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

FORM 8-K

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

Date of Report (Date of earliest event reported): March 12, 2018

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

Texas
(State or other jurisdiction
of incorporation)

1-31447
(Commission
File Number)

74-0694415
(IRS Employer
Identification No.)

1111 Louisiana
Houston, Texas
(Address of principal executive offices)

77002
(Zip Code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

The attached Exhibit 99.1 is a slide presentation that will be used with investors in meetings on March 13, 2018 and is being posted to CenterPoint Energy, Inc.'s website.

Item 9.01 Financial Statements and Exhibits.

Exhibit 99.1 is furnished, not filed, pursuant to Item 7.01. Accordingly, the information in Exhibit 99.1 will not be incorporated by reference into any registration statement filed by CenterPoint Energy under the Securities Act of 1933, as amended, unless specifically identified as being incorporated by reference.

(d) Exhibits.

<u>EXHIBIT NUMBER</u>	<u>EXHIBIT DESCRIPTION</u>
99.1	Slides to be presented at investor meetings on March 13, 2018

SIGNATURE

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

CENTERPOINT ENERGY, INC.

Date: March 12, 2018

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



Energy for You

—
*Introduction to CenterPoint Energy
Fixed Income Investors*

March 2018

Cautionary Statement



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

Examples of forward-looking statements in this presentation include statements about our anticipated earnings growth, future financing plans and expectation for liquidity and capital resources, expenditures and recovery, equity issuances, credit metrics and credit ratings, interest rates and expense, average rate base and growth, customer growth, adjusted funds from operations ("FFO") and implications resulting from enacted tax legislation on adjusted FFO and debt, regulatory filings and recovery mechanisms, Energy Services' operating income target for 2018 and expectation for Enable Midstream Partners, LP's ("Enable") financial performance and its effect on the "Company and its subsidiaries, 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 Internal Revenue Service decisions, financial market conditions, future market conditions, economic and employment conditions, customer growth, Enable's performance and ability to pay distributions, and other factors described in the Company's Form 10-K for the period ended December 31, 2017 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 Securities and Exchange Commission ("SEC") by CenterPoint Energy, which can be found at www.centerpointenergy.com on the Investor Relations page or on the SEC's website at www.sec.gov.

This presentation contains time sensitive information that is accurate as of the date hereof (unless otherwise specified as accurate as of another date). Some of the information in this presentation is unaudited and may be subject to change. We undertake no obligation to update the information presented herein except as required by law.

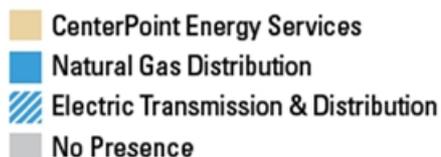
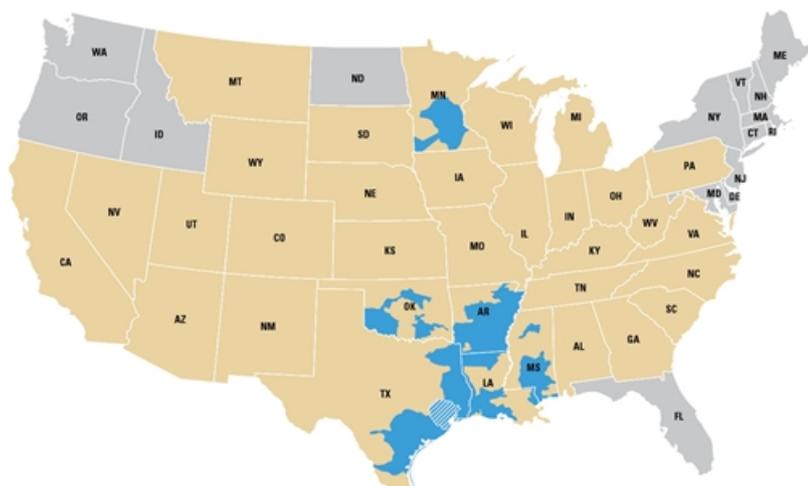
Investors and others should note that we may announce material information using SEC filings, press releases, public conference calls, webcasts and the Investor Relations page of our website. In the future, we will continue to use these channels to distribute material information about the Company and to communicate important information about the Company, key personnel, corporate initiatives, regulatory updates and other matters. Information that we post on our website could be deemed material; therefore, we encourage investors, the media, our customers, business partners and others interested in our Company to review the information we post on our website.

Use of Non-GAAP Financial Measures

In addition to presenting its financial results in accordance with generally accepted accounting principles ("GAAP"), including net cash provided by operating activities, the Company also provides adjusted FFO, 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. The Company's and its subsidiaries' adjusted FFO calculation excludes from net cash provided by operating activities the impact of changes in (i) other assets and liabilities (accounts receivable and unbilled revenues, net; accounts receivable/payable-affiliated companies (as applicable); inventory; taxes receivable; accounts payable; fuel cost recovery (as applicable); non-trading derivatives, net (as applicable); margin deposits, net (as applicable); accounts and notes receivable (as applicable); interest and taxes accrued; net regulatory assets and liabilities; other current assets; other current liabilities; other assets; and other liabilities), (ii) other, net, and (iii) amounts associated with transition and system restoration bond companies (as applicable), and includes distributions from unconsolidated affiliates in excess of cumulative earnings (as applicable).

Management evaluates the Company's financial performance in part based on adjusted FFO. We believe that presenting this non-GAAP financial measure enhances an investor's understanding of the Company's overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future results across periods. Management believes the adjustments made in this non-GAAP financial measure exclude or include items, as applicable, to most accurately reflect the Company's business performance. These excluded or included items, as applicable, are reflected in the adjusted FFO calculations on slides 22, 24 and 26 of this presentation. The Company's adjusted FFO non-GAAP financial measure should be considered as a supplement to, and not as a substitute for, or superior to, net cash provided by operating activities, which is the most directly comparable GAAP financial measure. This non-GAAP financial measure also may be different than non-GAAP financial measures used by other companies.

- Overview
- CNP Credit Thesis
- Review of Operating Companies
 - Houston Electric
 - CERC Corp.
- Liquidity and Capital Resources
- Additional Resources
 - Capital Expenditure Plans
 - Reference Materials



Electric Transmission & Distribution:

- Electric utility operations with ~2.4 million metered customers across ~5,000 square miles in and around Houston, Texas in 2017
- 18th largest U.S. investor-owned electric utility by customer base ⁽¹⁾
- 88,636 GWh delivered in 2017

Natural Gas Distribution:

- Regulated gas distribution jurisdictions in six states with ~3.5 million customers in 2017
- 6th largest U.S. gas distribution company by customer base ⁽²⁾
- Delivered 412 BCF of natural gas in 2017

Energy Services:

- Non-regulated competitive natural gas supply and related energy services serving ~31,000 commercial and industrial customers across 33 states in 2017
- Marketed 1,200 BCF of natural gas in 2017

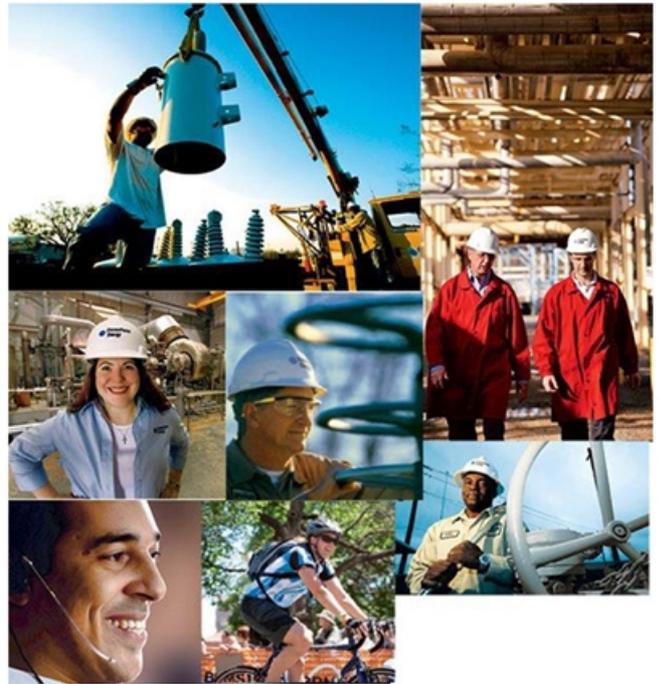
(1) As of Dec. 31, 2017 per EEI
 (2) As of Dec. 31, 2016 per AGA

Expect to continue delivering long-term value...

- Targeting 5-7% year-over-year earnings growth range for 2019 and 2020
- Strong credit metrics for current ratings

As a result of strong fundamentals...

- Strong operating cash flow and balance sheet
- Capital investment in transmission and distribution assets is expected to enable growth
- Capital recovery mechanisms at electric and natural gas utilities help reduce regulatory lag
- Lack of generation assets reduces the environmental risks generally associated with a fully integrated utility
- Low commodity prices and the competitive retail electric market help keep customer bills low
- Enable Midstream's financial performance and balance sheet expected to translate into value for CenterPoint Energy's cash flow and earnings



Our Vision: Lead the nation in delivering energy, service and value

- We are a premier U.S. energy delivery company
- Delivering energy is CenterPoint Energy's core business
- Delivering service and value applies to all stakeholders

Our Strategy: Operate, Serve, Grow

- Ensure safe, reliable, efficient and environmentally responsible energy delivery businesses
- Utilize new and innovative technology to enhance performance



- Add value to energy delivery through superior customer service, new technology and innovation
- Provide leadership in the communities we serve

- Develop a diverse and capable employee base
- Invest in core energy delivery businesses
- Actively govern Enable Midstream investment

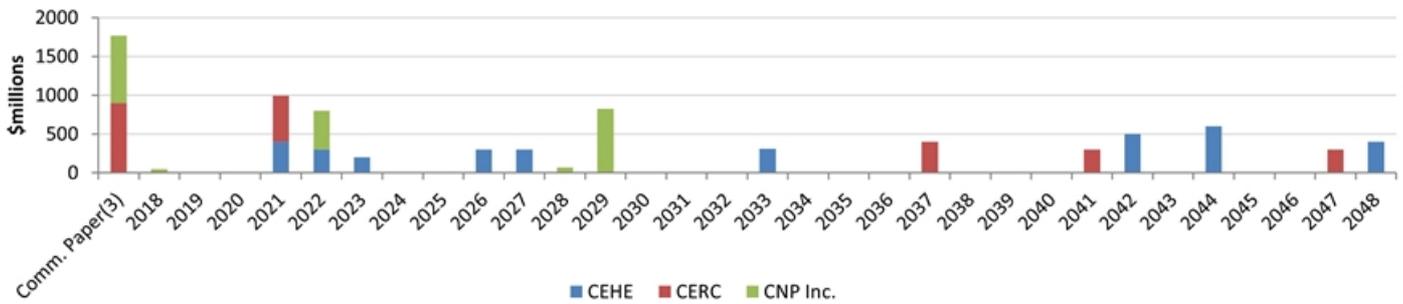
Commitment to strong credit metrics

- Target 18-20% Adjusted FFO/Total Debt
- Metrics strong for current credit ratings
- Target Baa1 (Moody's)/A- (S&P) for CNP and CERC, A3/A- for CEHE

Commitment to maintaining a strong balance sheet

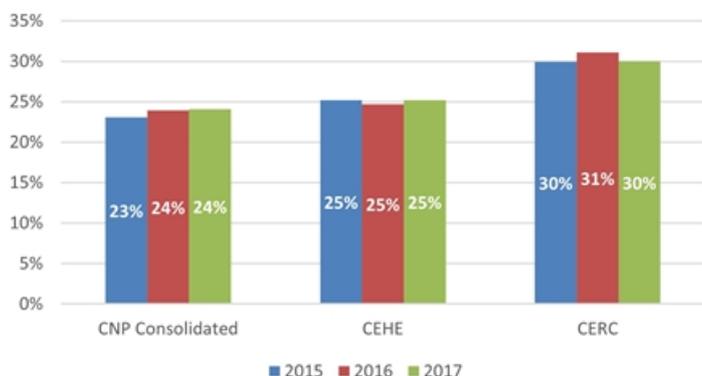
- Operating companies finance their capital needs
- Conservative interest rate risk profile⁽¹⁾
- Limited refinancing risk expected

CenterPoint Energy Debt Maturity Schedule⁽²⁾

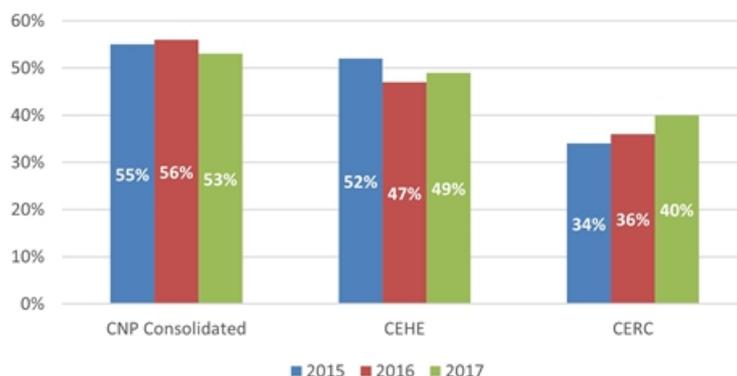


⁽¹⁾ Only variable interest rate exposure is via commercial paper; all long-term debt as of 12/31/2017 is fixed rate
⁽²⁾ Excludes transition and system restoration bonds
⁽³⁾ Commercial Paper as of February 9, 2018

Adjusted FFO to Total Debt⁽¹⁾



Debt to Total Capitalization⁽²⁾



Current Credit Ratings and Outlook:

Company/Instrument	Moody's		S&P		Fitch	
	Rating	Outlook ⁽³⁾	Rating	Outlook ⁽⁴⁾	Rating	Outlook ⁽⁵⁾
CenterPoint Energy Senior Unsecured Debt	Baa1	Stable	BBB+	Stable	BBB	Positive
Houston Electric Senior Secured Debt	A1	Stable	A	Stable	A+	Stable
CERC Corp. Senior Unsecured Debt	Baa2	Stable	A-	Stable	BBB	Positive

⁽¹⁾Total debt excludes transition and system restoration bonds

⁽²⁾Credit facility covenant calculation, excludes transition and system restoration bonds and adjusts ZENS and non-cash impairments

⁽³⁾A Moody's rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term

⁽⁴⁾An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate to longer term

⁽⁵⁾A Fitch rating outlook indicates the direction a rating is likely to move over a one- to two-year period

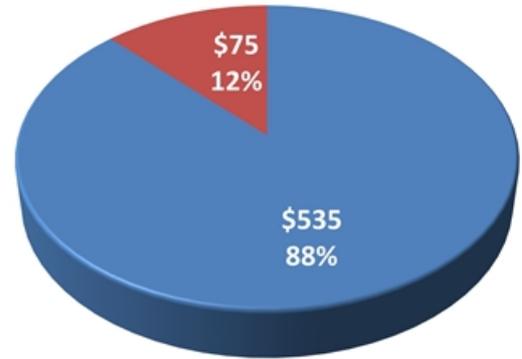
Note: Refer to slides 22-27 for Adjusted FFO/Total Debt calculation and slide 2 for information on non-GAAP measures

Houston Electric Electric Transmission and Distribution – 2017 Overview

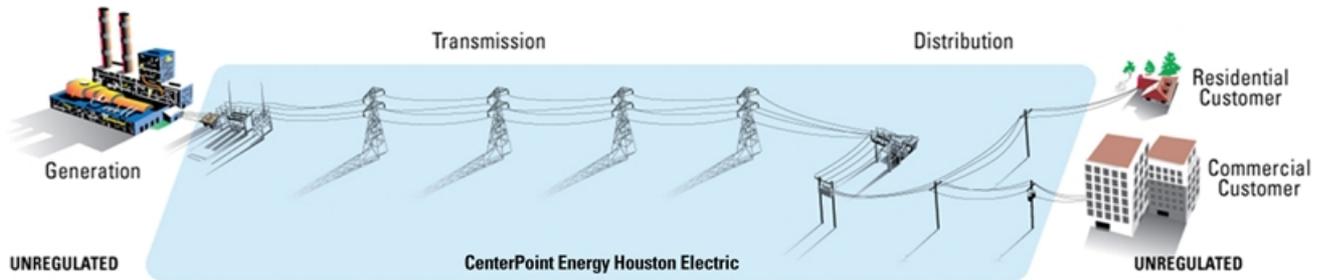


- ~2.4 million metered customers; ~5,000 square miles in and around Houston, Texas
- Residential customer growth of ~1.6%
- Earned near its 10% authorized ROE
- Transmission and distribution capital recovery mechanisms that reduce regulatory lag

2017 Operating Income (\$, millions)
Total: \$610 million



- Electric transmission and distribution operations
- Transition and system restoration bond companies



Houston Electric Growth and Risk Profile



Houston Electric has produced growing, predictable and stable earnings and cash flows

- Robust utility service territory
- Residential customer growth of ~1.6% in 2017
- 100% of earnings from regulated operations, excluding equity return primarily related to true-up proceeds

Entirely a transmission and distribution electric utility, lowering its business risk compared to vertically integrated electric utilities

- No direct commodity exposure
- Poles and wires assets; no generation assets, which reduces business, environmental and regulatory risks
- No provider of last resort risk⁽³⁾
- Reduced counterparty risk: direct customers are ~68 Retail Electric Providers (REPs)
- Defaults by REPs are capitalized and collected in future rates

Constructive regulatory environment provides timely capital recovery

- Majority of capital eligible for recovery through annual or semi-annual mechanisms (DCRF and TCOS)
- Authorization to securitize system restoration costs above \$100 million

⁽¹⁾ Total debt excludes transition and system restoration bonds

⁽²⁾ Credit facility covenant calculation, excludes transition and system restoration bonds

⁽³⁾ Provider of last resort is the Retail Electric Provider (REP) that becomes a customer's provider if its original provider exits the market for any reason

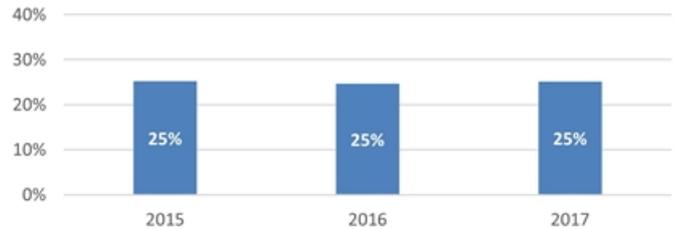
Note: Refer to slides 22-27 for Adjusted FFO/Total Debt calculation and slide 2 for information on non-GAAP measures

Strong Credit Ratings (Moody's/S&P/Fitch):

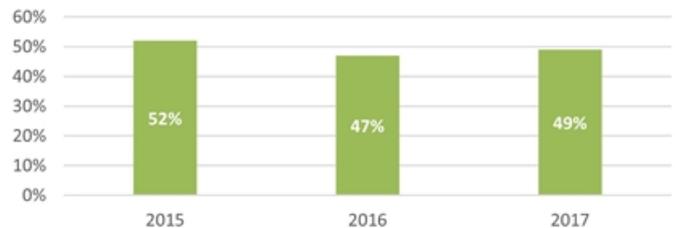
Senior Secured	A1/A/A+
Short Term/Commercial Paper	Not Applicable

Strong and stable credit metrics:

Adjusted FFO to Total Debt⁽¹⁾

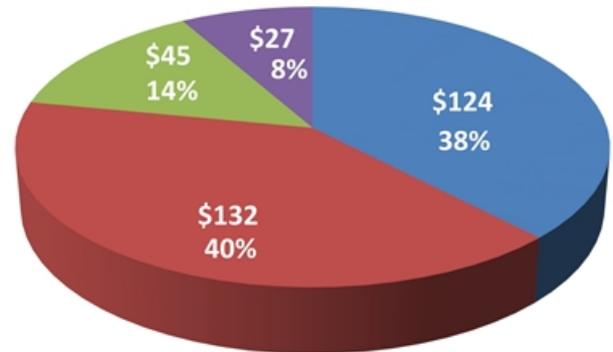


Debt to Total Capitalization⁽²⁾



- Six state footprint with vibrant metropolitan areas of Houston and Minneapolis
- ~3.5 million customers
- ~1% annual customer growth since 2010
- Earning near allowed returns; aggregate allowed ROE: 9.6%
- Capital recovery mechanisms that reduce regulatory lag

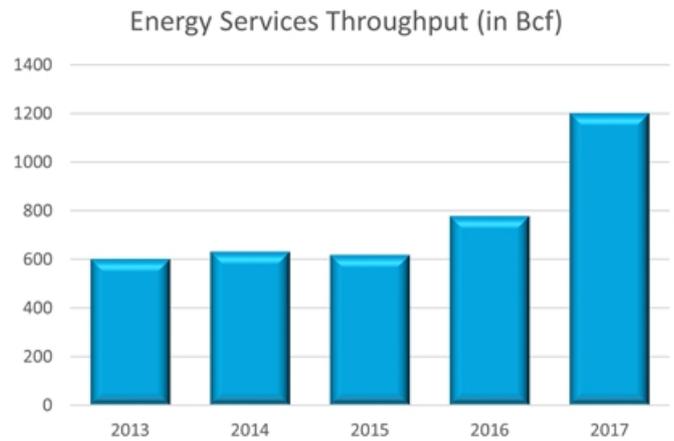
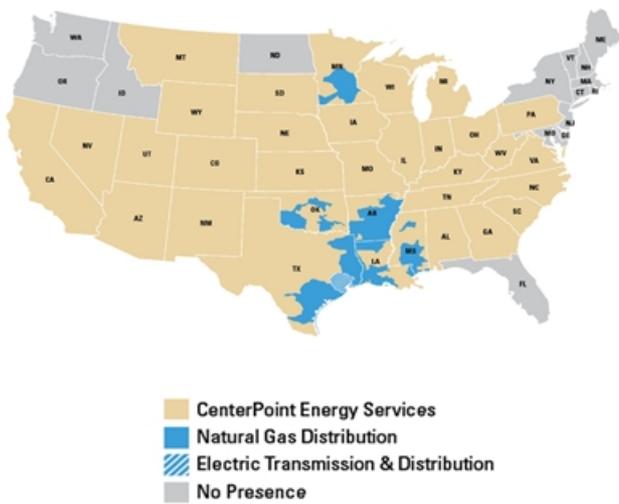
**2017 Natural Gas Distribution
Operating Income (\$, millions)
Total: \$328 million**



~80% of 2017 Natural Gas Distribution Operating Income is from Texas and Minnesota Operations

- Texas
- Minnesota
- Arkansas
- Louisiana, Mississippi, Oklahoma

- **Competitive natural gas supply and related energy services**
 - Non-regulated operations complementary to natural gas utilities
 - ~31,000 commercial and industrial customers across 33 states
 - ~72,000 natural gas customers served under residential and small commercial choice programs invoiced by their host utility
- **Targeting Energy Services operating income of \$55 - \$65 million for 2018**



CERC has produced growing and stable earnings and cash flows

- Robust utility service territory
- Consistent utility customer growth of ~1% since 2010
- 60%+ of CERC Adjusted FFO from utility operations in 2017⁽¹⁾
- Enable Midstream’s financial performance and balance sheet has translated into value for CERC’s cash flow and earnings

Geographic, regulatory diversity lowers business risk

- Regulated utilities located in six states provide geographic and regulatory diversity
- Weather-normalization, revenue decoupling, infrastructure capital cost recovery riders and cost-of-service adjustment riders contribute to cash flow stability
- Energy Services monitors Value at Risk daily to avoid significant financial exposures to realized income
- CERC maintains conservative capital structure – 40% Debt to Total Capitalization⁽²⁾ at year-end 2017

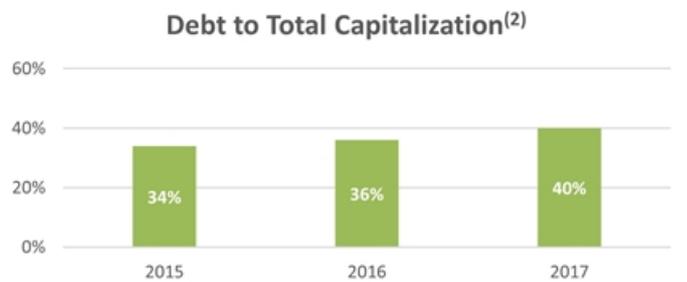
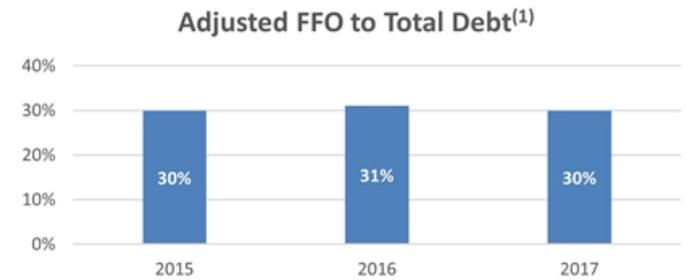
Constructive regulatory environment provides timely capital recovery

- Capital eligible for recovery through recovery mechanisms and rate case activity
- Earning near allowed returns

Strong Credit Ratings (Moody’s/S&P/Fitch):

Senior Unsecured	Baa2/A-/BBB
Short Term/Commercial Paper	P-2/A-2/F2

Strong and stable credit metrics:



⁽¹⁾ Refer to slide 26 for CERC Adjusted FFO calculation

⁽²⁾ Credit facility covenant calculation

Note: Refer to slides 22-27 for Adjusted FFO/Total Debt calculation and slide 2 for information on non-GAAP measures

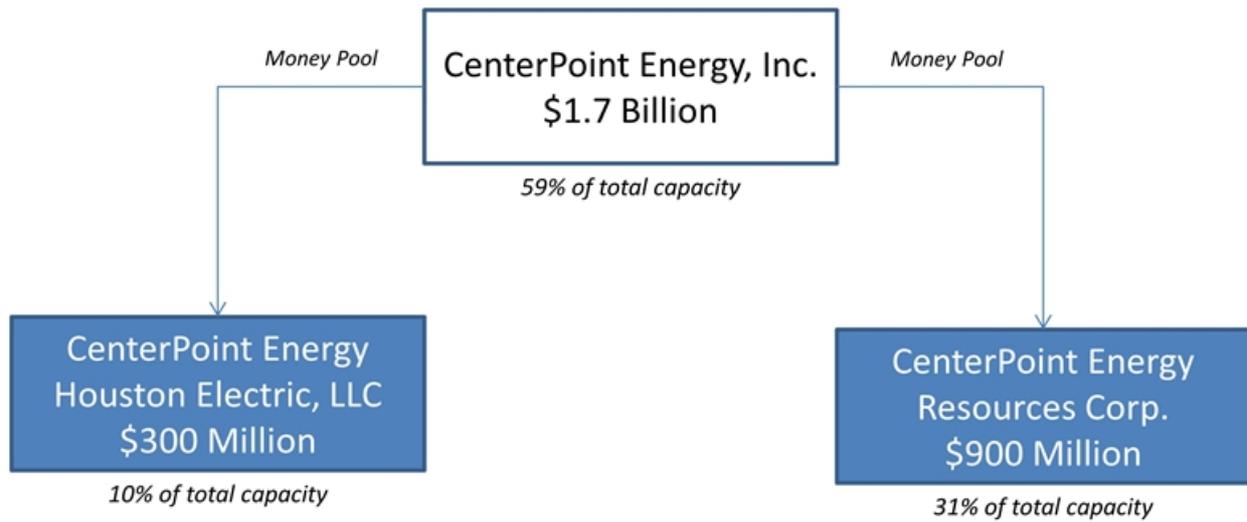
- **2017**
 - Adjusted FFO / Total Debt – 24% ⁽¹⁾
 - Debt to Total Capitalization – 53% ⁽²⁾
 - Net interest expense savings of \$25 million with \$800 million of 5.95% to 6.125% debt retired or redeemed in 2017 ⁽¹⁾

- **2018**
 - Planned capital investment of approximately \$1.7 billion
 - Equity issuance not anticipated
 - Adjusted FFO/Total debt anticipated to decline approximately 300 basis points in 2018 as the result of tax reform
 - CenterPoint anticipated to remain within our target credit metrics

(1) Excludes transition and system restoration bonds

(2) Credit facility covenant calculation

Note: Refer to slides 22-27 for Adjusted FFO/Total Debt calculation and slide 2 for information on non-GAAP measures



Total contracted liquidity of \$2.9 billion

- Senior unsecured revolving credit facilities contracted through March 2022, with one 1-year extension option available
- Backstops \$2.6 billion commercial paper program at CNP and CERC and letters of credit
- Internal money pool allows subsidiaries to borrow from parent

Available liquidity as of February 9, 2018: \$1.12 billion

Strong utility service territories

- ~1.6% residential customer growth at CEHE in 2017 and ~1% customer growth at CERC over last several years
- Geographic, economic and seasonal diversity

Constructive regulatory environment

- Favorable mechanisms reduce the dependency on general rate cases for recovery
 - Infrastructure capital cost recovery in TX
 - Formula Rate Plan in AR
 - Cost of service adjustment in LA, MS and OK
 - Gas margin stabilization (decoupling and weather normalization)
- Utilities are earning near allowed return

Relatively low business risk and strong cash flow

- Limited direct commodity exposure for Houston Electric
- CEHE: no generation exposure and no provider of last resort risk⁽¹⁾
- Track record of operating safely, effectively and efficiently
- Historically stable and certain cash flow, ~80%+ of Adjusted FFO⁽²⁾ from utilities
- Midstream investment provides an additional source of cash



⁽¹⁾ Provider of last resort is the Retail Electric Provider (REP) that becomes a customer's provider if its original provider exits the market for any reason

⁽²⁾ Refer to slides 22-27 for Adjusted FFO/Total Debt calculation and slide 2 for information on non-GAAP measures

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Additional Resources

Additional Reference Materials

Category	Reference Material	Link
Financial Information	Quarterly Results	http://investors.centerpointenergy.com/results.cfm
	Debt & Maturity Schedules	
Regulatory Information	State Commission Website Access Points	http://investors.centerpointenergy.com/regulatory-info.cfm
	Electric Transmission and Distribution	
	Natural Gas Distribution	
Industry Associations	Edison Electric Institute (EEI)	www.eei.org
	American Gas Association (AGA)	www.aga.org

Investor Relations Contact Information – 713-207-6500

Carla Kneipp – Treasurer and VP, carla.kneipp@centerpointenergy.com

Dave Mordy – IR Director; david.mordy@centerpointenergy.com

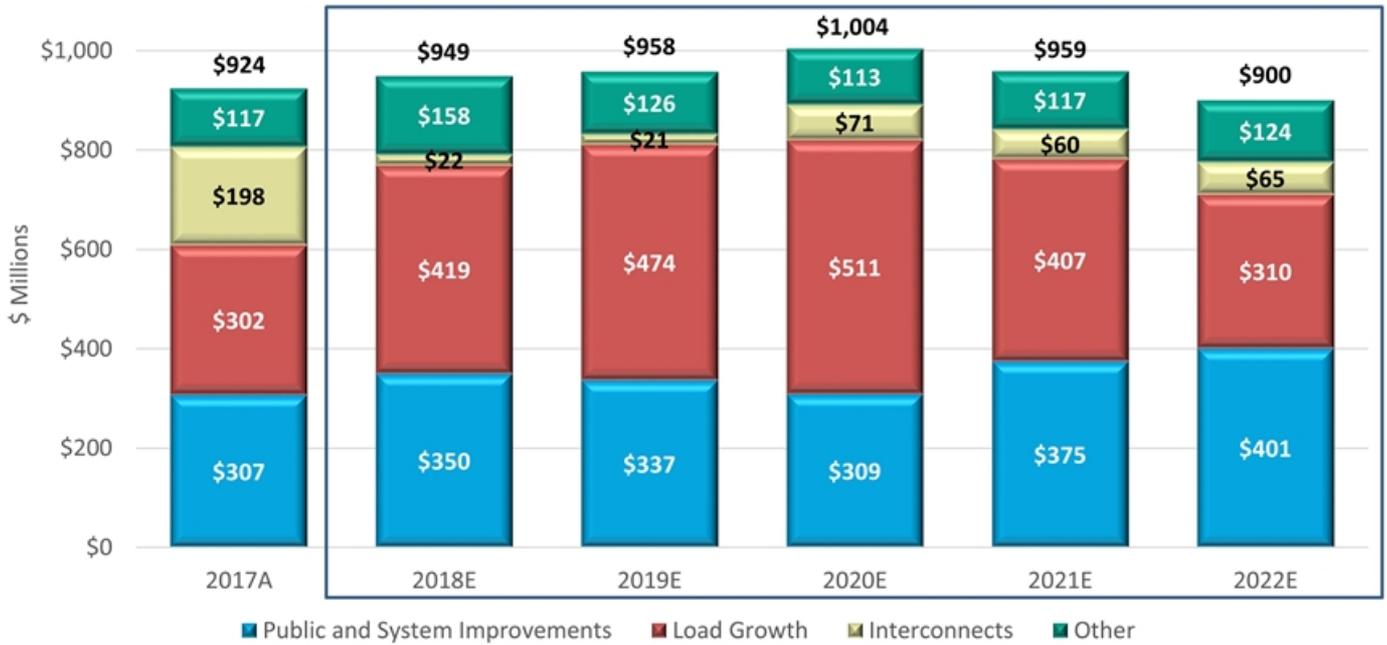
Bo Murphy – IR Manager; john.murphy@centerpointenergy.com

Brandi Summersill – IR Coordinator; brandi.summersill@centerpointenergy.com

Electric Transmission and Distribution Capital Investment Outlook ⁽¹⁾



\$4.8 Billion 2018 – 2022 Capital Plan

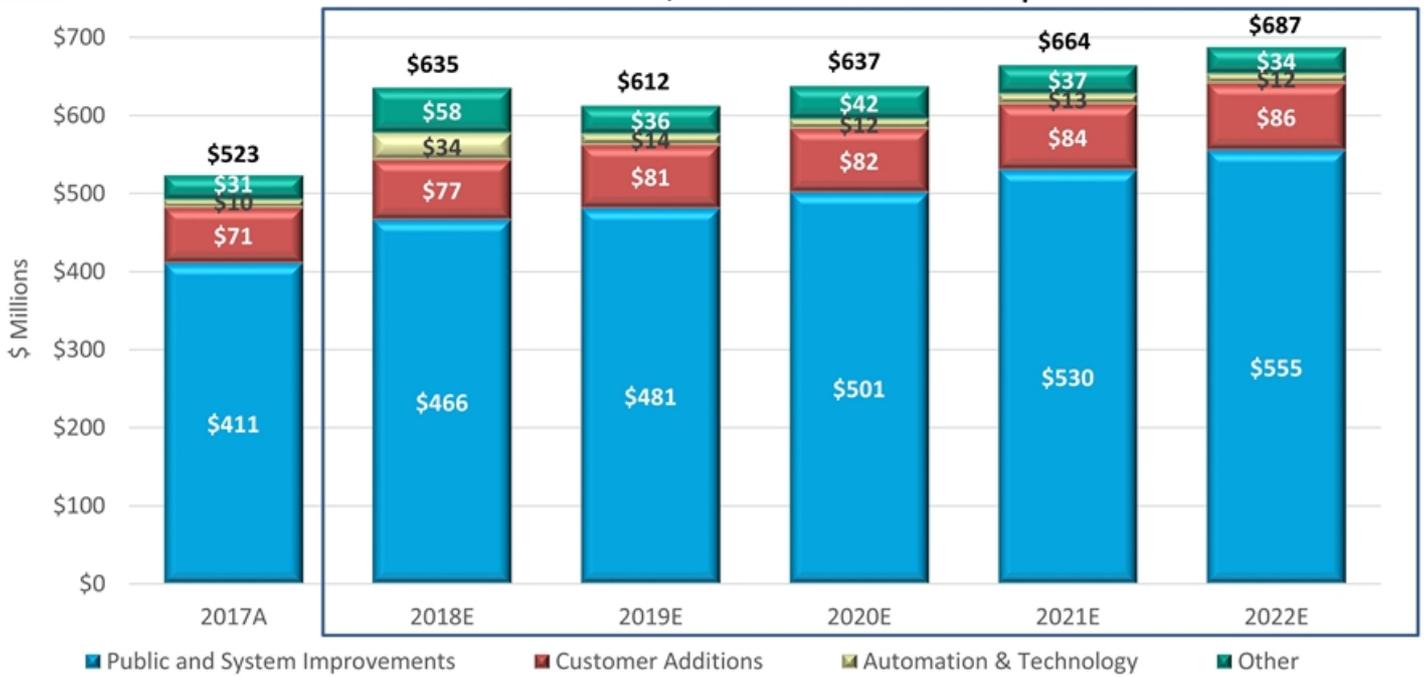


	2017A	2018E	2019E	2020E	2021E	2022E
Transmission	49%	43%	44%	49%	43%	36%
Distribution	46%	49%	52%	48%	52%	57%

⁽¹⁾ Includes AFUDC

Natural Gas Distribution Capital Investment Outlook ⁽¹⁾

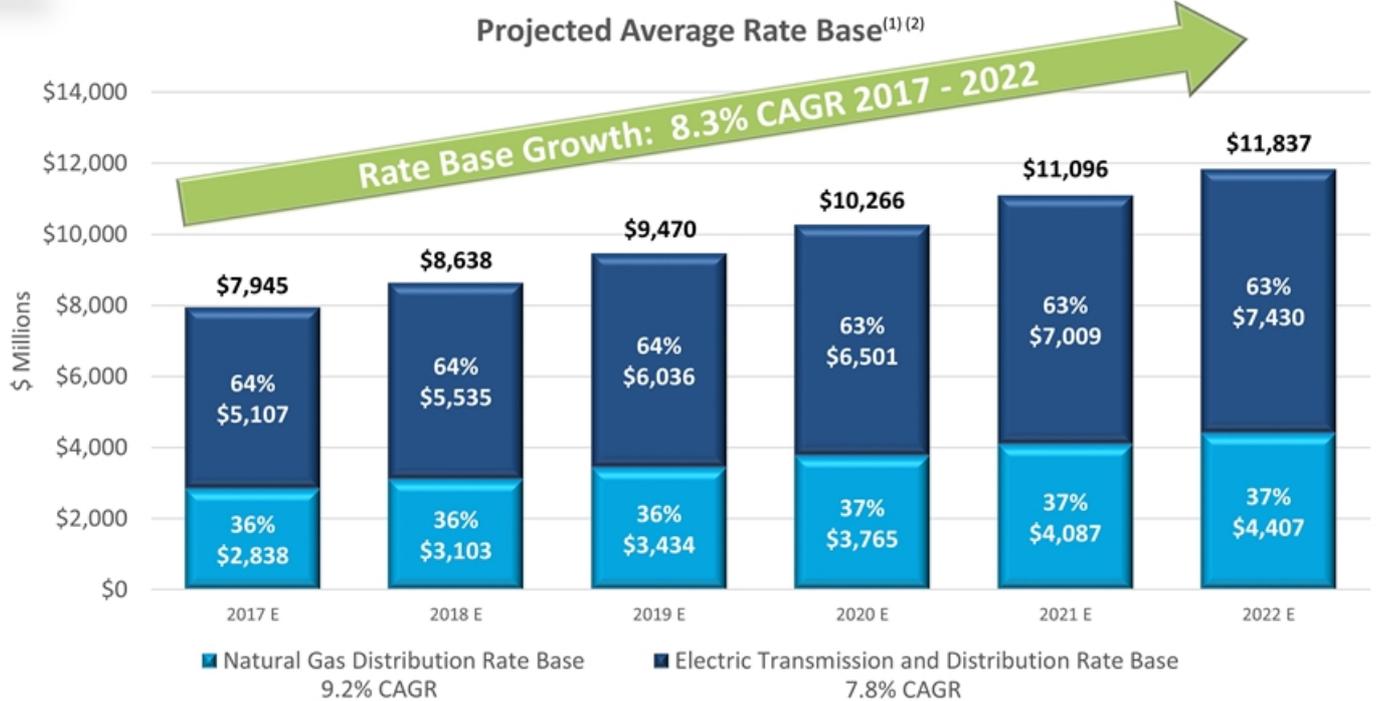
\$3.2 Billion 2018 – 2022 Capital Plan



Capital Recovery Method	2017A	2018E	2019E	2020E	2021E	2022E
Annual Mechanisms	58%	65%	58%	66%	67%	67%
Rate Cases	42%	35%	42%	34%	33%	33%

⁽¹⁾ Includes AFUDC

Rate Base Growth



- Capital rate base projected to grow primarily as a result of capital investment outlook

⁽¹⁾ The average annual rate base is subject to change due to actual capital investment and deferred taxes, the time frame over which excess deferred taxes are returned to customers, and the actual rate base authorized

⁽²⁾ Projected average rate base is the total average rate base for the year and not just the amount that has been reflected in rates

CenterPoint Energy Consolidated Adjusted Funds From Operations (FFO)

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
(\$ in millions)			
Net cash provided by operating activities	\$ 1,421	\$ 1,931	\$ 1,870
Less: Changes in other assets and liabilities			
Accounts receivable and unbilled revenues, net	216	117	(345)
Inventory	7	(34)	(28)
Taxes receivable	(30)	(142)	(18)
Accounts payable	(136)	(133)	224
Fuel cost recovery	85	72	(43)
Non-trading derivatives, net	84	(30)	7
Margin deposits, net	55	(101)	4
Interest and taxes accrued	(5)	(5)	10
Net regulatory assets and liabilities	107	60	(63)
Other current assets	(1)	17	(10)
Other current liabilities	(34)	(22)	50
Other assets	4	16	5
Other liabilities	(36)	(30)	(8)
Less: Other, net	(24)	(48)	(27)
Funds from Operations	\$ 1,713	\$ 1,668	\$ 1,628
Amounts included in Cash Flows from Investing Activities:			
Distributions from unconsolidated affiliates in excess of cumulative earnings	297	297	148
Less: Amounts associated with Transition and System Restoration Bond Companies	(330)	(456)	(368)
Adjusted Funds From Operations (FFO)	\$ 1,680	\$ 1,509	\$ 1,408

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

- Excluding (i) changes in other assets and liabilities, (ii) other, net and (iii) amounts related to transition and system restoration bonds, as applicable; and
- Including distributions from unconsolidated affiliates in excess of cumulative earnings included in cash flow from investing activities, as applicable

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

CenterPoint Energy Consolidated Ratio of Adjusted FFO/Total Debt Excluding Transition and System Restoration Bonds

(\$ in millions)

	December 31, 2017	December 31, 2016	December 31, 2015
Short-term Debt:			
Short-term borrowings	\$ 39	\$ 35	\$ 40
Current portion of transition and system restoration bonds*	434	411	391
Indexed debt (ZENS)**	122	114	145
Current portion of other long-term debt	50	500	328
Long-term Debt:			
Transition and system restoration bonds, net*	1,434	1,867	2,276
Other, net	6,761	5,665	5,590
Total Debt, net	\$ 8,840	\$ 8,592	\$ 8,770
Less: Transition and system restoration bonds (including current portion)*	(1,868)	(2,278)	(2,667)
Total Debt, excluding transition and system restoration bonds	\$ 6,972	\$ 6,314	\$ 6,103

Adjusted FFO/Total Debt, excluding transition and system restoration bonds **24.1%** **23.9%** **23.1%**

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

** The debt component reflected on the financial statements was \$122 million, \$114 million, and \$145 million as of December 31, 2017, December 31, 2016, and December 31, 2015, respectively. The principal amount on which 2% interest is paid was \$828 million on each of December 31, 2017, December 31, 2016 and December 31, 2015. The contingent principal amount was \$505 million, \$514 million and \$705 million as of December 31, 2017, December 31, 2016, and December 31, 2015, respectively. At maturity or upon redemption, holders of ZENS will receive cash at the higher of the contingent principal amount or the value of the reference shares of Time Warner Inc., Time Inc. and Charter Communications, Inc.

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

- Excluding (i) changes in other assets and liabilities, (ii) other, net and (iii) amounts related to transition and system restoration bonds, as applicable; and
- Including distributions from unconsolidated affiliates in excess of cumulative earnings included in cash flow from investing activities, as applicable

Note: Refer to slide 2 for information on non-GAAP measures and slide 22 for CenterPoint Energy's adjusted FFO calculation

Houston Electric

Adjusted Funds From Operations (FFO)

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
(\$ in millions)			
Net cash provided by operating activities	\$ 909	\$ 1,110	\$ 895
Less: Changes in other assets and liabilities			
Accounts and notes receivable	73	1	(3)
Accounts receivable/payable-affiliated companies	46	(63)	89
Inventory	(15)	1	7
Accounts payable	(59)	4	0
Taxes receivable	(6)	(53)	(44)
Interest and taxes accrued	(7)	(4)	9
Net regulatory assets and liabilities	148	110	(3)
Other current assets	2	(2)	1
Other current liabilities	(16)	(21)	40
Other assets	(13)	8	7
Other liabilities	4	4	1
Less: Other, net	6	(1)	0
Funds from Operations	\$ 1,072	\$ 1,094	\$ 999
Amounts included in Cash Flows from Investing Activities:			
Less: Amounts associated with Transition and System Restoration Bond Companies	(330)	(456)	(368)
Adjusted Funds From Operations (FFO)	\$ 742	\$ 638	\$ 631

This slide includes adjusted funds from operations ("FFO") which is net cash provided by operating activities excluding (i) changes in other assets and liabilities, (ii) other, net and (iii) amounts related to transition and system restoration bonds, as applicable

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

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

(\$ in millions)	December 31, 2017	December 31, 2016	December 31, 2015
Short-term Debt:			
Current portion of transition and system restoration bonds*	434	411	391
Notes payable – affiliated companies	60	0	312
Long-term Debt:			
Transition and system restoration bonds, net*	1,434	1,867	2,276
Other, net	2,885	2,587	2,192
Total Debt, net	\$ 4,813	\$ 4,865	\$ 5,171
Less: Transition and system restoration bonds (including current portion)*	(1,868)	(2,278)	(2,667)
Total Debt, excluding transition and system restoration bonds	\$ 2,945	\$ 2,587	\$ 2,504
Adjusted FFO/Total Debt, excluding transition and system restoration bonds	25.2%	24.7%	25.2%

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

This slide includes adjusted funds from operations ("FFO") which is net cash provided by operating activities excluding (i) changes in other assets and liabilities, (ii) other, net and (iii) amounts related to transition and system restoration bonds, as applicable; and

Note: Refer to slide 2 for information on non-GAAP measures and slide 24 for CenterPoint Energy Houston Electric's adjusted FFO calculation

CERC Corp.

Adjusted Funds From Operations (FFO)

	Year Ended December 31, 2017	Year Ended December 31, 2016	Year Ended December 31, 2015
(\$ in millions)			
Net cash provided by operating activities	\$ 278	\$ 512	\$ 817
Less: Changes in other assets and liabilities			
Accounts receivable and unbilled revenues, net	143	122	(347)
Accounts receivable/payable-affiliated companies	0	(4)	(9)
Inventory	22	(34)	(35)
Accounts payable	(64)	(117)	221
Fuel cost recovery	85	72	(43)
Interest and taxes accrued	(1)	(7)	(58)
Non-trading derivatives, net	82	(29)	6
Margin deposits, net	55	(101)	4
Net regulatory assets and liabilities	27	0	0
Other current assets	(2)	19	(13)
Other current liabilities	(15)	(2)	11
Other assets	8	21	6
Other liabilities	(6)	2	5
Less: Other, net	(6)	(2)	0
Funds from Operations	\$ 606	\$ 452	\$ 565
Amounts included in Cash Flows from Investing Activities:			
Distributions from unconsolidated affiliates in excess of cumulative earnings	297	297	148
Adjusted Funds From Operations (FFO)	\$ 903	\$ 749	\$ 713

This slide includes adjusted funds from operations ("FFO") which is net cash provided by operating activities excluding (i) changes in other assets and liabilities, and (ii) other, net, and including distributions from unconsolidated affiliates in excess of cumulative earnings included in cash flow from investing activities, as applicable

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

CERC Corp. Ratio of Adjusted FFO/Total Debt

(\$ in millions)

	December 31, 2017	December 31, 2016	December 31, 2015
Short-term Debt:			
Short-term borrowings	\$ 39	\$ 35	\$ 40
Noted payable – affiliated companies	570	0	0
Current portion of other long-term debt	0	250	325
Long-term Debt:			
Other, net	2,457	2,125	2,016
Total Debt, net	\$ 3,066	\$ 2,410	\$ 2,381
Adjusted FFO/Total Debt	29.5%	31.1%	29.9%

This slide includes adjusted funds from operations ("FFO") which is net cash provided by operating activities excluding (i) changes in other assets and liabilities, and (ii) other, net, and including distributions from unconsolidated affiliates in excess of cumulative earnings included in cash flow from investing activities, as applicable

Note: Refer to slide 2 for information on non-GAAP measures and slide 26 for CERC Corp's adjusted FFO calculation