs; (28) the performance of Enable Midstream, the



**Third Quarter 2016 Earnings Conference Call
November 4, 2016**

amount of cash distributions CenterPoint Energy receives from Enable Midstream, and the value of its interest in Enable Midstream, and factors that may have a material impact on such performance, cash distributions and value, including certain of the factors specified above and: (A) the integration of the operations of the businesses contributed to Enable Midstream; (B) the achievement of anticipated operational and commercial synergies and expected growth opportunities, and the successful implementation of Enable Midstream's business plan; (C) competitive conditions in the midstream industry, and actions taken by Enable Midstream's customers and competitors, including the extent and timing of the entry of additional competition in the markets served by Enable Midstream; (D) the timing and extent of changes in the supply of natural gas and associated commodity prices, particularly natural gas and natural gas liquids, the competitive effects of the available pipeline capacity in the regions served by Enable Midstream, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable Midstream's interstate pipelines; (E) the demand for crude oil, natural gas, NGLs and transportation and storage services; (F) changes in tax status; (G) access to growth capital; and (H) the availability and prices of raw materials for current and future construction projects; (29) effective tax rate; (30) the effect of changes in and application of accounting standards and pronouncements; (31) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2015, as well as in CenterPoint Energy's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 and June 30, 2016, and other reports CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.