



Q2 2025 Earnings Transcript – July 24, 2025

Ben Vallejo – Director of Investor Relations

Good morning, and welcome to CenterPoint's Q2 2025 Earnings Conference Call. Jason Wells, our CEO; and Chris Foster, our CFO, will discuss the company's second quarter results. Management will discuss certain topics that will contain projections and other forward-looking information and statements that are currently based on management's beliefs, assumptions and information currently available to management. These forward-looking statements are subject to risks and uncertainties. Actual results could differ materially based on various factors as noted in our Form 10-Q and other SEC filings as well as our earnings materials.

We undertake no obligation to revise or update publicly any forward-looking statement. We reported diluted earnings per share of \$0.30 for the second quarter of 2025 on a GAAP basis. Management will be discussing certain non-GAAP measures on today's call. When providing guidance, we use the non-GAAP EPS measure of diluted adjusted earnings per share on a consolidated basis referred to as non-GAAP EPS. For information on our guidance methodology and reconciliation of the non-GAAP measures used in providing guidance, please refer to our earnings news release and presentation on our website.

We use our website to announce material information. This call is being recorded.

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

Now I'd like to turn the call over to Jason.



Jason Wells – President & CEO

Thank you, Ben, and good morning, everyone. On today's call, I'd like to address 4 key areas of focus. First, I will touch on our second quarter financial results. Second, I'll provide an update on the strong growth that our Houston Electric Service territory continues to experience fueled by a diverse set of economic drivers. Third, I'll touch on our recent announcement to efficiently recycle proceeds through the proposed sale of our Ohio gas LDC. And lastly, I'll discuss today's announced \$500 million increase to our capital investment plan, which will be deployed this year.

Today's added customer-driven investments represent our third capital increase this year, now totaling \$5.5 billion. Importantly, these increases to our capital investment plans will be funded without the issuance of incremental common equity. Now starting with our second quarter financial results. This morning, we announced non-GAAP EPS of \$0.29 for the second quarter. Combined with our reported first quarter non-GAAP EPS, we are approximately 46% of the weight of the midpoint of our full year earnings guidance range of \$1.74 to \$1.76.

This quarter's earnings are in line with our expectations for the first half of 2025. As we discussed on our first quarter call, we anticipated earning 40% to 50% of the full year 2025 non-GAAP EPS guidance in the first half of this year. In short, we are right on track. As such, we are reaffirming our 2025 non-GAAP EPS guidance range of \$1.74 to \$1.76 which equates to 8% earnings growth at the midpoint from our delivered 2024



non-GAAP EPS of \$1.62. Over the long term, we continue to expect

a non-GAAP EPS at the mid- to high end of our 6% to 8% range annually through 2030.

We also expect to grow dividends per share in line with the earnings growth over the same period.

Now I want to provide an update on our strong load growth outlook for the Houston Electric service territory, which continues to be catalyzed by a discrete and diverse set of economic drivers. Over the previous 2 quarters, we have shared the drivers of the substantial growth opportunities ahead. By 2031 alone, we expect a forecasted peak load increase of 10 gigawatts which represents a nearly 50% increase in peak demand on our system over the next 6 years. We have strong conviction in this forecast as we've made conservative assumptions related to the projects and our low interconnection queue.

Notably, since our first quarter call, our load interconnection queue has grown by 6 gigawatts or more than 12%. What differentiates this potential increase is that it continues to be propelled by a diverse set of drivers, including data centers, advanced manufacturing, energy development and energy exports. Together with the 7 gigawatt increase we discussed in our first quarter call, this additional gigawatts of growth results in a cumulative increase of over 30% to what we included in our ERCOT load filing we made earlier this year. At this time, we are not formally increasing our load forecast above the nearly 50% growth target by the end of the decade.

However, these positive trends in customer demand only serve to reinforce our



confidence in our growth forecasts. Most importantly, this growth is already beginning to materialize when observing year-over-year sales trends. Through the first half of this year, weather-normalized commercial and industrial sales were up 8% when compared to the first half of 2024.

The growth we're currently experiencing in addition to the significant growth we are forecasting requires the construction and regional build-out of our electric transmission system that we will begin executing on in the near term. To fund this exponential growth in our Houston Electric service territory, we have continued to evaluate the most efficient forms of financing.

This, along with the timing needs for growth-driven capital ultimately led to our announcement of our Ohio Gas LDC sales process kick off during the quarter. I would like to share some additional color around our decision to efficiently recycle capital through the proposed sale of our Ohio Gas LDC. I want to begin by saying that these decisions are never easy. We value this constructive jurisdiction and our great employees that execute and deliver for our Ohio gas customers every day.

However, as our Houston Electric and Texas Gas jurisdictions continue to experience increased and accelerated growth, we have decided to shift our strategic focus even more towards Texas.

In connection with the shift, we believe the proposed sale of our Ohio Gas business makes sense at this time, principally for 3 reasons.

First, the sale will allow us to efficiently recycle cash proceeds to support our



continually increasing investment programs. We have previously demonstrated our ability to monetize assets above book value and efficiently reinvest those funds back into our regulated business. This transaction is yet another opportunity that we believe we can execute to finance our increasing capital needs efficiently.

Second, we anticipate that the sale of the Ohio Gas business will allow us to reprioritize nearly \$1 billion of capital expenditures through 2030 to support our Texas jurisdictions. This reprioritization of \$1 billion will help support the ongoing set of customer and community needs in Texas. In addition, we anticipate that the investing of these proceeds will result in a higher consolidated cash return in the future. We believe its improved cash flow profile will allow us to more efficiently self-fund our future investments and potentially allow us to rely less on common equity issuances.

Third is we look to optimize our portfolio; it makes sense for us to focus our time and resources in jurisdictions where we have both gas and electric service, or we have a larger customer presence.

We anticipate that the recycling of cash proceeds from the sale of our Ohio Gas business. In addition to this reallocation of capital will result in Texas constituting over 70% of our portfolio after the close of the sale. The proposed sale of our Ohio Gas business and our derisked equity needs through 2027, which Chris will touch on in his section, has allowed us to increase our capital investment plan by \$5.5 billion since the beginning of this year. All of these increases are anticipated to be funding without incremental common equity. In addition, we believe any further increases to our capital



plan this year can be achieved without the need for additional common equity.

I now want to discuss the \$500 million increase to our 2025 capital investment plan, which, as I mentioned, is on top of the \$5 billion of increases already announced this year. The \$500 million increase announced today will be invested in 2025 as we continue to make targeted system enhancements for the benefit of our customers. This increased capital investment will also help partially offset the loss of Ohio investments upon the closing of the sale. As I discussed earlier, our forecasted low growth will necessitate significant investments in our transmission system in both the near and longer term.

To address these forecasted needs, we are taking a leading role with peer utilities in ERCOT to advance the key planning studies and proposed projects that will help us enable the tremendous economic development in the eastern part of Texas. Through our own work with ERCOT's regional planning group, in addition to our own internal work, we have identified approximately 200 projects that we will look to execute over the next 10 years. We believe we are well positioned to execute these projects over this relatively short period of time.

Unlike many other transmission systems, we have a significant number of brownfield opportunities where existing transmission structures are already in place reducing construction costs and increasing speed to energization. Although we've already significantly increased our capital investment plan this year with our plan now at \$53



billion through 2030.

We have 3 significant investment drivers outside of electric transmission that continue to reinforce an upward bias to our capital investment plan. The first of these opportunities is related to furthering our resiliency-based work as we aspire to be the most resilient coastal grid in the country.

Over the last 12 months, we've made targeted assist improvements through our Greater Houston Resiliency initiative, which have already yielded improved outcomes for our customers. Notably, through May of this year, the average duration of outages, our Houston Electric customers experience has gone down nearly half as compared to the comparable period in 2024. This is a significant improvement, and we are proud of our teams and our field crews focus on executing on our system automation strategy and pole replacement program at such an accelerated pace. However, we know there's still more work to be done.

With this in mind, we still see incremental resiliency capital investment opportunities through the end of the decade that go well beyond our current system resiliency plan, which will likely run through 2028. Chris will discuss the progress we've made on our current related regulatory filings in this section. The second driver of incremental capital investments I want to highlight is related to the revitalization of downtown Houston, which our plan does not currently include. This work will require substantial investments to support both growth and modernization of our underground electric system and our substations that support the downtown area as the city is in the



process of undertaking a very exciting set of infrastructure plans to dramatically change the downtown landscape.

The third driver of potential incremental investments is in our Texas Gas service territory, that we've previously mentioned on our first quarter call. This relates to the opportunity to build a high-pressure distribution system in our Texas gas business, which currently relies on a series of contracts that are more costly for customers to move our owned gas throughout the greater Houston region.

We're excited to share more about these capital investment opportunities later in the third quarter when we plan to provide a new comprehensive 10-year plan.

We continue to believe that we have one of the most tangible long-term growth plans in the industry. The growth of our businesses has continued to experience has resulted in \$5.5 billion of increased capital investment so far this year, including the \$500 million increase we announced this quarter. Even with these announced increases, we believe there is still further upside to our capital investment plan that runs through 2030. Our ability to efficiently fund our plan has allowed us to take our capital investment plan from \$47.5 billion at the end of 2024 to \$53 billion without introducing additional common equity.

In addition, we have derisked our modest common equity needs through 2027 through executing a forward sale of our common equity earlier in the second quarter. We believe we are well positioned with tailwinds exceeding headwinds, and we are excited to share a refreshed comprehensive 10-year plan by the end of the third quarter of this year.



And with that, I'll hand it over to Chris.

Chris Foster – CFO

Thanks, Jason. This morning, I plan to cover 4 areas of focus. First, the details of our second quarter results. Second, I'll touch on our regulatory progress through the first half of this year, including our recently announced proposed settlement in our Ohio gas rate case. Third, I'll discuss our progress on the execution of our 2025 capital investment plan, including our \$500 million increase, bringing our 10-year plan to \$53 billion, which we will fund without issuing incremental common equity. And finally, I'll provide an update on where we ended the second quarter with respect to the balance sheet and how we're thinking about the future financing of our capital investments in light of the proposed sale of our Ohio Gas LDC.

Let's now move to the financial results shown on Slide 8. On a GAAP EPS basis, we reported \$0.30 for the second quarter of 2025. On a non-GAAP basis, we reported \$0.29 for the second quarter of 2025 compared to \$0.36 in the second quarter of 2024. Our non-GAAP EPS results for the second quarter removed the impacts from the sale of the Louisiana and Mississippi Gas LDCs. As Jason alluded to and as we discussed on our first quarter earnings call, we anticipated a more back-weighted shape to our 2025 earnings profile this year. As a reminder, this earnings profile is primarily driven by the different cadence of capital recovery as we were unable to access certain interim capital recovery mechanisms during our various rate case proceedings in the first half of the



year.

Slide 9 depicts our expectations for the remainder of the year. Now taking a closer look at the quarter. Growth in rate recovery when netted with depreciation and other taxes was an unfavorable variance of \$0.01 when compared to the same quarter last year. Again, this is largely driven by the off cadence filings of our interim capital tracker mechanisms.

Weather and usage were a favorable \$0.01 when compared to the comparable quarter of 2024. The largest impact here was from our Houston Electric service territory, which has experienced a warmer start to 2025, and as compared to slightly milder weather in the second quarter of 2024. O&M was \$0.03 unfavorable when compared to the second quarter of 2024.

Like the first quarter, this unfavorable variance was largely driven by timing of vegetation management and other activities, which we accelerated to be ready ahead of the official start of the 2025 hurricane season. With much of this work moved into the first half of the year as compared to a more ratable work schedule in prior years, we anticipate this unfavorability to reverse over the second half of the year. In addition, interest expense and financing costs were \$0.03 unfavorable when compared to the second quarter of 2024.

These \$0.03 were primarily driven by the increased debt issuances since the second quarter of last year, some of which were slightly higher coupon junior subordinated notes, given our focus on the balance sheet and emphasis on credit



supportive instruments.

Lastly, as you may recall, last year, we issued \$500 million of common equity. \$250 million of these issuances were a pull forward from 2025 as we sought to strengthen our balance sheet after our storm restoration. These equity issuances resulted in an unfavorable variance of \$0.01 quarter-over-quarter. Next, I'll briefly touch on our regulatory progress, starting with our Ohio Gas rate case settlement. As many of you may have seen 2 weeks ago, we reached a proposed settlement in our Ohio gas rate case. The settlement agreement includes a revenue requirement increase of \$59.6 million based on an equity ratio of 52.9% and return on equity of 9.85%.

We began hearing earlier this week and anticipate those hearings continuing through the end of next week. We look forward to continuing to work with stakeholders in this case to reach a reasonable outcome for all parties.

Moving now to Houston Electric. I'll begin with our system resiliency plan filing where we recently reached an all-party settlement. The proposed settlement includes distribution system resiliency investments and spend of approximately \$3.2 billion over the next 3 years. There are 3 key categories of investment included in this figure, an acceleration of our polar placement program, undergrounding with vulnerable areas of our system and automation and increased resiliency of distribution circuits and substations.

In addition to those investments, the proposed settlement also includes certain non-investment activities for which we will receive a deferral related to the spend.



Most notably, the proposed settlement provides for \$140 million of vegetation management, which will allow us to defer costs associated with our industry-leading plan to reduce our trim cycle from 5 years to 3 years for the benefit of our customers.

The proposed \$3.2 billion included in the settlement represents a reduction of approximately \$2.5 billion from the \$5.75 billion included in our January filing. The primary driver of this reduction is the removal of transmission-related investments we included in our filing.

We thought it was important to include these investments in our initial filing to present a comprehensive picture of how we're approaching resiliency investments to improve outcomes for our customers. However, in settlement discussions, we agreed with stakeholders that these investments are better considered outside of the system resiliency plan process. To be clear, we still intend on executing this important transmission system hardening work. Over the last few years, we've made many investments to improve the backbone of the system by investing approximately \$1 billion.

With much of that work already completed, we anticipate fully achieving our initial hardening targets on our transmission system within the next 10 years. We want to thank all stakeholders for engaging in constructive discussions about the resiliency investments that will help improve outcomes for customers in the Greater Houston area. We anticipate the PUCT to vote on this proposed settlement agreement by the end of the third quarter.

Next, I'll move to our 2 storm cost recovery filings starting with the Hurricane



Beryl filing. Just this week, we started a set of mediated discussions with all parties to the case, and they are currently hearing scheduled on the cost recovery request at the end of this month. Moving to our process to recover costs associated with last year's May storms. As a reminder, we have fully settled this request and now have received an approved financing order.

Our next step is we will seek to issue these bonds in the third quarter of this year. We will continue to work with all stakeholders in connection with the storm cost recovery filings in advance of the securitization of these costs, which is beneficial for our customers.

Next, I'll touch on our capital investment plan execution through the second quarter and our positively revised capital plan through 2030, as shown here on Slide 10. As Jason mentioned, today, we are increasing our 2025 and 10-year capital investment plan by \$500 million without anticipating any need for additional common equity. This represents our third capital plan increase this year. bringing our total 2025 increases to \$5.5 billion with our total plan through 2030 now at \$53 billion. And as Jason indicated, cumulatively, the \$5.5 billion comes without any anticipated increases to our common equity guidance through 2030.

As a reminder, our equity needs still stand at \$2.75 billion through the end of the decade, of which over 1/3 has been derisked through our forward equity sales. Today's announced investment increase will help further support the accelerated economic growth investments that we continue to execute in our Texas Gas and electric service



territories to move at pace for our customers. I want to be clear that even with the increases or announced this year, we continue to see strong tailwinds to support further enhancements to our capital investment plans.

We are excited to aggregate all of these updates as well as provide others to give everyone a comprehensive update, a new 10-year plan later third quarter of this year. For the quarter, we are right on track to meet our positively revised 2025 capital investment target of \$5.3 billion. Through the first half of 2025, we invested \$2.4 billion of base work for the benefit of our customers and communities.

Finally, I want to provide an overview of how we're thinking about the financing of our \$5.5 billion of capital investment increases and touch on where our credit metrics are currently tracking. We continue to explore the most efficient forms of financing to fund the incredible growth our businesses continue to experience.

During the quarter, we made significant strides towards both addressing and derisking our future equity financing plans. We did this by announcing the proposed sale of our Ohio gas LDC with the intent of recycling the proceeds back into our Texas businesses, executing additional forward sales under our ATM program, which totaled \$165 million for the first half of the year and executing \$920 million of a forward sale of common equity to be settled by the end of February 2027. As Jason highlighted, we have made a strategic decision to allocate more capital to our high-growth businesses in Texas and recycle capital through the proposed sale of our Ohio Gas LDC business.

The proceeds from this transaction are intended to support the funding of the \$5.5



billion increases we have already announced this year. With

additional progress in our Ohio rate case proceeding, we anticipate having a transaction signed by the end of the year with the closing expected by the end of next year. I want to be clear that we view this transaction similarly to the others we have executed. This sale will not result in making a downward revision in our earnings guidance.

Today's announced \$500 million increase to the 2025 capital plan will help partially offset the investments we have made previously in our Ohio Gas business. In addition to the announcement related to our Ohio Gas business, we were able to derisk our planned equity issuances for 2026 and 2027 through forward sales of our common equity and with the execution of \$165 million of forward sales under our ATM program and \$920 million through our block transaction we have been able to satisfy our anticipated commodity equity needs for both '26 and 2027.

Now moving to an update on our credit metrics. As of the end of the quarter, our trailing 12 adjusted FFO to debt ratio based on the Moody's rating methodology was 14.1%. And when removing transitory storm-related costs. Much like our historical profile, we anticipate our credit metrics to strengthen throughout the remainder of the year. As a reminder, we anticipate receiving nearly \$400 million in securitization proceeds related to the May storms in the third quarter of this year. In addition, in light of the progress in the Hurricane Beryl storm securitization process I highlighted a moment ago, we expect to receive nearly \$1.3 billion of proceeds by the end of the year or early next year.



Also, as we mentioned on our first quarter call, with the bulk of our rate cases now complete, we anticipate a 5% improvement to our operating cash flow beginning next year. We expect this cash flow to allow us to more efficiently self-fund capital investments for the benefit of customers. This same operating cash flow improvement helps fund today's \$500 million announced increase without any anticipated need for incremental common equity. And although we are not formally changing our guide regarding incremental investments requiring funding with 50% equity and 50% debt.

This new operating cash flow profile may provide financing flexibility to reduce that ratio in the future. With the anticipated receipt of the combined \$1.7 billion of securitization proceeds, in addition to improved operating cash flow, we remain confident that we will exit 2025 with a 100 to 150 basis point cushion above our downgrade threshold without the need for common equity issuances. With the first half of 2025 in the books, we are right on plan to deliver our full year results. We are reaffirming our 2025 non-GAAP EPS guidance range of \$1.74 to \$1.76 which equates to 8% growth at the midpoint from our delivered 2024 non-GAAP EPS of \$1.62.

Over the long term, we continue to expect to grow non-GAAP EPS at the mid- to high end of the 6% to 8% range annually through 2030. We also expect to grow dividends per share in line with earnings growth over the same period of time. We look forward to the second half of 2025 and executing for the benefit of all stakeholders.

And with that, I'll now turn the call over back to Jason.



Jason Wells – President & CEO

Thank you, Chris. I'm proud of our team's continued execution over the past quarter and the results that put us firmly on track to deliver on our financial guidance this year. We are looking forward to sharing our 10-year plan refresh later this quarter. I believe that this refresh plan will reflect our confidence in our exciting growth prospects ahead and why we have such strong conviction that we have one of the most tangible long-term growth plans in the industry.

Question & Answer

Operator: At this time, we will begin taking questions. [Operator Instructions] Our first question comes from Julien Dumoulin Smith from Jefferies.

Q:

Nicely done again. Maybe just kicking it off here. Just with Beryl, can you go back a little bit on just timeline and expectations to close that out here? I mean it seems like you're coming to some finality here.

And then secondly, just on the 6 gigawatts, the updated number. I mean, it's just not a trivial number to kind of update quarter-over- quarter here. Can you elaborate and elucidate a little bit further what exactly comprises and especially the timeline, mean



how front- end loaded can that be at this point, just especially as you continue to compound these kinds of numbers? And then I got a quick follow-up, if you don't mind.

A:

Julian, how about I take the first piece with respect to the Beryl related cost recovery proceeding. We are on track at this point. In fact, this week, we had some mediated sessions with parties to see if we could seek potentially the potential for a settlement framework.

The hearings are currently actually set publicly for next Thursday. So, as you can imagine, we'd love to be able to make progress and ideally be in a situation where we could ideally push out those hearings if possible, reflecting progress in those discussions. So quite a bit of activity here in the near term.

A:

Julien, this is Jason. Thanks for the other question on the interconnection load growth. The 6 gigawatts we referenced this quarter, as you said, is not trivial at all. What I think is really unique and what we try to highlight is the diverse set of drivers that are driving that increase. What I would say is probably about 2/3 of that increase relates to data center activity. The other 1/3, I would put more in the camp of advanced manufacturing, energy exports and life sciences. In terms of the demand or the timing of that demand, these customers are really looking for interconnections sort of wait '26, '27 and '28.



So, this is sort of relatively near term.

I think thankfully, we've got excess capacity on our system. We've built our transmission system, our substations, where we can move quickly address these interconnection requests. And I think that is just creating a great set of conditions where we continue to see increases in the interconnection queue quarter after quarter. So, we're looking to move quickly to address these new demands.

Q:

Excellent. And then if I may, just a quick question here on the adjustment for the quarter with the mobile gen here. How long do you expect that to remain a drag there? Just given the dynamics here on those assets over time? Just to understand the drag that you're currently booking here. How long is that going to remain the case in terms of a drag?

A:

Yes. This is a reflection of the transaction we announced where we've effectively contributed these assets to San Antonio for free through no later than spring of '27, could be as early as fall of '26. And so, we see a drag in earnings over that period of time. And then as we talked about, the market for these assets has doubled and we intend to remarket them as soon as they free up. So again, as early as fall of '26, no later than the spring of '27, these will flip to be a tailwind for the company.



Q:

Hey, thanks for taking my questions and for the updates. Just a question on the capital. It seems like you're well positioned on the system to connect the 6 gigs right away. But you're highlighting a lot of other tailwinds that are not in the plan. And is this going to be more skewed towards the 10-year kind of plan? Or do you see a lot of this kind of falling into the 5-year plan? And then I just wanted to kind of clarify the comment of Chris at the end with the 50-50 funding. Do you still see the ability in the 5- year plan to fund with less equity?

A:

Nick, and I appreciate the questions. Look, from a capital standpoint, I really think we were trying to emphasize 2 points here. I think there is an upward bias towards CapEx through the remainder of this decade. There is still opportunity based on the capital investment opportunities I outlined in our prepared remarks. The second point that we are trying to highlight, and we'll be much clearer as we roll out our new 10-year plan is the longevity of the spend. We continue to see this capital investment opportunity drive significant capital investment well into the next decade. And so they're still ensured more opportunity here through the remainder of this decade and then extending well into the next.



A:

Maybe if I could build on the second one, Nick, in short, what I was pointing to was that as we look to the third quarter update that we'd be providing in particular. And again, that's a third quarter update that would not be on our third quarter call, delinked from that in the calendar third quarter. We would be providing an update on how to think about how we're going to be funding growth CapEx going forward. I think what you saw today is that maybe a little preview of some improvements we've had in our focus on improving operating cash flows through legislative proposals and our rate cases.

And so, I think you can envision a situation we're able to update and improve from the current 50-50 equity debt profile that we provide. And with something to keep in mind, right, as we look at the \$500 million that we rolled into the 2025 plan, we were still able to report today voted debt at 14.1%. So pleased with that outcome given historically, Q2 has been really our lowest quarter from a recovery pattern standpoint.

A:

And Nick, if I could wrap kind of our 2 answers. In my prepared remarks, I alluded to one, sort of an upward bias in CapEx remainder of the decade and two, I do think we have the ability to fund incremental CapEx this decade without any additional common equity.



Q:

Okay. I appreciate that. And then just as we're getting into the later innings of this Beryl proceeding, the agencies are still on negative outlook. And just is there anything else that they're kind of communicating to you that looking for now that your metrics are starting to get back into that range?

A:

I appreciate the question. It's certainly key. And I can't speak certainly on exactly on their behalf, but the nature of our conversations have been really around 2 areas of focus. The first have been the ability to effectively execute the underlying rates themselves. And so, as you've seen in both of our Texas cases as well as Minnesota and Indiana, we've completed all of those.

The second key area of focus has been the cost recovery filings themselves, both for the May storms or Derecho event as well as Beryl. We've now fully completed, as I mentioned, the Derecho related or may storms process.

We'll be in a position to execute that securitization during the calendar third quarter. So, we're definitely on track there. And I do believe that they are closely watching the Beryl outcome. And again, as I mentioned, I think where we are at this point is a place where we do see a path to have very constructive conversations here in the coming days. And so I think that could ideally position us well for their agencies -- agencies to revisit that time frame because really, the key step in the process is the cost recovery prudence step.



After that, it's a very straightforward process for executing the financing order and then the securitization itself later this year.

Q:

Just a couple of quick ones for me. Has the finalization of SB6 impacted inbound interconnection interest in any fashion at this point?

A:

No, I wouldn't say it's changed at all. The velocity of the interconnection requests, I do think that there are questions around where the cost allocation potential changes may go. But I think there are many other drivers that continue to support these load interconnection requests, so they continue at an accelerated pace.

Q:

Got it. And then was just wondering you talked a little bit about Houston revitalization work. And just wondering if you could expand a bit more, I guess, on how this aligns with city efforts, priorities here going forward?

A:

Yes. No, thanks for the question. This is an exciting time for downtown Houston. This has been a project that's been in the works for decades. We've received the federal funding to effectively bury the interstate system that circles the effectively circles, the downtown area and isolate it from the rest of the Greater Houston region.



By doing so, it frees up a significant portion of land that would be used to redevelop parks, more mixed-use space. It's just an incredibly exciting time.

But with all of that construction work, it gives us an opportunity as the roads are torn up to replace the underground network here in the downtown -- there are a couple of substations that we've alluded to that will need to be moved to help facilitate some of this redevelopment effort. We will build those to a modern -- into our gas insulated substation design standard and so I just think it's an incredible time to be a partner with the city to help with what will be an exciting transformation of the downtown here in Houston.

Q:

Got it. Just a last quick one, if I could. If I think about all this CapEx coming into plan without equity, it seems like that will drive upward pressure to the CAGR here? Or are there any other components to the equation that I'm not appreciating at this point?

A:

Yes, I'll take that question. And look, as we continue to reiterate, there's more tailwinds than headwinds here. We've constructive really resolved these rate cases. We've had thankfully some legislation that's helped reduce regulatory lag, which helps us more efficiently invest for the benefit of our customers. And look, we'll update what that means from an earnings guidance standpoint here later in this calendar quarter, but



certainly more tailwinds than we have headwinds.

Q:

My first question, I just want to further elaborate on the Houston downtown project. I know it's a really big one that's been talked about for a long time. Seems like you're talking about it a bit more detailed and a bit more confidently today. Is there any reason for that? has it been progressing a bit more? And can you maybe talk a little bit more about timing and potential magnitude of when the spending might show up in the capital plan?

A:

It is an exciting project that is continuing to come into greater focus and clarity. We -- the city made some commitments as it relates to some of the modifications to our convention center here. that has jumped started this project in terms of work that we need to do with 1 of the 2 substations. And so, what I would say is work is beginning as we speak under this project. This is something that is going to be a multiyear effort. I think the bulk of this spend is really going to be through the remainder of this decade, some of that kind of early part of next, but think about this as a driver over, call it, the next 5, 6 years.

The larger infrastructure project to bear this interstate system, is going to be much longer in nature, a multi-decade investment project for this region. But the work that we had to do upfront helps kind of enable the early part of that. So, think of our work is sort of front-



end loaded and over the next 5 years or so.

Q:

Okay. Great. That's helpful. Next question. You've mentioned this a couple of times we're saying additional increases to CapEx this year wouldn't need additional equity.

Can you -- I mean, how high can that go? I know you're going to give the more detailed update later this quarter. But I mean, are you talking magnitude of \$500 million like you did this quarter? Or are you talking \$4 billion like you did a few months ago? I mean, can you give us some sizing of what is the comment like that's supposed to me?

A:

I appreciate the question. Look, I think we were working hard to improve our operating cash flow profile, we feel confident, as Chris said, in some of the other activities underway, including the sale of the Ohio Gas business. And so that does give us flexibility, order of magnitude more than what we increased today. But maybe I'll just leave it at that. And we look forward to discussing it more later here in the third quarter.

Q:

Okay. Fair enough. We'll try our best to be patient. Last one. Apologies if I missed it, but what exactly was in the \$500 million increase today? What is that spending going to towards?



A:

Sure, Andrew. You should think about it as dominated by us stepping into our electric transmission work starting this year, a little bit of system resiliency related investments and then a small amount of Texas Gas-related investments. Recall that we've also talked about over the long term, some potential opportunities there in the Texas Gas business for some stable infrastructure work here in the Greater Houston area.

Q:

Okay. So, kind of more of the same?

A:

Correct.

Q:

I guess, just could you give us a sense of any timing on the gas LDC sale process and closing?

A:

Sure, Steve. Generally speaking, we'd like to be in a position to be able to announce towards the end of this calendar year. putting us in a position to ideally if you just look at history of about a year later in a position to close. And so where we are at this point is we've just recently kicked off the process. As you know, our focus philosophically has been on, and we'll continue to have the focus here of not rebasing our earnings through any kind of capital asset recycling like this.



We've had a strong amount of interest even in kicking off the process so far, which is a good thing. And maybe just one other thing I'd want to emphasize is flexibility. We want to be flexible for counter parties in terms of where their interest lies relative to where the expertise is they bring to kind of an operating a management team as we go. And so good progress so far, but all putting ourselves in a position to be able to announce more toward the end of this year.

Q:

Okay. And then one other area that you've talked in the past about as opportunities as data centers in Indiana. Is there anything to kind of update there?

A:

Steve, we continue to have, I think, very productive conversations up in Indiana around a potential new data center demand. Look, as we stressed in previous calls, I think it's a really unique situation up there that is candidly, I think, very compelling for a number of these data centers, it's abundant, land, good access to water on our system, in particular, we have excess capacity available today, we're commissioning, as we speak, a simple cycle plant that has been designed and built to be converted to CCGT if needed. And so, there's a clear pathway to significant electric capacity. So, it continues to be a series of active discussions in that region as well.



Q:

Just one question for me to clarify on the equity again. So, the base plan, the \$2.75 billion of equity or equity-like then plus the Ohio asset sale that you've highlighted, right? And then I think what you're communicating here is that additional capital beyond that the target would be then to not have to issue additional equity. Is that correct?

A:

You've got it right, Bill. Maybe if I could just kind of step through it briefly. The simple way to think about it is that \$2.75 billion of what we've indicated is we were front footed on equity, and so we've already derisked 1/3 of that, right? So, you can go ahead and reduce by that amount. And then what Jason was emphasizing is we do see even in the period now between now and the end of the decade, an additional upward bias CapEx that we could fund without incremental common equity.

Q:

Okay. And would that contemplate additional asset sales beyond Ohio?

A:

It would not. And so maybe if I can touch on that for you. If you look at the Ohio Gas LDC sale, it was specifically intended to help us fund what is now a \$5.5 billion total update we provided this year. So, you combine that with the operating cash flow improvement which really came through the mix of legislative and regulatory



outcomes, and it certainly helps our operating cash flow focus. Maybe just one simple example of that is if you looked at some -- Indiana, for example, as you know, we have to basically hold back about 20% of our CapEx while we're out of our rate case. While we were out of a rate case for nearly 15 years there, right? So, you can imagine now we've been able to catch up there. And maybe that's just one discrete example to help you see kind of how the operating cash flows have improved here.

Q:

Maybe a third crack, I want to jump on Bill's question. Have you quantified what that like optionality is for how much more additional CapEx you could absorb without having to either do like Bill mentioned, an asset sale or additional equity like by the end of the decade. What's that balance sheet capacity that you have there?

A:

Anthony, it's Jason. I appreciate the other question. but we're not going to get any more specific. As I indicated, we're talking about something north of the CapEx increase that we announced today. It's north of \$500 million. After that, we haven't quantified the capacity and so it's just part of the excitement that's building for the planned refresh that we intend to provide here later in the quarter.



Q:

Great. And then, I guess, on operating cash flow, you just mentioned there's a 5%, I missed my question, is it a 5% growth of operating cash flow or it's a 5% improvement that the total operating cash flow growth is greater than the earnings per share growth?

A:

It's a 5% improvement in operating cash flows. So, the actual operating cash flows increased by 300 basis points. which equates to a 5% increase in operating cash flows.

Q:

Great. And then just lastly, you guys are very clear on the tough decision of selling Ohio and focusing where you have greater customers or also maybe greater growth. But how do you balance that with maybe sicker equity layers and better ROEs. Like -- and I guess it's a hard balance. I'm wondering if you maybe could shed some light on that?

Ohio did provide maybe thicker equity layers I think I forgot the settled return, I think it was like 9.7 or something like for other jurisdictions maybe greater growth, but lower equity ratios?



A:

We take a number of factors into it. From a financial standpoint, as we stressed here, it's an incredible business, but we see the recycling of these proceeds to enhance the earned cash returns the consolidated enterprise. So, you might look at just the earned or the allowed returns or the authorized equity ratios. But importantly, it's as much an interest to improve kind of earn cash returns, and we see the opportunity of recycling fees, the proceeds from this asset sale and improving the overall consolidated earned cash return profile.

So, a number of different financial metrics we're looking at and then it comes down to focus as well. It's an incredible jurisdiction. We have the privilege to serve up there, but with so much growth here, it helps focusing management's attention on this exponential growth that we've been talking about in the Greater Houston region. So, a number of different factors financially, though, I wouldn't just concentrate on a difference between the authorized return on equity or equity layer.

Q:

Great. And will we see September? Are we going to be virtual in September? Any clarity on like early September, late anything like that?



A:

Anthony, we're still working on exactly how to do it. I think at this stage, we would intend to come to the East Coast.

Q:

Congratulations on a really strong quarter. I guess my first question really is a follow-up of Jeremy's earlier question. With all of the spending your plan is to update your EPS guidance later in the year? Is that the takeaway there?

A:

We will provide a full plan refresh. So, the extension of that 10-year CapEx planned in the middle of the next decade. And then 1 of the resulting obviously, impacts from that will be a discussion around the earnings power of the company. So, it will be a comprehensive financial update, CapEx, financing, earnings, all of it here at the end of the calendar third quarter.

Q:

And then given sort of the large increases that we've seen in your spending plan between now and the third quarter, would you expect to provide any type of an update of your '25 through '29 spending broken down by Houston Electric, SIGECO and your gas operations?



A:

Yes. As part of this plan refresh, we plan to provide, obviously, an update over the full 10 years, so kind of maybe the -- through the end of this decade plus the initiation of the next 5 years into the 2030s and then to your point, sufficient detail by operating company to help understand sort of the growth in each of those jurisdictions. So yes, we'll provide a pretty significant financial update around all of those elements.

Q:

Yes. But I'm talking like between now and the third quarter update that you're talking about any additional breakout of the 5 years under sort of the existing numbers?

A:

I wouldn't anticipate anything between now and the plan refresh. And then a couple of, I guess, housecleaning questions.

Q:

The rate base for the Ohio subsidiary that you're selling?

A:

Sure, Paul. That's \$1.5 billion as of the end of last year.

Q:

And then -- and the tax base of that of the Ohio LDC?



A:

Obviously, at this point, reviewing what the tax implications would be there for any transaction.

So up to get into more detail today.

Q:

Great. And one more, last one. And then the additional \$1 billion of gas spend, that's included in the \$4.5 billion increase since we've seen from the first quarter, right, in your 10-year plan?

A:

No. I think you should assume that there is opportunity outside the existing plan for the large project that we've referenced in Houston that would allow us to have high-pressure distribution lines that circle the city over a long period of time. So there's only a small amount of that currently in plant at this stage, Paul.

Q:

Right. Okay. So that would be incremental and may show up in the next 10-year plan update?

A:

Would anticipate that correct.



Forward-Looking Statements

This document contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this document are forward-looking statements made in good faith by CenterPoint Energy, Inc. (“CenterPoint” or the “Company”) and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995, including statements concerning CenterPoint’s expectations, beliefs, plans, objectives, goals, strategies, future operations, events, financial position, earnings and guidance, growth, costs, prospects, capital investments or performance or underlying assumptions and other statements that are not historical facts. You should not place undue reliance on forward-looking 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 news release or on the earnings conference call include statements about Houston Electric’s Greater Houston Resiliency Initiative (“GHRI”) and System Resiliency Plan (“SRP”) (including with respect to timing, filings related thereto, anticipated benefits, and related matters), the proposed sale of our Ohio natural gas LDC business (including with respect to timing, anticipated benefits, and related matters), Houston Electric’s release of its 15 large 27 megawatt (“MW”) to 32 MW TEEEF units to the San Antonio area and its ability to complete one or more other future transactions involving various sizes of TEEEF units (including with respect to timing, filings related thereto, corresponding reductions in Houston Electric’s TEEEF fleet capacity, anticipated benefits including with respect to rates, expected market demand for the units, and related matters), capital investments (including with respect to incremental capital opportunities, deployment of capital, financing of such projects, and anticipated benefits related thereto), the timing of, projections for, and anticipated benefits from the settlement of, rate cases for CenterPoint and its subsidiaries, the timing and extent of CenterPoint’s recovery, including with regards to its restoration costs for, among other things, the severe weather events in May 2024 (“May 2024 Storm Events”) and Hurricane Beryl, generation transition plans and projects, projects included in CenterPoint’s Natural Gas Innovation Plan and System Resiliency Plan, and projects included under its 10-year capital plan, electric demand growth in CenterPoint’s service territories (including our forecasts of, capital investment opportunities related to, the timing of investments related to, and anticipated benefits of such growth), the extent of anticipated benefits of the completed sale of our Louisiana and Mississippi natural gas LDC businesses, future earnings and guidance, including long-term growth rate, dividend growth, customer charges, operations and maintenance expense reductions, financing plans (including with respect to the restoration costs for the May 2024 Storm Events and Hurricane Beryl and the timing and anticipated benefits of any future equity issuances, forward sales, securitization, credit metrics and parent level debt), the timing, funding, and anticipated benefits of our 10-year capital plan, the Company’s 2.0% Zero-Premium Exchangeable Subordinated Notes due 2029 (“ZENS”) and impacts of the maturity of ZENS, CenterPoint’s continued focus on credit, balance sheet strength, liquidity and credit ratings, tax planning opportunities, future financial performance and results of operations, including with respect to regulatory actions and recoverability of capital investments, customer rate affordability, value creation, opportunities and expectations, and expected customer growth. 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 information include, but are not limited to, risks and uncertainties relating to: (1) the business strategies and strategic initiatives, restructurings, joint ventures and acquisitions or dispositions of assets or businesses involving CenterPoint or its industry, including the ability to successfully complete such strategies, initiatives, transactions or plans on the timelines we expect or at all, such as our plan to sell our Ohio natural gas LDC business or the completed sale of our Louisiana and Mississippi natural gas LDC businesses, which we cannot assure you will have the anticipated benefits to us; (2) industrial, commercial and residential growth in CenterPoint’s service territories and changes in market demand, including in relation to the expansion of data centers, energy export facilities, including hydrogen facilities, electrification of industrial processes and transport and logistics, as well as the effects of energy efficiency measures and demographic patterns, and our ability to appropriately estimate and effectively manage business opportunities relating to such matters; (3) CenterPoint’s ability to fund and invest planned capital, and the timely recovery of its investments, including those related to Houston Electric’s GHRI and SRP; (4) the ability to timely execute Houston Electric’s GHRI and SRP; (5) our ability to successfully construct, repair, maintain and restart electric generating facilities, natural gas facilities, TEEEF and electric transmission facilities; (6) the timing and success of, and our ability to obtain approval for, Houston Electric’s release of its large TEEEF units to the San Antonio area, reduction of its TEEEF fleet capacity and reduction of rates to reflect the removal of the large TEEEF units from Houston Electric’s TEEEF fleet, as well as our ability to complete one or more other future transactions involving various sizes of TEEEF units on acceptable terms and conditions within the anticipated timeframe; (7) financial market and general economic conditions, including access to debt and equity capital, inflation, potential for recession, interest rates, and their effect on sales, prices and costs; (8) disruptions to the global supply chain and volatility in commodity prices, including resulting from tariffs, trade agreements, retaliatory trade measures or changes in trade relationships; (9) actions by credit rating agencies, including any potential downgrades to credit ratings; (10) the timing and impact of regulatory proceedings and actions and legal proceedings, including those related to, among other things, the May 2024 Storm Events, Hurricane Beryl, Houston Electric’s TEEEF units and the February 2021 winter storm event, and requested or favorable adjustments to rates and approval of other requested items as part of base rate



proceedings or interim rate mechanisms; (11) federal, state and local legislative, executive, regulatory and political actions or developments, including any actions resulting from Hurricane Beryl, actions pertaining to trade (including tariffs, bans, retaliatory trade measures taken against the United States or related government action), tax legislation (including effects of the One Big Beautiful Bill Act, Executive Order 14315, and the Inflation Reduction Act) and developments related to the environment; (12) the impact of public health threats; (13) weather variations and other natural phenomena, including severe weather events, and CenterPoint's ability to mitigate weather impacts, including the approval and timing of securitization issuances; (14) the impact of potential wildfires; (15) changes in business plans; (16) advances in, our ability to timely adopt, develop and deploy, artificial intelligence; (17) the availability of, prices for and our ability to procure materials, supplies or services and scarcity of and changes in labor for current and future projects and operations and maintenance costs; (18) CenterPoint's ability to timely obtain and maintain necessary licenses and permits from local, federal and other regulatory authorities on acceptable terms and resolve third-party challenges to such licenses or permits, as applicable; (19) CenterPoint's ability to execute on its initiatives, targets and goals, including its net zero and greenhouse gas emissions reduction goals and operations and maintenance goals; and (20) other factors discussed in CenterPoint's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 and CenterPoint's Quarterly Report on Form 10-Q for the quarters ended March 31, 2025 and June 30, 2025, including under "Risk Factors," "Cautionary Statements Regarding Forward-Looking Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Certain Factors Affecting Future Earnings" in such reports and in other filings with the Securities and Exchange Commission ("SEC") by CenterPoint, which can be found at www.centerpointenergy.com on the Investor Relations page or on the SEC website at www.sec.gov.

This document 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 document 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 this document, CenterPoint presents, based on net income (loss), diluted earnings (loss) per share, and net cash provided by operating activities to total debt, net, and gross margin to total debt, net, the following financial measures which are not generally accepted accounting principles ("GAAP") financial measures: non-GAAP income, non-GAAP diluted earnings per share ("non-GAAP EPS"), as well as non-GAAP funds from operations / non-GAAP rating agency adjusted debt (Moody's and S&P) ("FFO/Debt"). 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.

2024 and 2025 non-GAAP EPS excluded and 2025 non-GAAP EPS guidance excludes: (a) Earnings or losses from the change in value of ZENS and related securities, (b) Gain, losses and impact, including related expenses, associated with mergers and divestitures, such as the divestiture of our Louisiana and Mississippi natural gas LDC businesses, and (c) With respect to 2025 non-GAAP EPS and 2025 non-GAAP EPS guidance, impacts related to temporary emergency electric facilities ("TEEEF") once they are no longer part of our rate-regulated business. In providing 2024 and 2025 non-GAAP EPS and 2025 non-GAAP EPS guidance, CenterPoint does not consider the items noted above and other potential impacts such as changes in accounting standards, impairments or other unusual items, which could have a material impact on GAAP reported results for the applicable guidance period. The 2025 non-GAAP EPS guidance ranges also consider assumptions for certain significant variables that may impact earnings, such as customer growth and usage including normal weather, throughput, recovery of capital invested, effective tax rates, financing activities and related interest rates, and regulatory and judicial proceedings. To the extent actual results deviate from these assumptions, the 2025 non-GAAP EPS guidance range may not be met, or the projected annual non-GAAP EPS growth rate may change. CenterPoint is unable to present a quantitative reconciliation of forward-looking non-GAAP diluted earnings per share without unreasonable effort because changes in the value of ZENS and related securities, future impairments, and other unusual items are not estimable and are difficult to predict due to various factors outside of management's control.

Funds from operations (Moody's) excludes from net cash provided by operating activities accounts receivable and unbilled revenues, net, inventory, taxes receivable, accounts payable, and other current assets and liabilities, and includes certain adjustments consistent with Moody's methodology, including adjustments related to operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions. Non-GAAP rating agency adjusted debt (Moody's) adds to Total Debt, net certain adjustments consistent with Moody's methodology, including operating lease costs, stock dividends, non-recurring items, and net defined benefit plan contributions and further adjustments related to Winter Storm Uri debt as well as CEHE storm related costs.

Funds from operations (S&P) excludes from gross margin, O&M, taxes and other, cash interest paid and cash taxes paid, and includes certain adjustments consistent with S&P's methodology, including adjustments related to operating lease costs, preferred stock dividends, nonrecurring items, and net defined benefit plan contributions. Non-GAAP rating agency adjusted debt (S&P) adds to Total Debt, net certain adjustments consistent with S&P's methodology, including adjustments related to Winter Storm Uri related debt and CEHE storm related debt.



A reconciliation of net income (loss) and diluted earnings (loss) per share to the basis used in providing guidance, as well as a reconciliation of net cash provided by operating activities / total debt, net (and gross margin to total debt, net) to FFO/Debt provided in the appendix of CenterPoint's slide presentation used to present its first quarter earnings information.

Management evaluates the Company's financial performance in part based on non-GAAP income, non-GAAP EPS and long-term FFO/Debt. Management believes that presenting these non-GAAP financial measures enhances an investor's understanding of CenterPoint's overall financial performance by providing them with an additional meaningful and relevant comparison of current and anticipated future results across periods. The adjustments made in these non-GAAP financial measures exclude items that Management believes do not most accurately reflect the Company's fundamental business performance. These excluded items are reflected in the reconciliation tables, where applicable. CenterPoint's non-GAAP income, non-GAAP EPS and FFO/Debt financial measures should be considered as a supplement to, and not as a substitute for, or superior to, net income (loss), diluted earnings (loss) per share, net cash provided by operating activities to total debt, net and gross margin to total debt, net, which, respectively, are the most directly comparable GAAP financial measures. These non-GAAP financial measures also may be different than non-GAAP financial measures used by other companies.

Net Zero Disclaimer

CenterPoint's **Scope 1** greenhouse gas ("GHG") emissions estimates are calculated from GHG emissions that directly come from its operations. CenterPoint's **Scope 2** GHG emissions estimates are calculated from GHG emissions that indirectly come from its energy usage, but because Texas is in an unregulated market, its Scope 2 GHG emissions estimates do not take into account Texas electric transmission and distribution assets in the line loss calculation and exclude GHG emissions related to purchased power between 2024E2026E. CenterPoint's **Scope 3** GHG emissions estimates are based on the total natural gas supply delivered to residential and commercial customers as reported in the U.S. Energy Information Administration (EIA) Form EIA-176 reports and do not take into account the GHG emissions of transport customers and GHG emissions related to upstream extraction. CenterPoint's analysis and plan for execution to achieve its Net Zero GHG emissions (Scope 1 and certain Scope 2) by 2035 goals and its 20-30% reduction in Scope 3 GHG emissions by 2035 as compared to 2021 levels goal require it to make a number of assumptions. These goals and underlying assumptions involve risks and uncertainties and are not guarantees. Should one or more of these underlying assumptions require updating, CenterPoint's actual results and ability to make progress towards and achieve its Net Zero and GHG emissions reduction goals and the timing thereof could differ materially from its expectations. Certain of the assumptions that could impact its ability to make progress towards and meet its Net Zero and GHG emissions reduction goals and the timing thereof include, but are not limited to: GHG emission levels, service territory size and capacity needs remaining in line with company expectations (including with respect to demand for our services); the ability to appropriately estimate and effectively manage business opportunities from new customers and load growth resulting from, among other things, expansion of data centers, energy export facilities, including hydrogen facilities, electrification of industrial processes and transport and logistics in our service territories; regulatory approvals related to Indiana Electric's generation transition plan and CenterPoint's ability to obtain such approvals; impacts on affordability of customer rates; customer demand for GHG emissions free or lower GHG emissions energy; impacts of regulations, executive action or legislation, including those related to the environment and tax matters (including the effects of the OBBBA, Executive Order 14315 and the IRA and any further changes to or the repeal of the IRA); impacts of future carbon pricing regulation or legislation; price, availability and regulation of carbon offsets; price of fuel, such as natural gas; cost of energy generation technologies, such as wind and solar, natural gas and storage solutions; adoption of alternative energy by the public, including adoption of electric vehicles; rate of technology innovation with regards to alternative energy resources; CenterPoint's ability to implement its modernization plans for its pipelines and facilities; the ability to complete and timely implement generation alternatives to Indiana Electric's coal generation and retirement or fuel conversion dates of Indiana Electric's coal facilities by 2035; the ability to construct and/or permit new natural gas pipelines; the ability to procure resources needed to build at a reasonable cost, the lack of or scarcity of resources and labor, the lack of any project cancellations, construction delays or overruns (including as a result of tariffs, legislation, bans, potential retaliatory trade measures taken against the United States or related governmental action) and the ability to appropriately estimate costs of new generation; impact of any supply chain disruptions; changes in applicable standards, metrics, methodologies or frameworks; and enhancement of energy efficiencies.