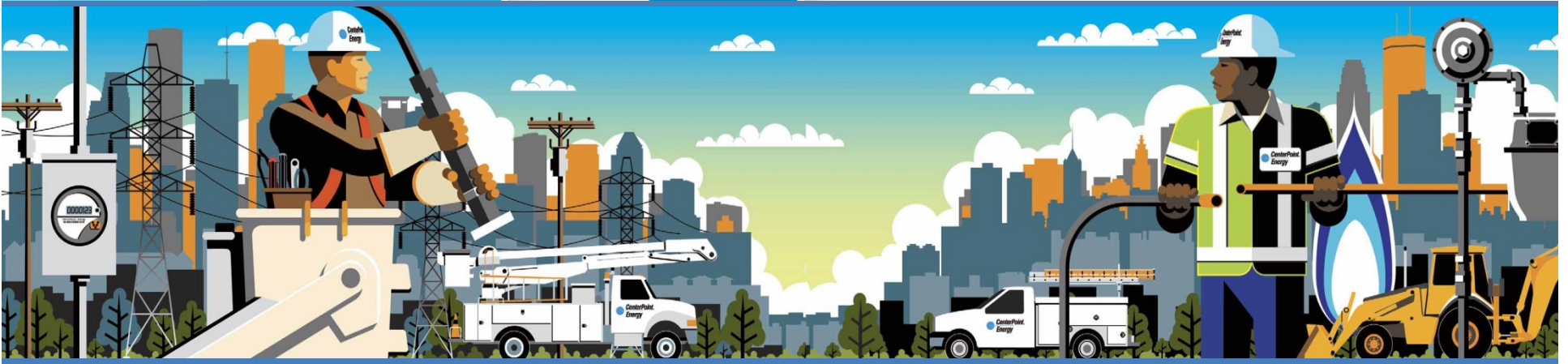


# Focused on Energy Delivery, Positioned to Execute

Introduction to CenterPoint Energy  
March 2015



A Fortune 500 company included in the:

- S&P 500 Index
- S&P 500 Utility Index
- Dow Jones Utility Average Index
- PHLX Utility Sector Index
- Russell 1000 Index

# Cautionary Statement



This presentation contains statements concerning our expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements that are not historical facts. These statements are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. You should not place undue reliance on forward-looking statements. Actual results may differ materially from those expressed or implied by these statements. You can generally identify our forward-looking statements by the words “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “objective,” “plan,” “potential,” “predict,” “projection,” “should,” “will,” or other similar words. The absence of these words, however, does not mean that the statements are not forward-looking.

We have based our forward-looking statements on our management's beliefs and assumptions based on information currently available to our management at the time the statements are made. We caution you that assumptions, beliefs, expectations, intentions, and projections about future events may and often do vary materially from actual results. Therefore, we cannot assure you that actual results will not differ materially from those expressed or implied by our forward-looking statements.

Some of the factors that could cause actual results to differ from those expressed or implied by our forward-looking statements include but are not limited to the timing and impact of future regulatory, legislative and IRS decisions, financial market conditions, future market conditions, and other factors described in CenterPoint Energy, Inc.'s Form 10-K for the period ended December 31, 2014 under “cautionary statement regarding forward-looking information,” “Risk Factors” and “ – Liquidity and Capital Resources – Other Matters – Other Factors That Could Affect Cash Requirements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Certain Factors Affecting Future Earnings,” and in other filings with the SEC by CenterPoint Energy, which can be found at [www.centerpointenergy.com](http://www.centerpointenergy.com) on the Investor Relations page or on the SEC’s website at [www.sec.gov](http://www.sec.gov).

Slides 20 and 21 are extracted from Enable Midstream Partners, LP’s (“Enable Midstream”) investor presentation as presented at the Barclays Investment Grade Energy and Pipeline conference dated March 4, 2015. These slides are included for informational purposes only. The content has not been verified by CenterPoint Energy and CenterPoint Energy assumes no liability for the same. You should consider Enable Midstream’s investor materials in the context of their SEC filings and their entire investor presentation, which is available on their website at <http://investors.enablemidstream.com/>.

This presentation contains time sensitive information that is accurate as of the date hereof. 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 Investors 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.

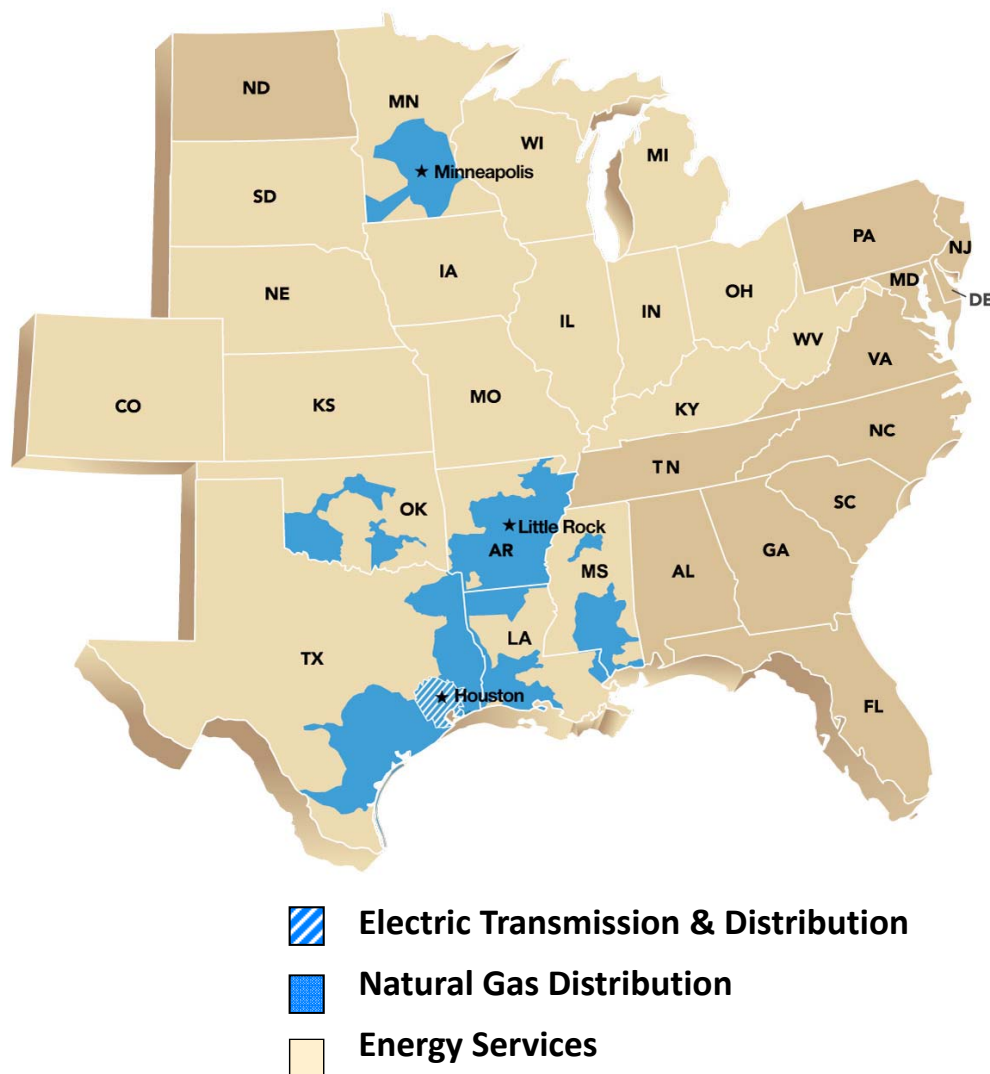
## **Use of Non-GAAP Financial Measures**

In addition to presenting its financial results in accordance with generally accepted accounting principles (“GAAP”), CenterPoint Energy also provides guidance based on adjusted diluted earnings per share, which is a non-GAAP financial measure. Generally, a non-GAAP financial measure is a numerical measure of a company’s historical or future financial performance that excludes or includes amounts that are not normally excluded or included in the most directly comparable GAAP financial measure. A reconciliation of diluted earnings per share to the adjusted basis used in providing guidance is provided in this presentation on slide 7.

Management evaluates financial performance in part based on adjusted diluted earnings per share and believes that presenting this non-GAAP financial measure enhances an investor’s understanding of CenterPoint Energy’s overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future results across periods by excluding items that Management does not believe most accurately reflect its fundamental business performance, which items include the items reflected in the reconciliation table on page 7 of this presentation. This non-GAAP financial measure should be considered as a supplement and complement to, and not as a substitute for, or superior to, the most directly comparable GAAP financial measure and may be different than non-GAAP financial measures used by other companies.

# CenterPoint Energy, Inc. (NYSE: CNP)

Regulated Electric and Natural Gas Utility Serving more than 5.5 Million Customers



## Electric Transmission & Distribution:

- Electric utility operation with ~2.3 million metered customers
- ~12,900 km<sup>2</sup> service territory in and around Houston
- 18<sup>th</sup> largest U.S. investor-owned electric utility by customer base<sup>1</sup>
- 81,839,060 MWh delivered in 2014

## Gas Operations

- 10 gas distribution jurisdictions in six states with ~3.4 million customers
- 5<sup>th</sup> largest U.S. gas distribution company by customer base<sup>1</sup>
- Recently ranked 1<sup>st</sup> among the largest Midwest Region natural gas utilities in the U.S. for operational satisfaction in a 2014 Cogent energy study
- Gas distribution company and Energy Services company delivered ~1.1 Tcf of natural gas in 2014

# Operating Energy Delivery Businesses that Provide Superior Performance for our Key Stakeholders

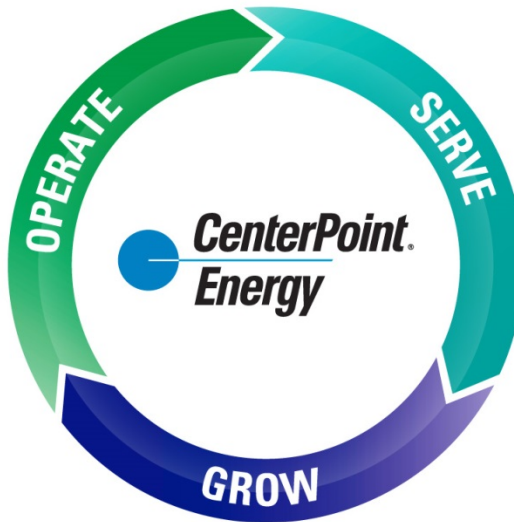


## Our Vision: Lead the nation in delivering energy, service and value

- 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

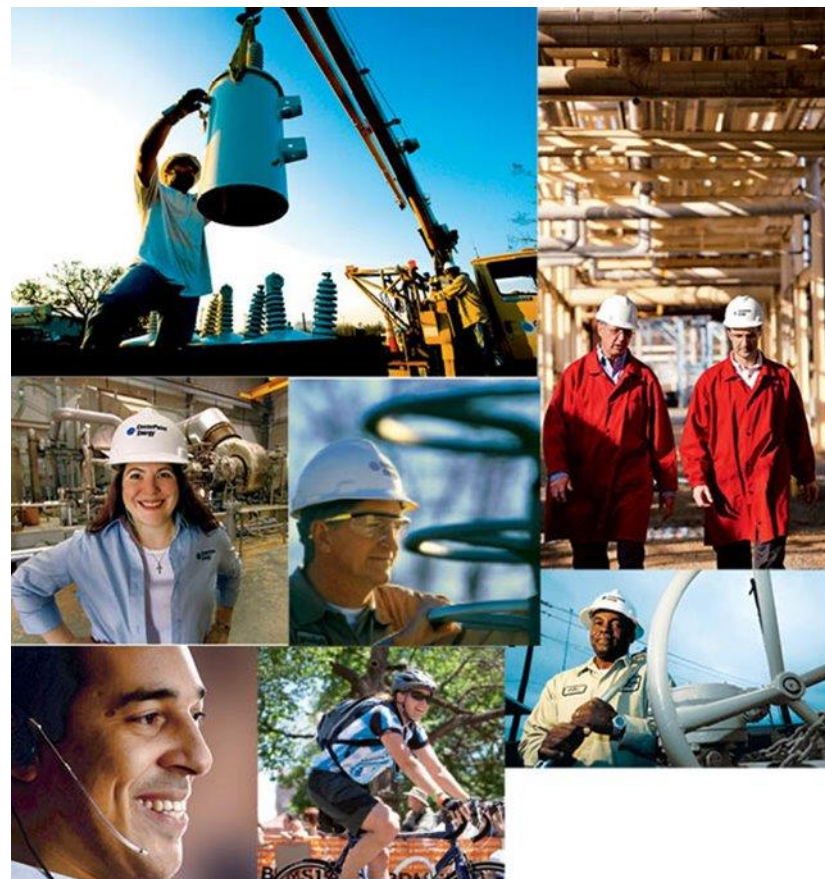


# CenterPoint Energy's Value Proposition

## Growth, Market Structure and Leadership



- Strong dividend yield (4.75% as of March 19, 2015)
- Competitive dividend growth rate projected to be supported by regulated utilities with potential for additional growth from Midstream investment
- Lack of generation assets reduces the environmental risks generally associated with a fully integrated utility
- Future capital investment in transmission and distribution assets is expected to sustain earnings momentum
- Capital recovery mechanisms at both utilities help reduce regulatory lag
- Utilities' earnings at or near authorized ROEs of 10% at electric utility and an aggregated 10% at the gas utilities
- Focus on customer satisfaction improves regulatory relationships allowing for constructive dialog to optimize our business model



# 2014 Year Highlights



- Utility Operations: Strong financial and operational performances
  - Electric transmission and distribution utility operating income for 2014 was \$477 million as compared to \$474 million in 2013
  - Natural gas utility operating income for 2014 was \$287 million as compared to \$263 million in 2013
    - Rate changes and cost management efforts resulted in record operating income
  - Sustained strong economic activity with the addition of nearly 55,000 new meters for Houston Electric and nearly 36,000 new Gas Utility customers
  - Invested over \$1.4 billion in our utility operations, addressing demands associated with system safety, reliability, growth and ongoing maintenance
  - Continued industrial and economic growth led to ongoing interest in our transmission rights-of-way at our electric utility; 2014 Rights of Way revenue: \$21 MM
- Midstream Investments:
  - Contributed equity income of \$308 million in 2014
  - Enable Midstream Partners completed its initial public offering in 04/2014 under ticker ENBL
- Dividend:
  - Increased 4.2% in January 2015, following a 14.5% increase in January 2014
  - 10th consecutive year of dividend increases; 10 year CAGR of 9.5% off of a 2005 base of \$0.40

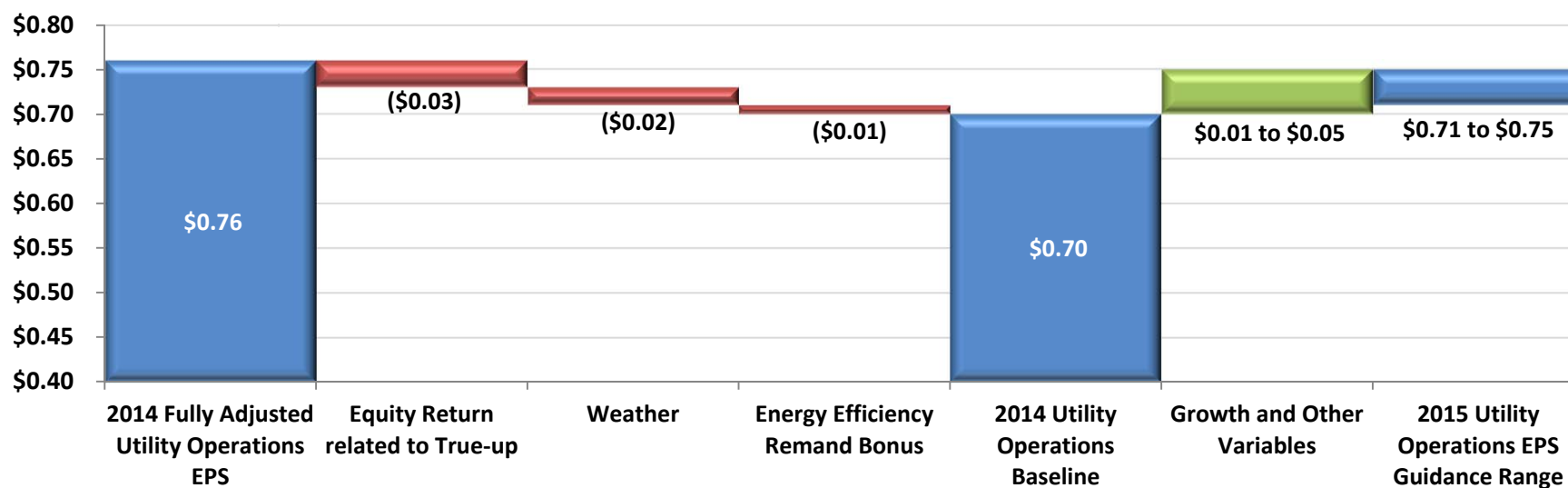
# 2015 Guidance as Provided on February 26, 2015

## Consolidated EPS Guidance of \$1.00 to \$1.10 per Diluted Share



- Utility Operations EPS guidance: \$0.71 to \$0.75 per diluted share from a 2014 Baseline of \$0.70

<b>2014 Fully Diluted EPS</b>	<b>\$ 1.42</b>
On an adjusted guidance basis:	
ZENS-related mark to market gains	(0.12)
CES MTM gain	(0.04)
Pension Curtailment loss	0.01
<b>2014 Consolidated EPS on a guidance basis</b>	<b>\$ 1.27</b>
Deferred Tax Benefit	(0.07)
<b>2014 Fully Adjusted EPS</b>	<b>\$ 1.20</b>
Midstream Investments	(0.44)
<b>2014 Fully Adjusted Utility Operations EPS</b>	<b>\$ 0.76</b>

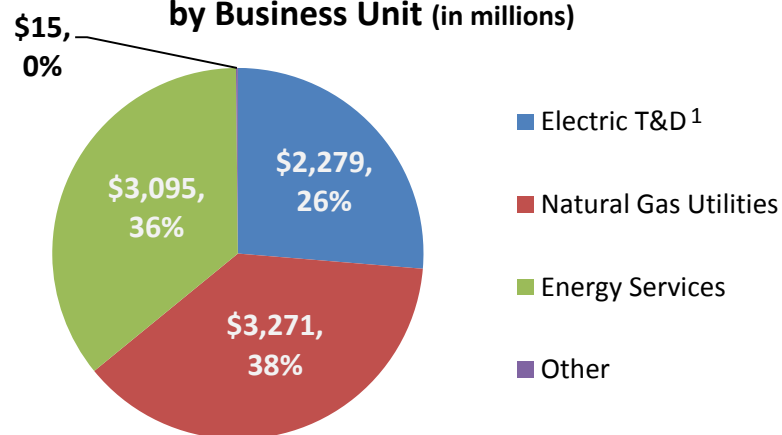


- Regular quarterly cash dividend of \$0.2475 declared in January 2015; if annualized, would equate to \$0.99 per share

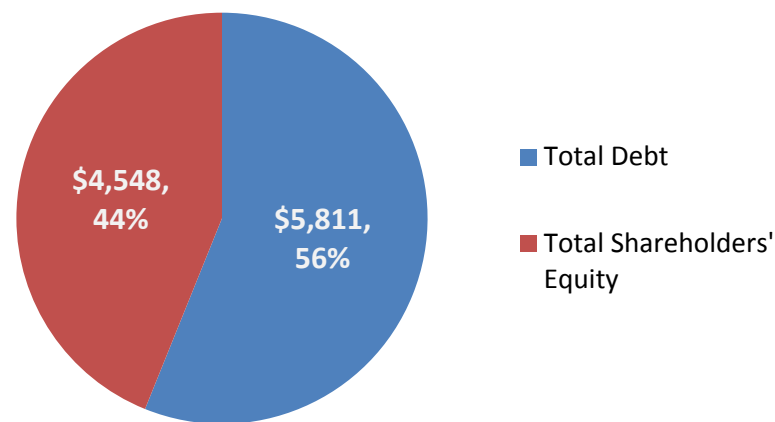
# CenterPoint Summary Financials at a Glance as of Dec. 31, 2014



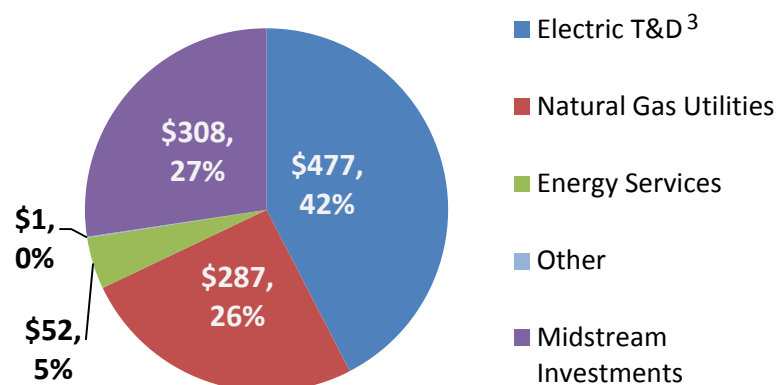
**2014 Revenues from External Customers  
by Business Unit (in millions)**



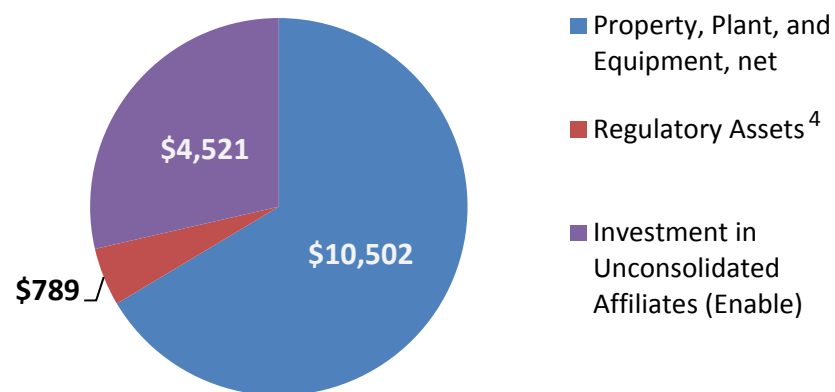
**Total Capitalization<sup>2</sup> (in millions)**



**2014 Operating and Equity Income by  
Business Unit (in millions)**



**~ \$16 Billion PPE, Equity Investment, and  
Regulatory Assets (in millions)**



1. Excludes revenue from Transition and system restoration bond companies of \$566 MM
2. Excludes Transition and Restoration Bonds
3. Excludes operating income from Transition and Restoration Bond companies of \$118 MM
4. Securitized regulatory assets of \$2,738 MM excluded from total regulatory assets of \$3,527 MM



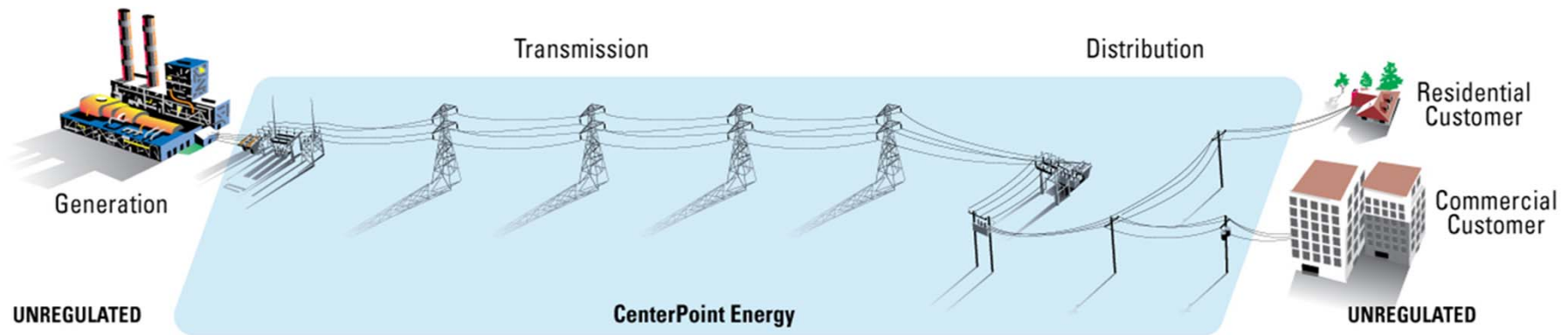
# **Houston Electric: Transmission & Distribution (T&D) Utility**

# Houston Electric: Overview

- Electric T&D operating income for 2014 was \$477 million as compared to \$474 million in 2013
- ~2.3 million metered customers; ~5,000 miles<sup>2</sup> (12,900 km<sup>2</sup>) in and around Houston, Texas
- Dec. 2014 average residential electric price in TX: \$0.118/kwh<sup>1</sup>
- Usage per customer ~30% higher than the U.S. average<sup>2</sup>
- Has consistently earned at or near its 10% authorized ROE
- Low Business Risk
  - Poles and wires assets; No generation assets which reduces business, environmental, and regulatory risks
  - Direct customers are ~70 Retail Electric Providers (REPs)
- Capital Recovery Mechanisms in Place
  - ~95% of capital plan eligible for recovery through mechanisms
  - Reduces recovery lag and frequency of general rate cases
  - No rate case planned during next 5 years as long as current capital recovery mechanisms remain in place



Source: eflon on Flickr [CC-BY-2.0] via Wikimedia Commons



# Houston Economy: Diverse and Growing

- 3<sup>rd</sup> highest concentration of Fortune 500 company headquarters in US (26)
- Over the past 10 years and compared to the 10 largest U.S. cities, **Houston** created the most jobs (645,000+), had the highest job growth CAGR, and made up 8% of all U.S. jobs created
- \$30.5 billion in construction contracts awarded in the Houston metro area in 2014
- Diversified Economy
  - Oil/Gas, Petrochemical
  - Aerospace
  - Health Care
  - Distribution/Logistics



Source: Wikipedia

Texas Medical Center - Largest medical center in the world



Source: Port of Houston Authority

Port of Houston – Ranked first in the U. S. in foreign waterborne tonnage, U.S. imports, U.S. export tonnage, and second in the U.S. in total tonnage



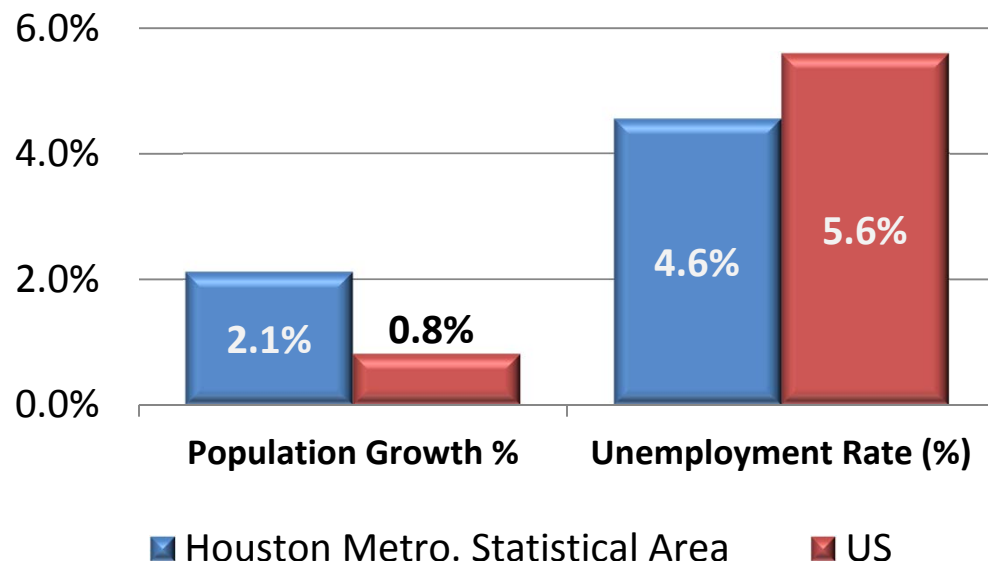
Source: Houston Chronicle

Exxon Mobil's 385 acre campus is designed to accommodate 10,000 employees by the end of 2015

# Houston Economy: Outpacing the Nation

## Economy Drives Continued 2% Customer Growth

**2015 Forecast Comparisons<sup>1</sup>**



Source: Freeportlng.com

- 39<sup>th</sup> largest metropolitan economy in the world<sup>2</sup>
- Largest absolute population growth of US cities from July 2012 – July 2013<sup>3</sup>
- In the next 25 years, population forecasted to grow to 9.5-11 million from a base of 6.3 million in 2013<sup>4</sup>

- Industrial growth, such as the Freeport LNG terminal above, and population growth is driving higher capital investment at Houston Electric

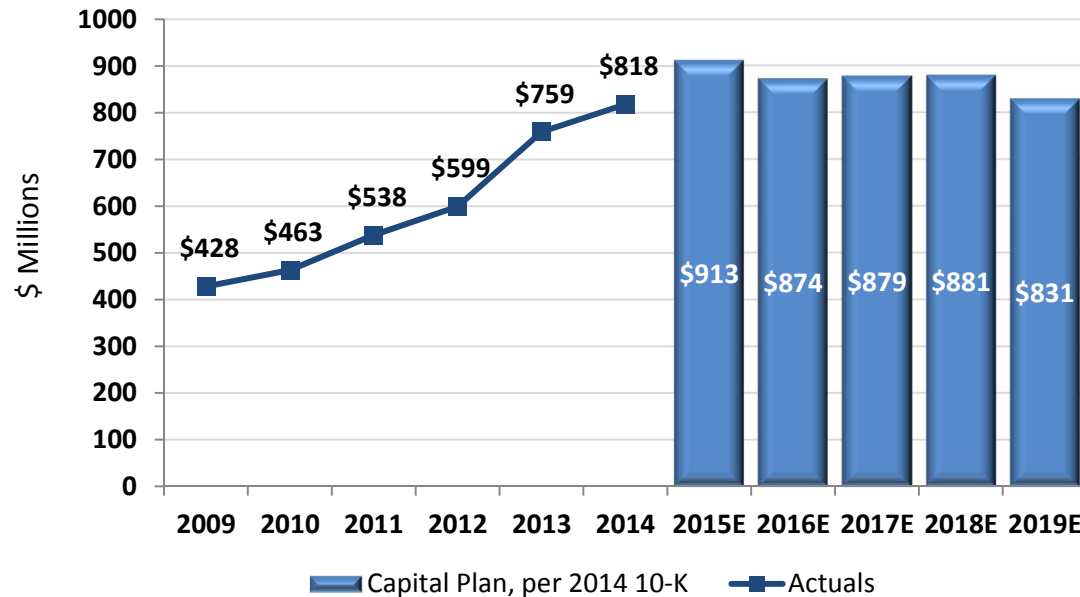
1. IHS Global InSight Mar. 2015 Forecast  
2. Brookings Institution  
3. U.S. Census Bureau  
4. Greater Houston Partnership  
5. U.S. Bureau of Labor Statistics



# Houston Electric's Capital Investment Continues to Grow

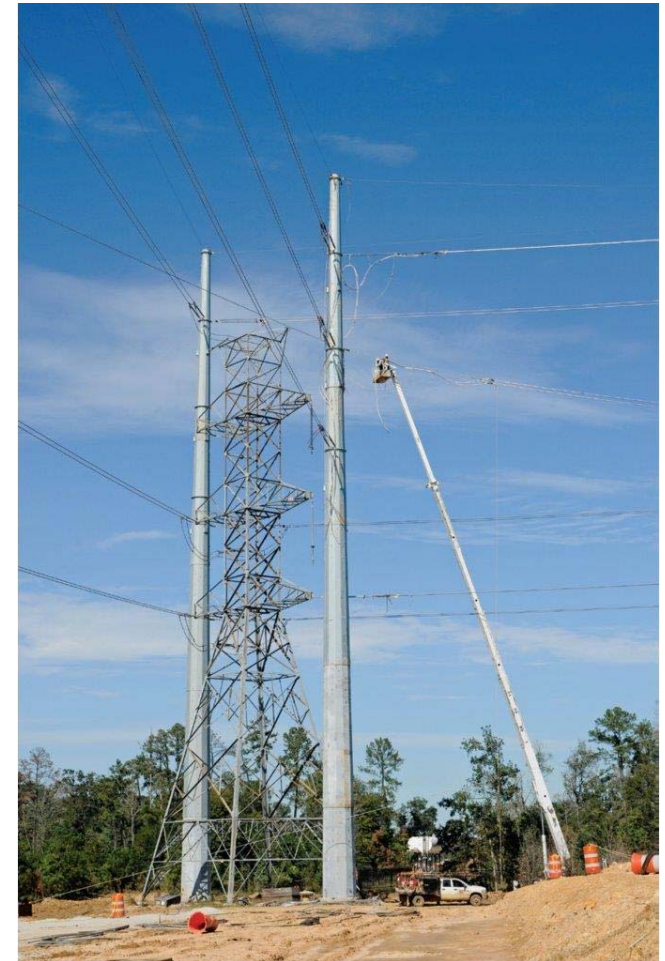


## \$4.4 Billion 2015 – 2019 Capital Plan



### Capital Plan Includes:

- Brazos Valley Connection – High voltage transmission line<sup>1</sup>
- Reliability/Resiliency – Intelligent grid
- Technology – Advanced Metering System, Customer Service Platform
- Customer Growth – customer meter additions
- Infrastructure Improvements – grid hardening



<sup>1</sup> CenterPoint's portion of the Houston Import Transmission Project expected to be in service by summer of 2018 and be an investment of approximately \$300 MM



# Gas Operations

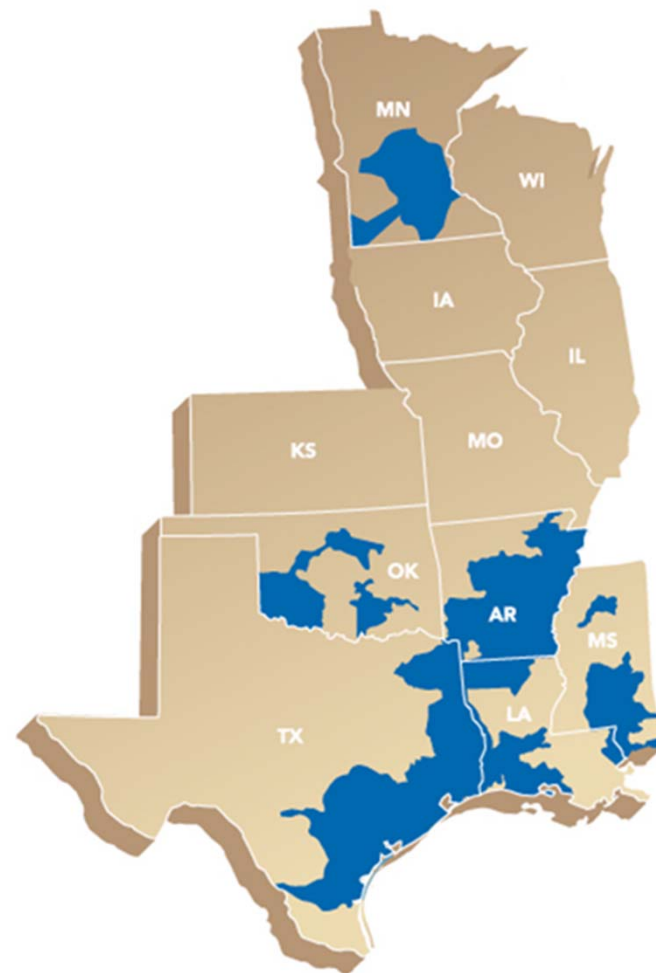
# Gas Operations: Overview

## NATURAL GAS UTILITIES

- Six state footprint with vibrant metropolitan areas of Houston and Minneapolis
- Nearly 3.4 million customers; 5<sup>th</sup> largest gas utility in the U.S.
- Earning at or near allowed returns; aggregated authorized ROE: 10%
- Average Rate Base in 2014 of \$2.1 billion
- Customer growth of nearly 36,000 in 2014; overall, ~1% annual customer growth since 2010
- Rate base capital structure: 50% debt / 50% equity
- Operating income for 2014 was \$287 million compared to \$263 million in 2013

## ENERGY SERVICES (NON-REGULATED)

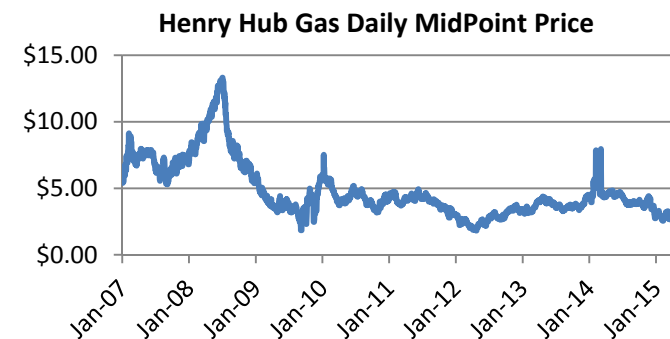
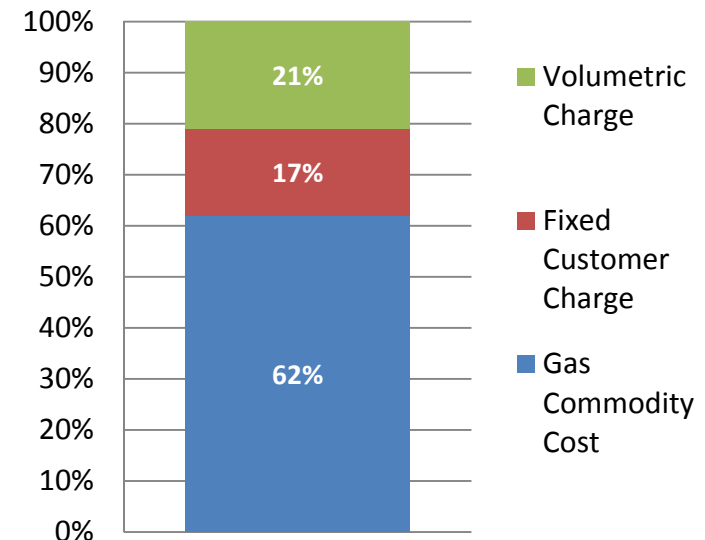
- Competitive natural gas supply and related energy services serving ~18,000 customers across 19 states
- Complementary to natural gas utilities
- Low VaR business model
- Operating income, after adjusting for mark to market accounting, would have been \$23 million in 2014 compared to \$15 million in 2013



# Natural Gas Utilities

- Gas utilities are regulated at state and/or local level
- Most gas utilities collect a fixed monthly customer charge and a volumetric variable charge for delivering gas to customers
- Conservation improvement programs offered in Arkansas, Oklahoma, and Minnesota
  - Recorded more than \$12 MM in conservation improvement program incentives in 2014
- Weather normalization adjustment and/or Decoupling mechanisms in place for five of six states
- Capital recovery mechanisms in place in five of six states reducing regulatory lag

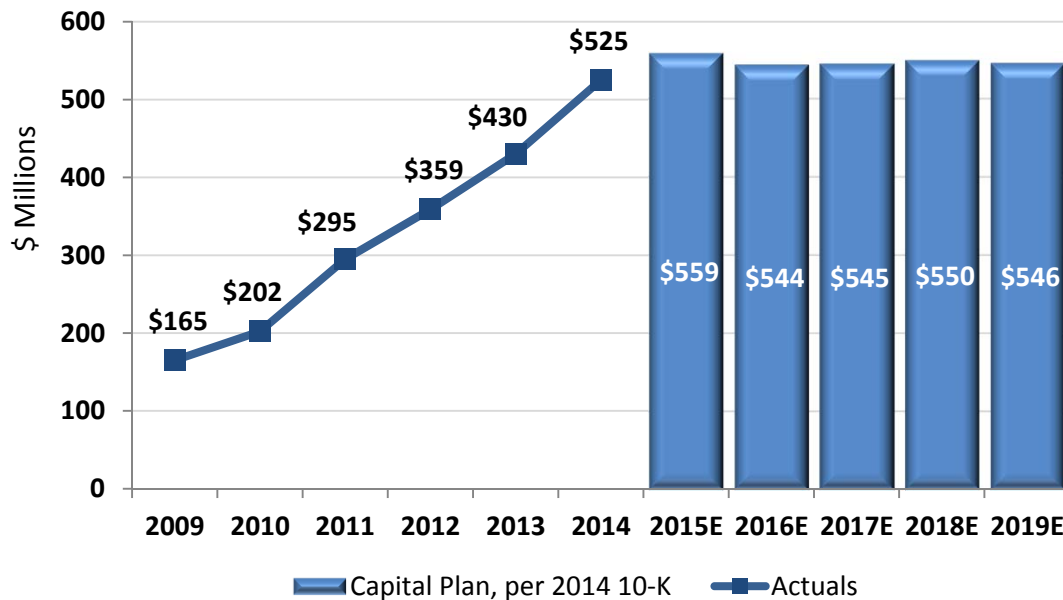
Typical cost of natural gas to CNP residential customer



Low natural gas price environment in the U.S. reduces the potential that increased capital investment will cause customer rate shock

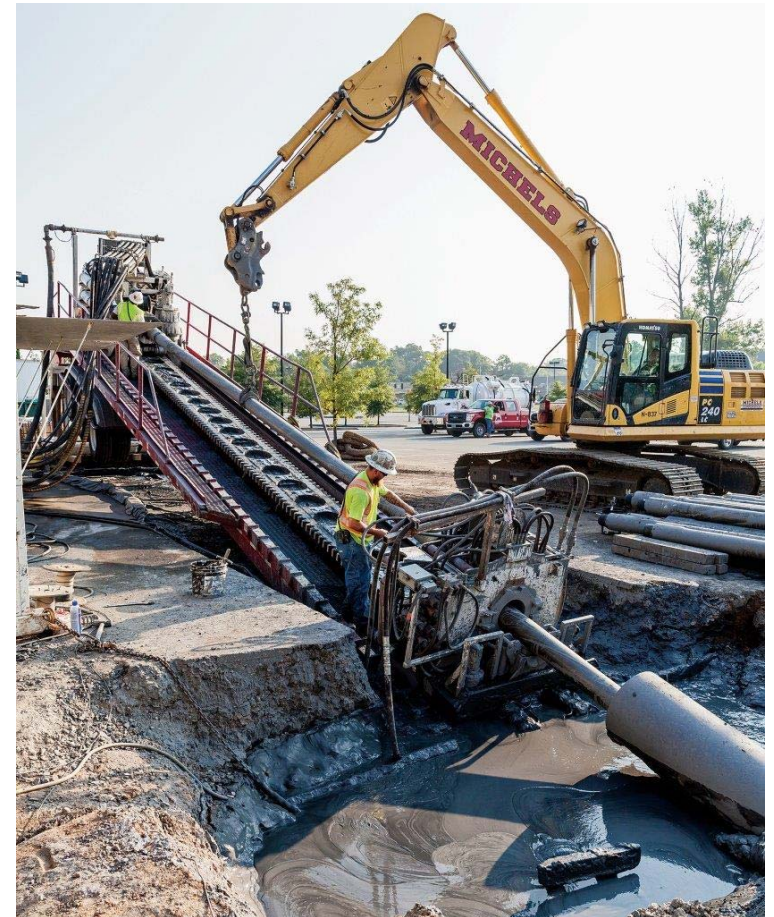
# Natural Gas Utilities' Capital Investment Continues to Grow

## \$2.7 Billion 2015 – 2019 Capital Plan



### Capital Plan Includes:

- Replacing aging infrastructure – cast iron, plastic
- Customer growth investment – customer additions
- System-wide Automated Meter Reading; 3.4 million meters by Q4 2015
- Minnesota Belt Line Project; \$400 million over 12 years



Using horizontal directional drilling to construct and install a new pipeline under the bed of the Arkansas River

# Midstream Investments



# Committed to Midstream Excellence



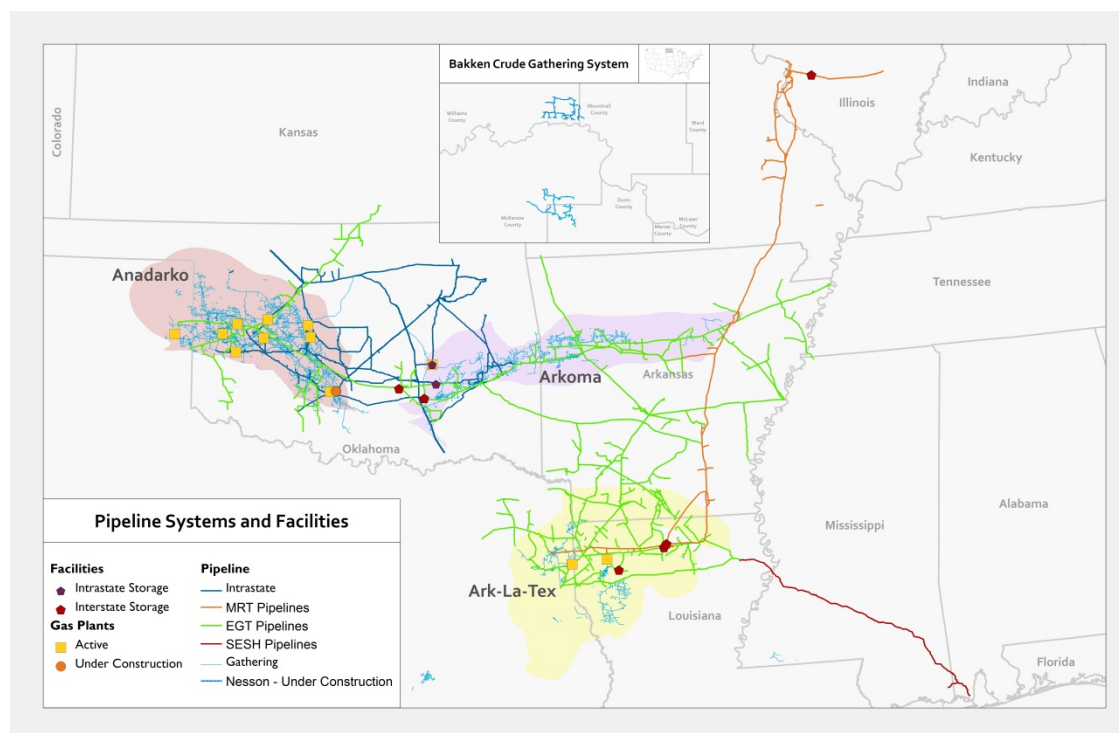
- Enable Midstream Partners is a joint venture formed in May 2013 that includes CenterPoint Energy, Inc.'s legacy interstate pipelines and field services businesses and the midstream business of Enogex LLC, a previous subsidiary of OGE Energy Corp. It is managed by a general partner whose governance is shared by CenterPoint Energy and OGE on a 50/50 basis
- CenterPoint owns 55.4% of the limited partner units of Enable Midstream Partners (NYSE: ENBL)
- CenterPoint holds a 40% interest in the Incentive Distribution Rights held by the General Partner
- 2014 Equity Income from Enable: \$303 million; 2014 distributions received from Enable: \$298 million
- Investment in Enable provides expected long-term earnings and cash flow growth as the U.S. natural gas and oil infrastructure build-out continues
- Benefits of the Partnership:
  - Geographic diversification, with operations in major natural gas and liquids-rich producing areas of Oklahoma, Texas, Arkansas and Louisiana
  - Significant asset positions in a broad range of basins, including the Granite Wash, Tonkawa, Mississippi Lime, Cana Woodford, Haynesville, Fayetteville, Barnett and Woodford plays
  - Enhanced supply and market access
  - Meaningful operating and commercial synergies
  - Stable and predictable cash flows from a balanced and diversified portfolio of assets
  - Independent access to capital at the Enable level



## Extract from Enable Midstream Partners' March 4, 2015 Investor Presentation

# Enable Midstream Highlights

- ▶ Integrated suite of gathering, processing, transportation and storage assets with a high degree of interconnectivity between assets and end markets
- ▶ Significant fee-based and demand-fee margin
- ▶ Long-term relationships with large-cap producers and utilities, many of whom are investment grade
- ▶ Investment grade ratings, lower leverage than many peers and significant liquidity



## Extract from Enable Midstream Partners' March 4, 2015 investor presentation

# Well-Positioned for Today's Environment

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- ▶ **Investment grade ratings, low leverage and substantial liquidity** with a 2.9x debt-to-Adjusted EBITDA ratio<sup>1</sup> and \$1.1 billion in revolver capacity<sup>2</sup> as of December 31, 2014
- ▶ **Significant fee-based margin** with approximately 79% of 2015 gross margin forecasted to be fee-based and 54% forecasted to be firm or MVC-based
- ▶ **Hedging program provides downside protection** with 88% of 2015 gross margin projected to be either fee-based or hedged
- ▶ **Integrated assets** allow Enable to adjust volume flows and optimize our system in response to changing prices and supply dynamics
- ▶ **Seasoned management team** and significant experience throughout the organization



1. Calculated by dividing \$2,544 million of debt (including commercial paper and promissory notes payable to sponsor) by \$868 million of Adjusted EBITDA  
2. Calculated by reducing \$1.4 billion revolver by \$2 million of outstanding letters of credit and \$253 million of outstanding commercial paper

## **Improving Customer Satisfaction while Reducing Carbon Emissions**

# Electric T&D Utility Technology: Improving Customer Satisfaction while Reducing Carbon Emissions



- Absence of generation assets significantly reduces CenterPoint's carbon footprint compared to integrated utilities



One of the first large scale Smart Meter deployments in the U.S.

Eliminated need for over 8 million truck rolls since 2009



Intelligent Grid initiative enhances reliability

28% Reliability improvement in 2014

- These efforts strengthen the tie between the customer and the utility

## INTELLIGENT GRID STATISTICS

AS OF  
03.01.2015



### INFRASTRUCTURE DEPLOYED

- + Advanced Meters **2,338,767**
- + IG Switching Devices **771**
- + Cell Relays **5,909**
- + Take-Out Points **181**
- + Substations automated **31**



### SMART METER STATS

- + Interval read rate **99.8%**
- + Remote service orders **11,183,908**
- + Service order rate **98.7%**



### CUSTOMER COMMUNICATION

- + In-Home Displays **4,729**
- + Power Alert enrollees **399,257**

### RELIABILITY IMPACT



- + Customers restored without phone call **1,187,814**
- + Outage minutes saved **102.93 million**
- + Reliability improvement **22%**<sup>1</sup>



### ENVIRONMENTAL IMPACT

- + Fuel saved **1,050,169** gallons
- + CO<sub>2</sub> Emissions avoided **>9,333 tons**

<sup>1</sup> Since 2011

March 2015

[investors.centerpointenergy.com](http://investors.centerpointenergy.com)



# Electric T&D Utility

Improving Customer Satisfaction while Reducing Carbon Emissions



Hike and Bike trails along our transmission corridors within Houston



Source: Philips, Roadstar GPLS

LED streetlight project: 173,000 street lights over 5 years



Awarded the Tree Line USA designation for 10<sup>th</sup> consecutive year



Initiatives in place to protect wildlife

# Natural Gas Utilities:

## Improving Customer Satisfaction while Reducing Carbon Emissions



CNP is a first-mover in new gas leak detection technology which will be begin to be deployed across our entire footprint in 2015 and will improve our ability to quickly identify and repair gas leaks



Drive-by Advanced Meter Technology eliminates the need to enter homeowners' property during monthly meter reads and reduces our carbon footprint



Pipeline replacement programs, especially cast-iron and bare steel, accelerate the replacement of aging gas pipelines increasing the efficiency and safety of our gas distribution system

# Committed to Community Service



- 223,005 volunteer hours from employees, retirees, family and friends (Valued at more than \$5.1 million.)
- \$5.6 million in total corporate charitable contributions
- \$2.8 million in corporate/employee contributions to United Way in more than 94 United Way offices across the nation
- 5,079 units of blood donated to Gulf Coast Regional Blood Center

## Walking and Riding for Good Causes: Money raised by employees in company-sponsored events

Year	United Negro College Fund	March of Dimes	Juvenile Diabetes Research Foundation	MS-150	Junior Achievement	TOTAL
2013	\$35,029	\$299,934	\$67,780	\$60,863	\$39,952	\$502,543
2012	\$28,261	\$160,767	\$74,454	\$89,900	\$40,100	\$393,482
2011	\$28,000	\$192,000	\$76,759	\$109,958	\$48,000	\$454,717
2010	\$27,000	\$143,000	\$76,000	\$115,000	\$41,000	\$402,000

## Additional Reference Materials

Category	Reference Material	Link
Financial Information	Quarterly Financial Tables	<a href="http://investors.centerpointenergy.com/highlights.cfm">http://investors.centerpointenergy.com/highlights.cfm</a>
	Debt & Maturity Schedules	
	Equity Return Amortization Schedules	
	Supplemental Year End Materials	
Regulatory Information	State Commission Website Access Points	<a href="http://investors.centerpointenergy.com/highlights.cfm">http://investors.centerpointenergy.com/highlights.cfm</a>
	Houston Electric	
	Natural Gas Utilities	
Industry Associations	Edison Electric Institute (EEI)	<a href="http://www.eei.org">www.eei.org</a>
	American Gas Association (AGA)	<a href="http://www.aga.org">www.aga.org</a>

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