1st Quarter 2014 Earnings Conference Call
May 1, 2014

Carla Kneipp - Vice President of Investor Relations

Thank you, Regina. Good morning, everyone. Welcome to our first quarter 2014 earnings conference call. Thank you for joining us today. 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 Gary Whitlock, executive vice president and CFO, will discuss our first quarter 2014 results and provide highlights on other key activities. Also present are other members of management who may assist in answering questions following the prepared remarks. Our earnings press release and the Form 10-Q are posted on our Web site, CenterPointEnergy.com, under the Investors' section. These materials are for informational purposes, and we will not be referring to them during prepared remarks. I remind you that any projections or forward-looking statements made during this call are subject to the cautionary statements on forward-looking information in the company's filings with the SEC.

With the formation of Enable Midstream Partners, the way we present our financial results has changed. In discussing our financial results, we will refer to our equity investment in Enable and SESH as "Midstream Investments" and the remainder of our businesses as "Utility Operations".

Before Scott begins, I would like to mention that a replay of this call will be available through Thursday, May 8th. To access the replay, please call 855-859-2056, or 404-537-3406, and enter the conference ID number 20029301. You can also listen to an online replay on our Web site and we will archive the call for at least one year. And with that, I will now turn the call over to Scott.

Scott Prochazka - President and CEO

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

This morning we reported first quarter 2014 earnings of 185 million dollars, or 43 cents per diluted share, as compared to 147 million dollars, or 34 cents per diluted share in 2013. Using the same basis that we use when providing guidance, first quarter 2014 adjusted earnings would have been 40 cents per diluted share compared to 31 cents for 2013. Utility Operations contributed 27 of the 40 cents per diluted share and Midstream Investments contributed 13 cents.

This was an excellent quarter for our diversified energy delivery portfolio. Core operating income for our Utility Operations was up quarter over quarter by 73 million dollars, or 38 percent, driven by cold weather, customer growth, and rate increases, as well as weather related basis volatility benefiting Energy Services.

Our delivery systems operated well under extended, extreme weather conditions. Our natural gas utilities received top quartile ratings in the most recent J.D. Power customer survey. We also have expanded Houston Electric's "power alert service" which provides proactive communications to residential electric consumers when their service is affected.

We invested 286 million dollars during the quarter for growth, reliability, system modernization, customer service and ongoing maintenance. We are on track to invest almost 1.4 billion dollars of capital by year end. The effective execution of our strategy over the next five years will support our goal of growing Utility Operations earnings 4 to 6 percent annually.

Our Midstream investment segment reported equity income of 91 million dollars in the first quarter; 88 million dollars from our pre-IPO 58 percent interest in Enable Midstream Partners and 3 million dollars from our 25 percent interest in SESH.

This month marked a significant milestone for Enable as it began trading as a public company on April 11th. I would like to compliment the Enable management team for their hard work and dedication, which resulted in a successful IPO. We are excited about the future prospects for Enable, which is an important long-term component of our diversified energy delivery portfolio. As board members, Gary Whitlock and I will work with our fellow board members to provide strategic direction and oversight as Enable executes its strategy and business plan. Yesterday, Enable issued a first quarter press release and held an earnings call to review the drivers for its first quarter performance. I refer you to those materials for a more detailed explanation of Enable's results.

This summer, we will be holding an Analyst Day at the New York Stock Exchange. We look forward to introducing our extended management team and discussing CenterPoint's investment and valuation thesis, including our expectations for our 5 year forecasted dividend growth rate. For those not attending in person, the event will be webcast and archived.

We are off to a good start in 2014 and continue to implement our strategy which emphasizes operational excellence and utility growth. I will now turn the call over to Tracy.

Tracy Bridge - Executive Vice President and President, Electric Division

Thank you, Scott.

Houston Electric's first quarter 2014 core operating income was 75 million dollars compared to 49 million dollars for the same period last year, an increase of 26 million dollars. The business benefited from increased usage due to cold weather, right of way revenues and customer growth. Increases in operations and maintenance expense, as well as property taxes, partially offset the gains in revenue.

Similar to other parts of the country, the weather in our service territory was colder than normal, and residential usage was up about 16 percent compared to last year. Net of the weather hedge we put in place for this past winter season, first quarter weather related usage increased operating income by 14 million dollars compared to last year. When compared to normal weather, operating income increased by 7 million dollars.

Third party interest in our transmission Rights-of-way continues to be strong. We recorded 10 million dollars of associated revenues through the first quarter. Although right of way revenue is difficult to estimate, we continue to expect revenues of 10 to 20 million dollars this year.

The business benefited from strong customer growth, adding more than 45,000 customers since the first quarter of 2013. We continue to expect a 2 percent customer growth rate in the foreseeable future, due to the strength of the greater Houston economy.

Turning to our capital investments, Houston Electric invested 187 million dollars in the first quarter. We are on target to invest in excess of 780 million dollars by year end to support service area growth, grid hardening, system reliability and ongoing maintenance.

Approximately 95 percent of Houston Electric's capital expenditure is recoverable through investment recovery mechanisms, although the use of our distribution capital recovery mechanism may be limited by actual ROE performance. We recently made a Transmission Cost of Service, or TCOS, filing with the Public Utility Commission of Texas to recover the costs of transmission investments made from October 2011 through December 2013. The filing reflects the addition of over 180 million dollars of transmission rate base, and once approved, will generate annualized operating income of approximately 14 million dollars. We expect to begin recovering approved TCOS amounts by the end of May.

Now let me update you on the status of the Houston Import project we first mentioned during our third quarter 2013 call. On April 8th, the Electric Reliability Council of Texas, or ERCOT, voted to endorse the Houston Import Project and deemed it critical for reliability. ERCOT has estimated the costs for the entire transmission project to be approximately 600 million dollars and anticipates the project will be completed no later than June of 2018. On April 30th, Houston Electric was notified of ERCOT staff's decision to split responsibility for the new 345 kV transmission line originating at the Limestone substation, intersecting the Gibbons Creek substation, and terminating at the Zenith substation. As owner-operator of both the origination and termination substations, Houston Electric has requested the right to construct, own, and maintain the entire project, except for necessary upgrades to the Gibbons Creek Substation, which is owned by Texas Municipal Power Agency. We have appealed the ERCOT decision to the Public Utility Commission of Texas and are seeking the right to construct, own, and maintain the entire project, except for necessary upgrades to the Gibbons Creek Substation. CenterPoint Energy has requested an expedited decision schedule from the PUCT with a desire for a decision later this summer.

Overall, I am very pleased with Houston Electric's first quarter performance. Joe McGoldrick will now update you on the results of our natural gas operations.

Joe McGoldrick – Executive Vice President and President, Gas Division

Thank you, Tracy.

Let me remind you that our Natural Gas Operations business includes both our natural gas utilities and our energy services business. Our Natural Gas Operations performed very well this quarter.

Natural Gas Utilities' first quarter 2014 operating income was 162 million dollars compared to 139 million dollars in the prior year. During the quarter we benefited from increased usage due to cold weather, rate increases and continued customer growth. Winter financial hedges were established in Minnesota and Texas to stabilize revenues against weather volatility, as we do not have weather normalization tariffs in those two states. However, the hedges had a bilateral cap of 16 million dollars and the extremely cold temperatures, particularly in Minnesota, caused us to reach the cap on January 31st. As a result, we realized a net weather-related margin increase of 16 million dollars compared to the first quarter of last year. When compared to normal weather, the increase was 13 million dollars.

The extreme and sustained cold weather also tested the capacity of our system. In fact, our Minnesota service territory experienced 35 days with sales above 1 Bcf in the first quarter compared to about 10 days in a typical year. We are pleased that the system infrastructure investments we have made helped ensure our customers were served safely and reliably throughout this high demand period.

Margin also benefited from rate increases of an additional 14 million dollars this quarter compared to last year. Interim rates in Minnesota, GRIP increases in Texas and our Arkansas main replacement program rider were the primary contributors. Consistent economic growth in our service territories continues and we added approximately 33,000 customers year-over-year. Increases in margin were partially offset by increased bad debt expense due to higher gas costs reflected on customer bills, increased depreciation expense associated with higher capital expenditures and higher property taxes.

Through the first quarter, we have invested approximately 83 million dollars in our natural gas utilities and are on track to invest in excess of 520 million dollars by year end. These investments include system infrastructure enhancements, customer service technologies, our advanced metering program and a new central office for our Minnesota operations. Generally, we recover about 50 percent of our annual capital investments through annual adjustment mechanisms. While the recovery time varies by jurisdiction, these mechanisms significantly reduce regulatory lag when compared to traditional rate cases. We anticipate filing rate cases to recover the capital investments we are making where annual mechanisms are not in place, primarily Minnesota.

In the pending Minnesota rate case, our overall request was for an increase of 29 million dollars, when you exclude the effects of moving certain energy efficiency revenues from a separate rider into base rates. In April, the Administrative Law Judge recommended a 9.6 percent ROE and a 52 percent equity capital structure which produces a 16 million dollar net increase in our base revenue. Oral arguments and Minnesota PUC deliberations will occur the week of May 5th. We expect a final order in June.

Our **Energy Services** business also had a strong quarter with operating income of 26 million dollars, compared to 7 million dollars last year. These results include a 4 million dollar mark to market gain compared to a 5 million dollar loss the previous year. After adjusting for the mark-to-market changes, business results improved by approximately 10 million dollars over the first quarter of 2013.

This much improved result was due to two factors: first, our TETCO pipeline capacity that accesses Pennsylvania Marcellus production proved to be a valuable asset this winter. Basis volatility created asset optimization revenues not experienced in many years. And second, the transport capacity assigned to us in our Chicago and St. Louis retail markets created similar revenue opportunities due to strong basis differentials. These two factors, along with weather-driven throughput increases, contributed nearly all of the 10 million dollar increase in business results.

Natural Gas Operations' strong performance in the first quarter continues to highlight the successful business plan we have been implementing for several years. I'll now turn the call over to Gary who will provide an update on financial activities and earnings guidance.

Gary Whitlock - Executive Vice President and CFO

Thank you, Joe, and good morning to everyone. Before discussing various CenterPoint financial items, I would like to comment on the process and results of the recently completed Enable Midstream IPO.

In April, Enable successfully priced a 28.75 million unit, 575 million dollar IPO , at 20 dollars per unit, which was at the midpoint of the filing range, and has subsequently traded higher. We are pleased to have the market recognize the value of Enable as a large scale, midstream MLP providing integrated long-haul transmission, gathering, processing and storage services. We believe its strong organic growth trajectory, combined with the financial flexibility of a strong investment-grade balance sheet, has positioned Enable to create long term shareholder value.

With Enable's IPO complete, CenterPoint Energy's LP unit ownership is now 54.7 percent. However, during the second quarter we anticipate electing to drop essentially all of our remaining ownership interest in SESH into Enable. This SESH transfer will increase our LP ownership in Enable by 6.3 million LP units, resulting in a 55.4 percent LP unit ownership position.

Now turning to CenterPoint Energy financing activities, in March Houston Electric issued 600 million dollars of 30 year general mortgage bonds with a coupon of 4.5 percent. A portion of the proceeds are being used to purchase or redeem approximately 184 million dollars of pollution control bonds, while the remaining proceeds will be used to fund Houston Electric's significant capital investment program.

Now, I would like to discuss our earnings guidance for 2014. This morning, in our first quarter earnings release, we revised upward our consolidated estimates for 2014 to be in the range of one dollar and ten cents to one dollar and nineteen cents per diluted share. We increased our estimate of earnings from our Utility Operations to be in the range of seventy-two cents to seventy-six cents per diluted share. This increase recognizes the strong financial performance to date of both our electric and natural gas utilities and of our energy services business. The Utility Operations guidance range considers significant variables that may impact earnings, such as weather, regulatory and judicial proceedings, throughput, commodity prices, effective tax rates and financing activities. However, the company does not include the impact of any changes in accounting standards, any impact to earnings from the change in the value of the Time Warner stocks and the related ZENS securities, or the timing effects of mark-to-market accounting in the company's earnings expectations. We have assumed a consolidated effective tax rate of 36 percent and an average share count of 431 million shares. As the year progresses, we will keep you updated on our Utility Operations earnings expectations.

As you know, Enable is in a quiet period and has not updated its 2014 earnings forecast. Accordingly, we are making no change to our Midstream Investments guidance range other than to reflect the 2 cent per share dilution resulting from the Enable IPO. In providing our earnings guidance in the future, we will take into account the most recent public forecast provided by Enable.

In closing, I would like to remind you of the 23 and three quarter cent per share quarterly dividend declared by our Board of Directors on April 24th. Our policy is to target an annual payout ratio of 60 to 70 percent of sustainable earnings from our Utility Operations and 90 to 100 percent of the net after-tax cash distributions we receive from Enable. Now that Enable has completed its IPO and will be providing its forecast of earnings and cash distributions, our objective is to provide to investors a forecast of our expected dividend growth rate. We plan to do so at our upcoming June 30th Analyst Day to be held in New York.

Thank you for your continued interest in CenterPoint Energy and I will now turn the call back over to Carla.

Carla Kneipp - Vice President of Investor Relations

Thank you, Gary. In asking your questions, I'd like to remind you that since Enable Midstream is now a public entity, we request that you direct Enable related financial and operational performance questions to Enable management. As such, we will not be answering questions related to Enable's performance today. We will now open the call to questions. In the interest of time, I'd like you to limit yourself to one question and a follow-up. Regina?

Ali Agha: Thank you, good morning. Scott, with the bankruptcy or Chapter 11 filing of Energy Futures Holdings, wanted to get a sense of if that has created the opportunity for you vis-à-vis Oncor, which I know you all have talked about in the past or perhaps not. And related to that, overall, your views on M & A opportunities for regulated utilities that you all have talked about in the past. That is my first question.

Scott Prochazka: I'll start with that and I may ask Gary to comment on this as well, but in the context of the filing that we just made, I think what this does is put in a motion, a process that we knew was coming. I think we're going to have to take a look at this, as everyone else is, and understand what it means. From a strategic standpoint, we've mentioned in the past that Oncor is an interesting asset and since we know the regulations in the state, we know the operations of the state, it makes sense for us to contemplate it. But we are going to have to wait and see how this one plays out.

And I think that this answer I just gave kind of leads into your second question which is around what are our feelings about M&A in general. And that is, we are going to evaluate opportunities that would be value-creating for our shareholders in terms of accretive value, growth accretion. We have criteria around what we are interested in, in terms of geographic proximity to where our assets are today as well as areas that offer good growth potential and have constructive regulatory environments.
So, I think we are going to have to wait and see. I think this one has a long time to play out before we get really any clarity on what opportunity, if any, this would present. Gary, I don't know if you want to add anything to that.

Gary Whitlock: No, I think that is exactly right. And, Ali, as you know, now with Enable being formed, they are going to execute their business plan. They have access to capital to do so, both debt and equity capital. Our focus, as Scott described, will be on regulated opportunities that present themselves both in the electric business and in the gas LDC business as well.

Ali Agha: And, Scott, my second question, from your perspective, obviously you have got a particular ownership now in Enable going forward. At some point down the road they are going to be raising capital, et cetera, to – as you mentioned – execute their plan. What is CenterPoint's ownership philosophy? Are you looking to continue to maintain your current ownership which means you may have to put in more capital down the road? Would you look at yourself being diluted eventually or would you even consider exiting your ownership down the road? Philosophically, what is your plan with regards to that ownership?

Scott Prochazka: Well Ali, as I think we have mentioned in the past, we like the business. We owned assets that were a big part of what Enable is today. And we think they are good assets to own. So our general philosophy is that we want to maintain the ownership position that we have today. And as they continue to raise capital for their growth projects, we will be diluted as a result of that, but we will own a larger portion of a bigger pie, so to speak. But we like the assets and we intend to maintain the ownership we have today.

Gary Whitlock: I would also like to remind you that there is a GP as well and we own 40 percent of the IDRs in the GP. Our partner, OGE, owns 60 percent. And our expectation, as Scott described, is that Enable will execute their business plan. They will grow their company. We may have a smaller piece of a bigger pie, but at the same time we will have the value that will ultimately accrete to the GP ownership. So, we think that is option value for our shareholders. And as Scott said, we like the asset. They are – frankly, we have a lot of connections to those assets. We put a great management team in place. We have a terrific partner in OGE and we look forward to Enable executing a business plan and we create more value for our shareholders in doing so.

Ali Agha: But you are not planning to put more cash in the LP, just to be clear on that?

Gary Whitlock: We will never say never to anything, but that is not our current intent. As you know, we set this up, the MLP, that they would have independent access to capital to execute their business plan.

Ali Agha: Understood. Thank you.

Charles Fishman: I believe this will qualify as a CenterPoint question rather than Enable, but certainly you can decline. The drop-down of SESH, does that have any earnings impact at the CenterPoint level?

Gary Whitlock: No, it should be a net neutral when it's complete. And for various reasons, Charles, at the time of the formation we were unable to put that portion into the Company. There was a prearranged, then, formula for doing so, but neither company was obligated to Enable to accept it or us to drop it down. But we have now made the decision a year later to drop it down. But there should be a net neutral impact.

Charles Fishman: And second question was on the ERCOT decision on the transmission. Did that surprise you that ERCOT ruled the way they did? Or is there any precedent for what they did?

Scott Prochazka: Tracy, I will let you take this one.

Tracy Bridge: We knew that the likely outcome was going to be between 50 percent and 100 percent ownership. The ERCOT staff chose the former. We are seeking the latter and as of this morning we have appealed ERCOT staff's decision to the Public Utilities Commission of Texas which will ultimately decide the case.

We think we have a very strong argument. Because the ERCOT protocol is to award a line such as this to a designated party who owns both ends of the line. And we believe we own both ends of the line. So we are anxious for the PUC to weigh in on it.

Scott Prochazka: Charles, I will just add, I think one of the perhaps complicating elements on this one is other projects that have been very clean with just two points involved and this one has – there's three points. We own the two endpoints, there happens to be one in the middle and I think that is what is clouding some of the issue at the moment.

Charles Fishman: Okay, thank you.

Matt Tucker: Good morning and congrats on a strong quarter.

Scott Prochazka: Thank you, Matt, good morning.

Matt Tucker: First question on the guidance change. I understand on the Enable side you have just adjusted for the IPO dilution. On the utility side, have you changed your assumptions for quarters two through four or should we view the change as just being driven by the first quarter coming in above your expectations?

Scott Prochazka: I think the answer is more that latter. In other words we had a strong quarter here driven very heavily by weather, but when we were first looking at guidance, we already knew some of the things that were going to be – that were unfolding at the time we gave guidance initially. So what this really reflects is the change that we have seen to date in the first quarter as opposed to something fundamentally changing through the balance of the year.

Matt Tucker: Thanks. And then at the energy services business, obviously a very strong quarter. Have you seen those stronger opportunities from the first quarter trickle into the second quarter at all? And can you talk about your outlook there for the rest of the year?

Scott Prochazka: Joe, I will let you take this one.

Joe McGoldrick: Sure. Yes, we continue to see some opportunities although not at the level obviously that we saw in the first quarter because of the volumes and the volatility are much greater in the first quarter. But going forward it probably won't have a material impact unless we have another blowout in basis next winter like we had this time, and so, nothing really has changed strategically with that business. We were just opportunistic in taking advantage of these conditions over this past winter.

Matt Tucker: Great. Thanks a lot guys.

Carl Kirst: Good morning, everybody. I think the only two cleanups I have maybe just might be on the Houston Import Project. And I guess my question is in as much as you have asked for expedited timeframe – which I guess is 30, 60 days versus the normal maybe six months to a year – is it that you basically go the 30, 60 days and then you may get the decision or do they – will they essentially give you a heads up that indeed you have been put on the accelerated track? Or how – will – I guess – we know that?

Scott Prochazka: Tracy, you want to take that.

Tracy Bridge: Good morning. We are seeking a decision from the PUC by this summer. We are going to be filing an expedited schedule that we are going to ask the PUC to adopt. Of course it is their sole decision whether they adopt it or not, but we have a number of months for this to play out and it’s a very important policy discussion and decision for us. So, that is where we are at the moment.

Carl Kirst: Okay. And then, if I recall correctly, maybe in the 10-K or earlier in the year, the Houston Import Project wasn't officially in the five-year budget. Now that we know that there is a kind of a minimum 50 percent ownership, is that something that now has been put into that budget? I can't imagine it changes much in the way of financing plans, but I guess the question is just is it officially in the budget at this point?

Gary Whitlock: No, it is not officially in the budget and for the reasons Tracy just described is that the current bid ask is different than we hope that it ends up. And in terms of the earnings impact, this is more of a 2018 project as well. So don't, at this point, it is not considered in the budget that we have.

Carl Kirst: Fair enough. Thanks for the help.

Neel Mitra: Good morning. I know you guys raised the capital spending guidance at the gas LDCs substantially this year, but I was wondering, is that something that you see further opportunities to spend in, and if there are going to be changes what would you be targeting in what maybe service territory?

Scott Prochazka: Joe, you want to take this one?

Joe McGoldrick: Sure. Yes, we obviously increased the level of capital this year although we were over 400 million last year as well. And this relates a lot to, as you can imagine, the pipeline integrity requirements that you are seeing around the country. And of course we were doing that ourselves to begin with even before the PHIMSA and other requirements were put in place. And we have a big transmission what we call the Beltline Project in Minnesota which is about a 72-mile loop around the city of Minneapolis. That will be about a 15 to 20-year project. A substantial amount of capital. We continue with our advanced metering program, which requires a significant amount of capital. And so we – and of course, the growth in our service territory. So we have anticipated this increased spending for a while and we expect it to last for several more years.

Neel Mitra: Great. Then, Gary, could you comment maybe around the M & A environment for gas LDCs right now? I know that you have expressed interest in being an acquirer, but we have seen some high valuations and any commentary on how you see that playing out with the market.

Gary Whitlock: Well, yes, you are absolutely correct about high valuations. I think I will second first of all what Scott said. I think in terms of M & A it is looking for those assets where there are good regulatory environments and we have opportunities that we can put our model in place and run those businesses more effectively and for the very long term.

On terms of valuations, Neel, we really have to remain disciplined, not to criticize what others would pay or not pay. Our focus is on ensuring that we have, as Scott said, an accretive transaction for our shareholders and it creates value for our shareholders and we can have these assets for the long term.

Having said that to the extent assets do come on the market, we will absolutely evaluate those if they meet our criteria and compete for those assets. So M & A, as Scott said, is certainly a part of what we want to do, but our focus is really implementing our business plan. And you heard from Tracy and from Joe a significant amount of capital that we are investing and the opportunity to invest more. Certainly M & A is – can play a role.

Neel Mitra: Okay, great. Thank you very much.

Scott Prochazka: Thank you Neel.

Steve Fleishman: Good morning.

Scott Prochazka: Good morning Steve.

Steve Fleishman: Hey Scott. This might be for Gary. In terms of your balance sheet and credit metrics, where would you say you are right now and would you say you have got a decent amount of room to maybe even – either stay where you are or add leverage where you are if you see another round of opportunities beyond what you are already doing?

Gary Whitlock: You know, Steve, it is a good question. We do have some financial flexibility. As you know we worked a number of years to ensure we had that financial flexibility. As I gave you in our earnings guidance even with our capital program this year, our share count will remain the same. To the extent we have significant capital above and beyond, we could certainly raise equity. We would love to have the opportunity for even a larger transaction to do so.

But having said that, the short answer is yes, we do have some leverage capacity. And we will use it judiciously. But our credit ratings are important to us and we are going to obviously always do the things to defend those but we are going to do those in a very thoughtful way. And we do have capacity.

Steve Fleishman: Okay. And sorry to harp on this transmission line question, who is the other party? You might have said this and I missed it.

Tracy Bridge: There were two other parties designated by the Texas Municipal Power Agency and they were the city of Garland, Texas, and Cross Texas Transmission Company.

Steve Fleishman: Okay, so they would be – the both of them together would be the other party, essentially?

Tracy Bridge: Correct.

Steve Fleishman: Okay. And if you got all this you would get all the 600 million?

Tracy Bridge: 600 million less the cost of upgrading the intermediate substation which is called Gibbons Creek.

Gary Whitlock: How much was that?

Tracy Bridge: That is approximately 10 million dollars.

Steve Fleishman: Okay. I just remember a number of like 390 million at one point from you, but that might have been something different.

Scott Prochazka: Steve, at one point we were looking at a series of potential projects that could be selected. And the range of projects at the time had costs that went from on the low end probably the 390 up to even above 600. So that created variability. And then this issue around what the split would be of the investment was another aspect of variability in there. So 390 was probably a viable number for one of the options at one point in the process.

Steve Fleishman: Okay, great. Thanks.

Gary Whitlock: Thanks Steve

Carla Kneipp: At this time we do not have any additional questions and we will end the call. Thank you very much for participating today. We appreciate your support and have a nice day.

refinancing efforts, including availability of funds in the debt capital markets; (14) actions by credit rating agencies; (15) effectiveness of CenterPoint Energy's risk management activities; (16) inability of various counterparties to meet their obligations; (17) non-payment for services due to financial distress of CenterPoint Energy's customers; (18) 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; (19) the ability of retail electric providers, and particularly the largest customers of the TDU, to satisfy their obligations to CenterPoint Energy and its subsidiaries; (20) the outcome of litigation brought by or against CenterPoint Energy or its subsidiaries; (21) CenterPoint Energy's ability to control costs; (22) the investment performance of pension and postretirement benefit plans; (23) 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; (24) acquisition and merger activities involving CenterPoint Energy or its competitors; (25) future economic conditions in regional and national markets and their effects on sales, prices and costs; (26) the performance of Enable, the amount of cash distributions CenterPoint Energy receives from Enable, and the value of its interests in Enable, 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; (B) the achievement of anticipated operational and commercial synergies and expected growth opportunities, and the successful implementation of Enable’s business plan; (C) competitive conditions in the midstream industry, and actions taken by Enable’s customers and competitors, including the extent and timing of the entry of additional competition in the markets served by Enable; (D) the timing and extent of changes in the supply of natural gas and associated commodity prices, particularly prices of natural gas and natural gas liquids, the competitive effects of the available pipeline capacity in the regions served by Enable, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable’s interstate pipelines; (E) the demand for 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; and (27) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, as well as in CenterPoint Energy’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, and other reports CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.