Carla Kneipp - Vice President of Investor Relations

Thank you very much, Operator. Good morning, everyone. Welcome to our fourth quarter and full year 2013 earnings conference call. Thank you for joining us today. Scott Prochazka, president and CEO, Tracy Bridge, executive vice president and president, Electric Division, Joe McGoldrick, executive vice president and president, Gas Division and, Gary Whitlock, executive vice president and CFO, will discuss our fourth quarter and full year 2013 results and provide highlights on other key activities. We also have other members of management who may assist in answering questions following the prepared remarks. Our earnings press release, Form 10-K, and supplemental materials are posted on our Web site, CenterPointEnergy.com, under the Investors' section. The supplemental materials are for informational purposes, and we will not be referring to them during prepared remarks. I remind you that any projections or forward-looking statements made during this call are subject to the cautionary statements on forward-looking information in the company's filings with the SEC.

Before Scott begins, I would like to mention that a replay of this call will be available through Wednesday, March 5th. To access the replay, please call 855-859-2056, or 404-537-3406, and enter the conference ID number 29333655. You can also listen to an online replay on our Web site and we will archive the call for at least one year. And with that, I will now turn the call over to Scott.

Scott Prochazka - president and CEO

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

This morning we reported full year earnings of 311 million dollars, or 72 cents per diluted share, as compared to 417 million dollars, or 97 cents per diluted share in 2012. I'd like to remind you of the unusual items that occurred during each year. As you may recall, effective May 1, 2013, our midstream assets became part of Enable Midstream Partners. As a result, in 2013 we recorded a non-cash, deferred tax charge as well as certain partnership formation expenses. In the third quarter of 2012, we recorded a non-cash, goodwill impairment charge as well as a non-cash, pre-tax gain from an acquisition. Excluding the effects of these unusual items, net income for 2013 would have been 544 million dollars, or $1.26 per diluted share compared to 581 million dollars or $1.35 per diluted share in 2012.

Using the same basis that we use when providing guidance, full year adjusted earnings would have been $1.20 per diluted share in 2013 compared to $1.25 for 2012. As a result of the formation of Enable Midstream Partners, the way we present our financial results has changed. We will point out these changes in the course of our call today to help you better understand CenterPoint's overall financial performance, both for 2013 and for the future. In discussing our financial results, we will refer to our equity investment in midstream as midstream investments and to the remainder of our businesses as utility operations.

The benefit of our diversified utility portfolio was again seen in 2013. Our natural gas utilities had a record year which helped offset a modest decline in our electric utility resulting primarily from a return to more normal weather. In 2013 we invested nearly 1.2 billion dollars in our utility operations, up 22 percent from the prior year, to address increasing demands associated with growth, reliability and ongoing maintenance. Overall, we experienced solid financial and operational performances from our utilities.

With the changes in company leadership and the formation of Enable, the time is right to refresh our vision and strategy. CenterPoint Energy's new corporate vision is to **Lead the nation in delivering energy, service and value**. Compared to our prior vision, this version emphasizes our desire to serve evolving customer needs while creating value for our shareholders, employees and communities. This vision also reflects a focus on effectively operating and investing in our utility operations as well as taking an active role in governing our investment in Enable. We are committed to providing both stability and growth from our utility operations, while capturing the growth associated with midstream investments.

Our new corporate strategy is simply stated, **Operate, Serve and Grow.** This updated strategy incorporates the company's competitive advantages in technology implementation, process innovation, customer service and regulatory relationships. First, we operate billions of dollars of assets that people rely on every day to serve their energy needs. These energy delivery systems must work reliably and safely. Second, we serve over 5.6 million customers who expect efficient and effective interactions as we address their needs. And third, we continue to grow our investments to address customer growth, system hardening, and replacement of aging infrastructure. The effective execution of this strategy over the next five years will allow us to target a normalized compound utility annual earnings growth rate of 4 to 6 percent.

Recently I announced that Tracy Bridge and Joe McGoldrick were named Executive Vice Presidents and members of the company's executive committee. While both have been given additional responsibilities, Tracy will continue to lead our electric business and Joe will continue his leadership role over our natural gas businesses. During this call, you will hear from Tracy and Joe as they discuss their businesses' 2013 performance and provide an outlook for 2014. I will now turn the call over to Tracy.

Tracy Bridge - executive vice president and president, Electric Division

Thank you, Scott.

Our Houston Electric service territory is located in one of the most economically vibrant metro areas in the country, and benefits from a 5.5percent unemployment rate, the lowest since 2008. We have experienced strong and consistent customer growth, both residential and commercial, since our inception as CenterPoint Energy in 2002. This growth is occurring not only from increasing housing starts, but also from the expansion of the Port of Houston and new commercial developments in our service territory. Forecasts indicate we can expect these trends to continue.

We have made significant investments in advanced meter systems and intelligent grid technology, which not only make our operations more efficient, they make our customer interactions more productive. Through these technologies, we can more easily identify and resolve problems. We can proactively communicate with our customers about the status of their electric service during an outage. Further, we are able to remotely start, stop and transfer service through our advanced meter system; usually eliminating the need to dispatch a truck to the customers' premise. We are proud to be a leader in grid automation.

Houston Electric's 2013 financial performance was strong and in line with our expectations. Core operating income was 474 million dollars, compared to 492 million dollars in 2012. The addition of nearly 45,000 customers in 2013 contributed 26 million dollars of incremental revenue. We also benefited from approximately 30 million dollars of Right of Way revenue, which was slightly more than the prior record set in 2012, and almost ten times more than our historic norms. These increases were more than offset by a return to more normal weather, as well as higher operation and maintenance expense, depreciation and taxes. To better serve this growing service territory, Houston Electric invested 759 million dollars of capital, which was up 27 percent from the prior year.

We expect 2014 to be another solid year. Houston Electric will continue to benefit from 2 percent customer growth and we expect to invest 780 million dollars of capital. Our five year capital plan is expected to exceed 3.6 billion dollars and will be used to improve service reliability and system resiliency, enhance our customer service systems, and support normal load growth and system maintenance. As a reminder, this capital plan does not include any investment in the transmission import project proposal we mentioned on our previous call. Should ERCOT recommend one of CenterPoint's proposed projects, we would initiate an approval proceeding with the Texas PUC later this year.

We expect increases in operating expenses to be slightly higher than normal in 2014, as we implement specific initiatives focused on grid reliability and safety. We also expect a reduction in Right of Way revenue from approximately 30 million dollars in 2013, down to 10 to 20 million dollars this year. This range remains well above historic norms, although we anticipate a trend toward more normal levels over the next several years.

Joe McGoldrick will now update you on gas operations.

Joe McGoldrick - executive vice president and president, Gas Division

Thank you, Tracy.

For the past several years, our natural gas utilities have worked diligently to build an efficient and effective business model while growing earnings. We have implemented a number of regulatory mechanisms that are now producing a predictable amount of annual incremental revenue with reduced regulatory lag. We have also continued an expense management effort that has resulted in essentially no change in our O&M expenses over the past 5 years, when pass through expenses associated with energy efficiency programs are excluded, and our credit and collections processes continue to effectively limit bad debt expenses.

Collectively these efforts to manage business performances have paid off as evidenced by the doubling of operating income in seven years and record operating income reported today for our natural gas utilities in 2013. None of these improvements were made at the expense of operations. In fact, reliability, safety, and customer service have all improved over that time.

Operating income in 2013 was 263 million dollars as compared to 226 million dollars in 2012. Rate relief, growth, cost management efforts, and a return to normal weather compared to an extremely mild 2012 resulted in a strong operational performance. Moreover, as a result of our weather hedging strategy and Weather Normalization Adjustments in some jurisdictions, we saw only a small net benefit from increased usage due to weather in 2013. The important point is that structural changes, coupled with innovative rate mechanisms, resulted in record financial performance without relying on significantly increased weather related usage.

Like Houston Electric, our natural gas utilities had a significant capital program in 2013, investing 430 million dollars, a 20 percent increase over 2012. The customer count in our service area grew at an average of 1 percent in 2013 driven by robust growth in our largest service areas of Houston and Minneapolis. These benefits were partially offset by an expected increase in bad debt expenses, associated with colder weather, as well as higher depreciation and tax expense.

In 2014, our natural gas utilities expect to add more than 30,000 new customers. Moreover, we expect to invest 520 million dollars this year, an additional 20 percent increase over last year's investment. Our five year capital plan is expected to exceed 2.2 billion dollars and will target safety and reliability related infrastructure, growth, and system modernization.

On the regulatory front, there are three items I would like to mention: first, our Minnesota rate case was heard by an administrative law judge in January 2014, and we expect a final decision by the Public Utilities Commission by mid-summer; second, in December we resolved a rate inquiry by the City of Houston without a need for further proceedings; and third, the Texas Supreme Court has confirmed that the Texas Railroad Commission had the authority to approve a cost of service adjustment rider, or COSA, which we utilized from 2009 to 2011. We expect this decision will eliminate the potential to refund amounts collected under that rider.

Our energy services business reported 2013 operating income of 13 million dollars as compared to 2 million dollars in 2012, after excluding the 2012 goodwill impairment charge. After adjusting for annual mark-to-market changes and one-time items, primarily the 2012 sale of a non-strategic asset, energy services operating income grew by $4 million dollars in 2013. Increased customer count and sales volumes in 2013 were partially offset by lower unit margins in more competitive markets. As part of our gas operations group, this business supports customer needs for tailored commodity solutions. We expect this business to provide between 15 and 25 million dollars of annual operating income during the planning horizon.

I'll now turn the call back to Scott who will discuss our investment in Enable.

Scott Prochazka- - president and CEO

Thank you, Joe. Once Enable Midstream Partners becomes a publicly traded company, it is our expectation that they will publically provide their financial and operational results. Accordingly, in the future we will generally limit the discussion in our earnings releases and calls to our portion of Enable's equity earnings and the cash distributions we receive from the partnership. However, in this call, we will provide a high level discussion of Enable's performance, although as you know, we are limited in what we can say due to their pending S-1 filing.

For the 8 month period from May 1, 2013, when Enable was formed, through December 31 of 2013, CenterPoint Energy recognized 173 million dollars of equity earnings from our investment in Enable and an additional 8 million dollars from our remaining ownership in SESH. We also received cash distributions of approximately 106 million dollars from Enable and 23 million from SESH during 2013. In February of this year, we received a cash distribution of approximately 67 million dollars associated with Enable's fourth quarter results. In total, our cash distribution related to Enable's 2013 performance is 173 million dollars for the eight months of May to December.

During the past year, Enable's Transportation and Storage segment continued to be challenged by on-going low seasonal and geographic price differentials, which reduced the demand for ancillary services and adversely impacted certain contract renewals. Enable's gathering and processing segment had a solid year despite relatively low commodity prices for most of the year and reduced gathering activity in the dry gas basins. Processing volumes, however, have continued to increase as a result of system expansions in its wet gas regions.

As you know, Lynn Bourdon became Enable's CEO at the beginning of February. We are excited to have Lynn in place and believe the strength of his broad industry experience and his high-energy leadership style are well suited to ensure Enable reaches its full potential. Through the efforts of Lynn and his team, good progress is being made toward the planned IPO.

I'll now turn the call over to Gary who can provide an update on financial activities.

Gary Whitlock - executive vice president and CFO

Thank you, Scott, and good morning to everyone. Before discussing various CenterPoint financial items, I would like to mention that Enable Midstream Partners recently filed a second amendment to its S-1 registration statement and is continuing to progress towards an initial public offering. Our goal remains to have an interest in a publicly traded master limited partnership. Given applicable SEC requirements, we are limited in what we can discuss regarding Enable and its IPO.

Now, let me update you on recent CenterPoint Energy related activities.

As you know, the company has benefited from a number of favorable actions by the rating agencies in 2013. In January of this year, Moody's more favorable view of the relative credit supportiveness of the U.S. regulatory environment was reflected in its upgrade of the debt of CenterPoint Energy, Inc. and Houston Electric. CenterPoint Energy's senior unsecured debt is now rated Baa1 and the mortgage bonds of Houston Electric are now rated A1.

Now, I would like to discuss our earning guidance range for 2014, which takes into consideration a number of economic and operational variables that may impact the actual earnings performance.

Effective with the formation of Enable Midstream Partners, we record our portion of the midstream partnership's earnings using the equity method of accounting. Therefore, our earnings per diluted share for 2014, represents the book after tax earnings we record from our utility operations and the book after tax earnings we record from Midstream investments.

We estimate earnings from our utility operations, inclusive of the parent company, to be in the range of 68 cents to 72 cents per diluted share for 2014. The utility operations guidance range considers significant variables that may impact earnings, such as weather, regulatory and judicial proceedings, volumes, commodity prices, ancillary services, effective tax rates, and financing activities.

We estimate equity earnings from our Midstream investments to be in the range of approximately 280 million dollars and 315 million dollars, or 40 cents to 45 cents per diluted share for 2014. This guidance includes our 58.3 percent ownership interest in Enable Midstream, our retained 25.05 percent interest in SESH and the amortization of our basis difference in Enable. This guidance does not include any gains or losses that result from Enable selling units or dilution associated with Enable's issuance of limited partnership units in its planned initial public offering. The midstream investments guidance range considers significant variables that may impact earnings such as commodity prices, volume throughput, ancillary services, weather, regulatory proceedings, effective tax rates, financing activities and potential net synergies realized as the partnership operations are fully integrated.

Our consolidated estimate of earnings on a guidance basis for the full year 2014 is in the range of one dollar and 08 cents to one dollar and 17 cents per diluted share. We have assumed a consolidated effective tax rate of approximately 36 percent, including a 38 percent tax rate for Enable's earnings, an average share count of approximately 431 million shares and lower interest expense. In addition, the company does not include the impact of any changes in accounting standards, any impact to earnings from the change in the value of Time Warner stocks and the related ZENS securities, or the timing effects of mark-to-market and inventory accounting in the company's energy services business. As the year progresses, we will keep you updated on our earnings expectations.

In closing, I would like to remind you of our revised dividend policy and the 23 and three quarter cent per share quarterly dividend declared by our Board of Directors on January 20th. This represented a 14.5 percent increase from our 2013 quarterly dividend. Our objective is to provide a quarterly cash dividend that is supported by the long-term stability and growth of our utility operations combined with the growth in the distributable cash flow from Enable. Our intention is to target a payout ratio of 60 to 70 percent of sustainable earnings from our utility operations and 90 to 100 percent of the net after-tax cash distributions we receive from Enable. We believe this revised policy represents our strong commitment to shareholders and the confidence we have in the underlying growth prospects for our utility operations and cash distributions from Enable.

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

Carla Kneipp - Vice President of Investor Relations

Thank you, Gary. In asking your questions, I would like to remind you that since Enable is in the process of pursing an IPO, we are restricted by SEC regulations in what we can discuss regarding the partnership.

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

Operator: The first question will come from Matt Tucker with KeyBank Capital Markets.

Matt Tucker: Hi, good morning. First question, the amortization of the basis difference, could you give us that number for 2013 and what you expect it to be for 2014?

Gary Whitlock: For 2013, it was a partial year, so it was about $5 million. Going forward, Matt, it's going to be $7 million, and you'll see that described in our 10-K as well. So it's going to be amortized over 30 years and approximately $7 million per year.

Matt Tucker: Great, thanks. And then I probably missed this, but did the guidance assume normal weather and I guess normal weather for the full year or kind of actual weather year-to-date and normal weather going forward?

Scott Prochazka: Matt, the guidance we gave was inclusive of what we've experienced to date. So we do have some feel for the relative favorability that we've seen so far. So that has been factored in.

Gary Whitlock: But you know we still have the summer in front of us, Matt, which you know has its implications.

Scott Prochazka: Yes, so it’s worth noting the balance of the year is assumed to be at normal.

Matt Tucker: Got it, thanks. And just last one, could you provide a little more of an update on your transmission proposals and kind of the timeline for that this year?

Tracy Bridge: Matt, as you may know, we've submitted several proposals to ERCOT for consideration. We're expecting a decision in the second quarter of this year, and if we are fortunate enough to receive ERCOT's recommendation, we will then proceed to the Public Utilities Commission of Texas for authorization to build that line. So we're in a watch-and-wait mode right now and we're optimistic that one of our proposals may be included in ERCOT's recommendation.

Scott Prochazka: Matt, it's also probably safe to note the PUC process can take upwards of a year after we make our submission. So the submission to the commission would be later this year and then they can take up to a year to decide.

Matt Tucker: Got it, thanks guys.

Operator: The next question will come from Carl Kirst with BMO Capital.

Carl Kirst: Thanks, good morning everybody. Actually, maybe just cueing off that last question could you -- I know you said you all submitted a range of, or several proposals, could you refresh my memory of what the range of invested capital would be for those proposals?

Scott Prochazka Yes. Carl, roughly, the range is somewhere between $300 million and $600 million, given the options involved. And keep in mind that some of those options would have us sharing some of the investment with, potentially, with other parties who are involved in the project.

Carl Kirst Fair enough. But that is -- but just to be clear, that is outside right now of the current 5-year budget?

Scott Prochazka That is correct. That's not included, at all, in our budget.

Carl Kirst: A couple of questions then. The first is, just to try and clarify, because of the dividend policy with respect to the payout on utility, the 90 to 100 percent of the after-tax cash distributions from Enable, Gary, what should we be using as a cash tax rate for Enable, from your all standpoint?

Gary Whitlock: That's a good question, Carl. I think you should use around 15 to 17 percent, and let me describe why. In the early years, I'm going to look in sort of a 5 year horizon, these cash taxes are lower in the early part and they then rise to a higher rate. So I think if you use 15 to 17 percent, that's sort of a sweet spot. We have to think about it as we think setting our dividend policy over a little longer horizon than just the current cash tax. Is that helpful?

Carl Kirst: Understood. Very helpful. And then maybe last question, if I could. And, certainly, Joe, you addressed the outlook for Energy Services within the planning horizon and maybe no more needs to be said. But I think back a few years, we were looking at a little bit higher number for what the potential run rate of Energy Services could be once we remove some of the volatility of the wholesale and sort of left it to the retail marketing. And is that just a function, essentially, of a more competitive market or is there something else going on that should we should be aware of?

Joe McGoldrick: Carl, I think you answered part of the question. And clearly, the market is more competitive, so that is impacting our margins somewhat. But also, we don't look like we did, say, 4 or 5 years ago. We had some assets back then that we were able to take advantage of when you had sort of volatility and frankly, we're seeing again this winter, but we don't have the ability to capture those margins any longer because, as you recall, our intent was to de-risk this business and make it a true retail sales business.

Carl Kirst: Great, appreciate the color, thank you.

Operator: The next question will come from Andrew Weisel with Macquarie Capital.

Andrew Weisel: Hi, good morning. Another question on the dividend growth here. You said, from Enable, it will be 90 to 100 percent of after-tax cash proceeds. Does that include only proceeds relative to the LP units or would that also include cash from the General Partner IDRs?

Gary Whitlock: No. Those are, the cash from the general partnership IDRs are yet to be determined. That’s further down the road. At this point, I think you think of it as an LP interest, the 58.3 percent, yes.

Andrew Weisel: And any potential cash from the GP would be, to be determined, what you do with that cash or would that…

Gary Whitlock: I think that's -- yes. I think that's right, Andrew, to be determined. But I think of it -- look, our dividend policy is very clear. Cash flows from Enable will be between 90 to 100 percent on an after-tax basis to our shareholders. I'm just saying, in the near term, the GP, obviously, we don't have the benefit of those IDRs, we will eventually. So I think thematically the board will make those determinations at that time. I think Enable cash flows, fundamentally will go to our shareholders.

Andrew Weisel: Okay, great. And then on the gas utilities, can you just remind us which ones have some form of weather decoupling or normalization and which have benefited from weather year-to-date?

Joe McGoldrick: Sure. We have weather normalization adjustments in our Arkansas, Louisiana, Oklahoma and Mississippi jurisdictions. And those operate through the performance-based mechanisms that exist in those states. Now, as you know, those are our smallest jurisdictions of our states. So Minnesota is clearly our most weather-dependent LDC that we have and has the most volumetric rates as well. So that's why we continue to hedge weather in both Minnesota and, primarily in Texas where we also do not have a WNA.

Andrew Weisel: Okay. Great. And then the last question is, any commentary on the gas retail marketing business year-to-date through these cold stretches?

Joe McGoldrick: Well, we're seeing, obviously, the volatility that's been discussed already and some very high peak prices. We've been able to take advantage of some of that, but also there are times when those are costs to you as well. So net-net, I wouldn't say it has had a material impact on our sales businesses in the year-to-date.

Andrew Weisel: Okay great. One last one if I can squeeze it in. And then, sorry, one last one if I can squeeze it in. The electric utility in Houston. Clearly, very strong account growth and usage trends, but you're also investing a lot of money based on the CapEx. So any high-level thoughts on when the next rate case might be necessary? And will the earnings grow between now and then, or will it just be a function of the ROE falling?

Scott Prochazka: Andrew, we will see earnings grow between now and the end of the period. The need for a formal rate proceeding is really pushed out because of the mechanisms that we have, coupled with just the growth that we're experiencing. So we get $25 million to $30 million of new revenue each year just off of growth. And then using the capital recovery mechanisms we have in electric around the transmission and the distribution side, we can pursue timely recovery for 90 -- over 90 percent of our capital that we spend there. So we've got those mechanisms that are going to keep us out of needing to file a formal rate case during this window of our plan.

Andrew Weisel: Meaning 5 years?

Scott Prochazka: Yes, correct.

Andrew Weisel: Terrific, thank you very much.

Operator: The next question will come from Faisel Khan with Citigroup.

Faisel Kahn: Thanks, good morning guys. I don't know if you had this in your prepared remarks or not, but given the spending plans you have at the utilities over the next few years, what kind of growth rate do you expect out of this sort of $0.68 to $0.72 number that you gave out for '14? So what's sort of the long-term growth trajectory of these earnings, given the spending plans you have at the electric and gas utilities?

Scott Prochazka: So Faisel, I did comment, but I'll just reiterate those -- my remarks. We see that with the plan we have in place that we would grow the utility earnings by about 4 to 6 percent over the plan period.

Faisel Kahn: Okay. Okay. Got it. And in the 2014 guidance, do you have any right of way easement grants in that number as well? What is that number?

Scott Prochazka: We have assumed that it would fall to somewhere between 10 to 20 million dollars, is what we had commented on. If you take a midpoint, it probably gives you a good feel for what we think it may be. But I can tell you, as we told you in the past, this can be very, very uncertain in terms of both the timing and the amounts, hence, the reason we gave a range. So it's very difficult to target a point value, but we think it's going to be dropping off, although it is going to stay above what we have seen on a historic basis.

Faisel Kahn: And can you remind us of what drives this sort of revenue out of this particular source of income?

Scott Prochazka: There are a number of companies and pipelines that are trying to put infrastructure in from the shale plays, which are outside of the Houston territory, and they're generally trying to get commodity over to the Houston Ship Channel. And the only way to get to the Houston Ship Channel through pipelines is to go through the city, and our right-of-ways present a great opportunity for them to get their pipes in.

Faisel Khan: Okay great. Thanks for the time, appreciate it.

Operator: The next question comes from Ali Agha with SunTrust.

Ali Agha: Thank you, good morning. Could you remind us, corresponding to the equity income or earnings that you budgeted from Enable for 2014, what's the distributed cash flow that comes from that?

Gary Whitlock: With the pending offering, I don't think it's proper to discuss the distributed cash flow.

Ali Agha: Okay. Because the S-1 gives numbers, I think, on a 12-month basis from March to March, so I was wondering is there a calendar '14 update or how we should think of that?

Gary Whitlock: Well, I think, when you think of our earnings guidance, Ali, we have taken into consideration what I would call the full year '14. As you just described, the S-1 is following normal protocol- and it has 9 months of '14 and then 3 months of '15. So we've made our assumptions and we've made our assumptions around those variables, of course, and including -- in determining our guidance.

Ali Agha: Okay. And then, Scott, to you, from your vantage point, from the CEO position, what's the current appetite for CenterPoint for additional regulated utility M&A at this point?

Scott Prochazka: Ali, I think the story you'll hear would be consistent with what you heard in the past, and that is we are interested in opportunities to make an acquisition if the opportunity presents itself. Now, we know it's tough in this space to do this, but we also know that we're going to be very discerning in terms of doing the analytics and making sure that what we would pursue is strategically aligned and it would be done at a value that would be accretive to our shareholders. So we remain interested in it, but it's difficult to do in this space.

Ali Agha: My last question, Scott, again to you. I mean, as you talked about you're looking at 4 to 6 percent EPS growth for the regulated business, assuming the Enable will add to that as well. Corresponding to that, how should we think about dividend growth for you? The investment case that you would make to us on the investment side would be what in terms of earnings and dividend right now?

Gary Whitlock: You know, Ali, the way we think about that, we obviously didn't give you a dividend growth rate and pretty simple, there are a number of moving parts here that's going to be, throughout this year, going to have significant more transparency around them. So we've tried to provide a policy that's very clear to investors. As you can see, the -- what I would call -- the significant inherent growth in the dividend, as Enable grows, and the clear policy around the distribution of cash and then the investment we make in the utility and the ability to grow the utility earnings. So we think our policy really speaks to – what we think will be really terrific, frankly, going forward, dividend growth. But we're not committed to, in fact, percentage around this. So I really think you look at the policy and then focus on the growth in the utility, and then what we expect is, will be strong performance by Enable as they execute their business plan over the longer term.

Ali Agha: Gary, what's the timing of the IPO? Last question.

Gary Whitlock: I can't comment on that. Sorry.

Ali Agha: Fair enough, thank you.

Operator: The next question will come from Steve Fleishman with Wolfe Research.

Steve Fleishman: Yeah, hi, can you hear me? Two questions. First, just to clarify is the utility 2014 of $0.68 to $0.72 a good clean base for the 4 to 6 percent growth rate?

Scott Prochazka: Yes, it is a good clean base.

Steve Fleishman: Okay. Good. And then, secondly, just the 15 to 17 percent cash tax rate on the Enable distribution that CenterPoint has, is that a number that will stay in that range for a number of years or does it go up over time?

Gary Whitlock: Steve, the way I'm providing that is-- the way we have to look at it because as you know there's timing. The timing, as I mentioned, on an earlier question, the rates actually start at less than 10 percent but they then ratchet up over, I'm going to look at a 5-year timeframe. If you average that, it's a 15 percent to 17 percent, and that's kind of the way we have to think about it. So we will distribute the cash, trying to have what I'd describe as a normalized cash rate. But yes, I think that's the way you think about it, certainly, in the foreseeable future, it's 15 percent to 17 percent.

Steve Fleishman: Okay. But in 2014, it's more, actually more like 10 percent?

Gary Whitlock: Well, it's less than 15 to 17 and then in years after that, it increases. And again, I'd just caution you, these are always complex issues around tax and tax laws can change, and that's always going to be a variable, but absolutely, in terms of the policy, of what we're shooting for and our objective is to distribute the after-tax cash from Enable to our shareholders.

Steve Fleishman: Okay, great. Thank you very much.

Operator: The next question comes from Charles Fishman with Morningstar.

Charles Fishman: Thank you. The 20 percent plus jump in natural gas distribution CapEx, '14 versus '13, that's driven by customer growth or are you accelerating some of your line replacement? What is -- what's going on there?

Joe McGoldrick: Sure. We have grown the capital program on our gas LDCs for the last several years. Five, six years ago, it only averaged about $200 million, and now we're closer to $400 million. It's really -- there is some growth capital in there, no doubt, but a lot of it is being driven by infrastructure replacement and a pipeline integrity regulation. As you're aware, after San Bruno, a lot of things have ratcheted up and so we are making a major investment and replacing a transmission pipe that loops the City of Minneapolis. And so there's a lot of safety and reliability-related infrastructure investments that we're making across all of our LDCs.

Charles Fishman: So the incremental between '14 and '13, it sounds like it's really that transmission line replacement around Minneapolis is being accelerated?

Joe McGoldrick: That's a lot of it. In addition to we continue with our automated meter reading program that continues to replace the old meters with new meters so we can read them remotely. And so, there are a number of things, but clearly, the pipeline integrity investment is a large portion of the increase.

Charles Fishman: And of the $521 million for this year, roughly what portion is covered by rate trackers?

Joe McGoldrick: Approximately 50 percent.

Charles Fishman: Okay. That’s it, thank you.

Operator: Our final question is from Carl Kirst with BMO Capital.

Carl Kirst: Thanks. Actually, I think most have been hit. Gary, maybe -- one other, this might be a little arcane, but if Comcast actually buys Time Warner, does that impact the ZENs at all?

Gary Whitlock: It does not impact the ZENs. What it does, it really substitutes another share. As you know, we started with one reference share, now we have 3 companies, so you'll have -- at this point, we have Time Warner Cable, and now, once they merge, it will be Comcast or whatever. But it's just another reference share.

Carl Kirst: Okay, perfect. Alright, thank you so much.

Operator: The final question will come from Andrew Weisel with Macquarie Capital.

Andrew Weisel: Thanks for taking the follow up. Any thoughts or comments on the 2 CFO searches for Enable and CenterPoint?

Gary Whitlock: I don't know what you're up to, Andrew. I'm still here, buddy.

Andrew Weisel: Didn't you say last year that this would be your last year?

Gary Whitlock: No, well, I'm teasing, but I'll let Scott speak to both of those.

Scott Prochazka: Well, clearly, Gary is still here and he plans to be here for some additional time. So there's nothing underway in terms of finding his replacement at the current -- right now. We will be doing that at some point, but that will be later in the year.

Andrew Weisel: Okay. My mistake Gary, I wasn't suggesting anything.

Scott Prochazka: With respect to Enable, we are actively working on a CFO. I believe we're getting close. We haven't made an announcement. But we do believe we're getting close with all the activity underway. Lynn is active in that and he's leading that process, and Gary and Sean are both involved in that as well. But we're making good progress there and, hopefully, we're fairly close on that.

Andrew Weisel: Alright, thank you.

Carla Kneipp: With that, we will now end the call. Thank you for participating today. We appreciate your support, and have a nice day.

CenterPoint Energy

Cautionary Statement Regarding Forward-Looking Information

This information includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual events and results may differ materially from those expressed or implied by these forward-looking statements. Any statements in these remarks regarding the company's earnings outlook for 2014, future financial performance and results of operations, expected customer growth rates, anticipated capital expenditures, , future right of way revenues, future growth opportunities, Enable's contemplated initial public offering, targeted growth for earnings or dividends, future financings and any other statements that are not historical facts are forward-looking statements. Each forward-looking statement contained herein speaks only as of February 26, 2014, and we undertake no obligation to publically update or revise any forward looking statements except as required by law. Factors that could affect actual results include (1) state and federal legislative and regulatory actions or developments affecting various aspects of CenterPoint Energy's businesses (including the businesses of Enable Midstream Partners (Enable)), including, among others, energy deregulation or re-regulation, pipeline integrity and safety, health care reform, financial reform, tax legislation, and actions regarding the rates charged by CenterPoint Energy's regulated businesses; (2) state and federal legislative and regulatory actions or developments relating to the environment, including those related to global climate change; (3) timely and appropriate rate actions that allow recovery of costs and a reasonable return on investment; (4) the timing and outcome of any audits, disputes or other proceedings related to taxes; (5) problems with construction, implementation of necessary technology or other issues with respect to major capital projects that result in delays or in cost overruns that cannot be recouped in rates; (6) industrial, commercial and residential growth in CenterPoint Energy's service territories and changes in market demand, including the effects of energy efficiency measures and demographic patterns; (7) the timing and extent of changes in commodity prices, particularly natural gas and natural gas liquids, and the effects of geographic and seasonal commodity price differentials; (8) weather variations and other natural phenomena, including the impact on operations and capital from severe weather events; (9) any direct or indirect effects on CenterPoint Energy's facilities, operations and financial condition resulting from terrorism, cyber-attacks, data security breaches or other attempts to disrupt its businesses or the businesses of third parties, or other catastrophic events; (10) the impact of unplanned facility outages; (11) timely and appropriate regulatory actions allowing securitization or other recovery of costs associated with any future hurricanes or natural disasters; (12) changes in interest rates or rates of inflation; (13) commercial bank and financial market conditions, CenterPoint Energy's access to capital, the cost of such capital, and the results of its financing and refinancing efforts, including availability of funds in the debt capital markets; (14) actions by credit rating agencies; (15) effectiveness of CenterPoint Energy's risk management activities; (16) inability of various counterparties to meet their obligations; (17) non-payment for services due to financial distress of CenterPoint Energy's customers; (18) the ability of GenOn Energy, Inc. (formerly known as RRI Energy, Inc.), a wholly owned subsidiary of NRG Energy, Inc., and its subsidiaries to satisfy their obligations to CenterPoint Energy and its subsidiaries; (19) the ability of retail electric providers, and particularly the largest customers of the TDU, to satisfy their obligations to CenterPoint Energy and its subsidiaries; (20) the outcome of litigation brought by or against CenterPoint Energy or its subsidiaries; (21) CenterPoint Energy's ability to control costs; (22) the investment performance of pension and postretirement benefit plans; (23) potential business strategies, including restructurings, joint ventures, and acquisitions or dispositions of assets or businesses, for which no assurance can be given that they will be completed or will provide the anticipated benefits to CenterPoint Energy; (24) acquisition and merger activities involving CenterPoint Energy or its competitors; (25) future economic conditions in regional and national markets and their effects on sales, prices and costs; (26) the performance of Enable, the amount of cash distributions CenterPoint Energy receives from Enable, and the value of its interests in Enable, and factors that may have a material impact on such performance, cash distributions and value, including certain of the factors specified above and: (A) the integration of the operations of the businesses contributed to Enable; (B) the achievement of anticipated operational and commercial synergies and expected growth opportunities, and the successful implementation of Enable's business plan; (C) competitive conditions in the midstream industry, and actions taken by Enable's customers and competitors, including the extent and timing of the entry of additional competition in the markets served by Enable; (D) the timing and extent of changes in the supply of natural gas and associated commodity prices, particularly prices of natural gas and natural gas liquids, the competitive effects of the available pipeline capacity in the regions served by Enable, and the effects of geographic and seasonal commodity price differentials, including the effects of these circumstances on re-contracting available capacity on Enable's interstate pipelines; (E) the demand for natural gas, NGLs and transportation and storage services; (F) changes in tax status; (G) access to growth capital; (H) the availability and prices of raw materials for current and future construction projects; and (I) the timing and terms of Enable's planned initial public offering, the actual consummation of which is subject to market conditions, regulatory requirements and other factors; and (27) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2013, and other reports CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.