

2016 Annual Report



CenterPoint Energy PAC

**Our Company. Our Voice.
Our Future.**



A message from Tracy Bridge, Chair, CenterPoint Energy Political Council

I am pleased to share our 2016 CenterPoint Energy Political Action Committee (CNPPAC) annual report, which includes summaries of our state and federal activities and a list of candidates we supported. CNPPAC is bipartisan; we contribute to candidates of both political parties. CNPPAC supports candidates

who share our business objectives so that we can operate, serve and grow. In 2016 we contributed to 218 candidates at all levels of government. I hope you will take the time to review our report to see which candidates we supported in your state and community.

We continue to face significant legislative and regulatory challenges in our industry, and each election cycle is critical. Our elected representatives are making difficult choices that could fundamentally affect the pursuit of our vision to lead the nation in delivering energy, service and value.

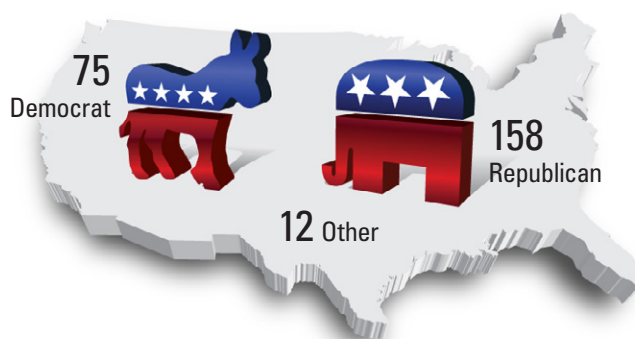
As chair of our political council, and through my interactions with elected officials, I see firsthand how decisions are made that impact our ability to grow and to serve.

Thank you for
your support!

Inside

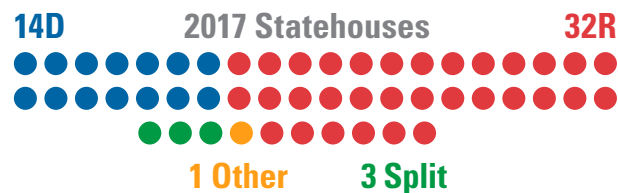
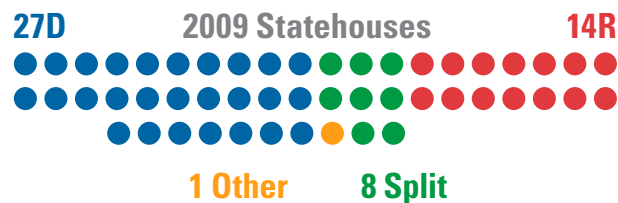
PAC membership	2
Federal affairs	3
State highlights: Arkansas, Louisiana	4
Minnesota, Mississippi	5
Oklahoma, Texas	6
Local government relations	7
Political Council members	11

Campaign count by party



To view last year's CNPPAC disbursements, [click here](#).

Shift in party control since 2008 election:





761

Politically engaged employees

PAC membership

CNPPAC introduced its Bronze, Silver and Gold membership levels in 2016. Bronze members pledge one-half of one percent (0.50%) of their annual salary and receive Yeti tumblers upon joining. Silver members pledge three quarters of one percent (0.75%) of their salary and receive wireless earbuds. Gold members pledge one percent (1%) of their salary and are invited to a leadership event. In 2016, the event was a luncheon at The Houston Club with Scott Prochazka and members of the Executive Committee.

Members were also invited to a Town Hall meeting immediately before the election on November 2 featuring Ross Ramsey, executive editor and co-founder of *The Texas Tribune*. Ross discussed national and local implications of the historic 2016 elections and offered some predictions on what a Republican or Democratic win for the White House would mean. He also answered questions on everything from the validity of newspaper endorsements in today's social media world to how a new president would overcome this election's animosities and unite the country. The meeting was live-streamed so that members in all locations could participate.



CNPPAC members Tami Miller and Keith Wall sign in at a PAC event, with Keira Clark and Laurie Burridge-Kowalik at the table.



Texas Lt. Governor Dan Patrick and Scott Prochazka, President and CEO of CenterPoint Energy at the luncheon hosted by CNPPAC.



CENTERPOINT ENERGY PAC

CORDIALLY INVITES YOU TO
ATTEND A LUNCHEON HONORING

LIEUTENANT GOVERNOR DAN PATRICK

THURSDAY, SEPTEMBER 29, 2016
11:30 AM – 1:30 PM
CORONADO CLUB
919 MILAM HOUSTON, TEXAS

Paid for by the CenterPoint Energy Political Action Committee

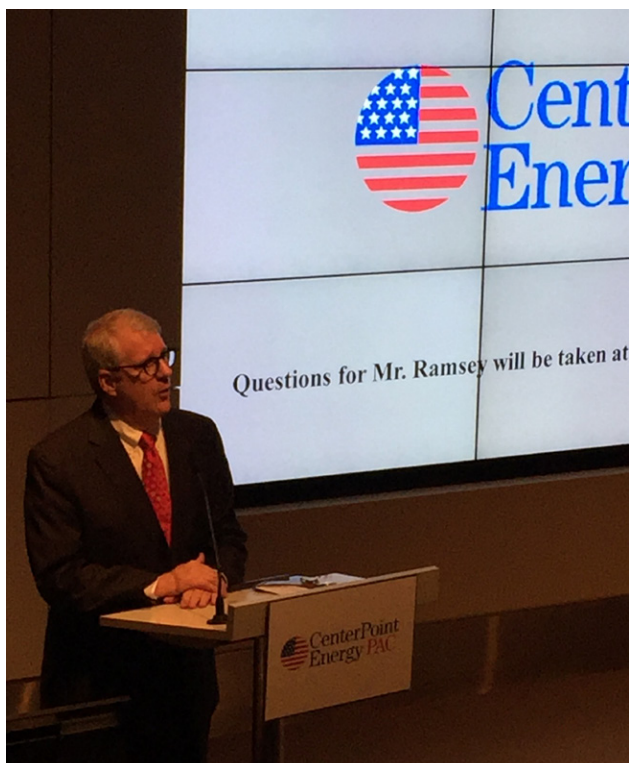


PAC members enjoying lunch prior to PAC Town Hall featuring Ross Ramsey, editor of the Texas Tribune

Federal Affairs

2016 was another great year for CNP Federal Relations as we continued working to engage more with our members of Congress in their districts. We hosted coffees at CNP Tower in Houston for U.S. Senator James Lankford (R-OK), Congressman Brian Babin (R-TX-36), Congressman Fred Upton (R-MI-10, Chair of the Committee on Energy and Commerce) and Congressman Randy Weber (R-TX-14) to introduce them to CNP leadership.

By working with other businesses in the Houston area, CNP served as one of the hosts of breakfast events for several congressional members – Pete Olson (R-TX-11), Will Hurd (R-TX-1), Steve Scalise (R-LA-1), Brian Babin (R-TX-36) and U.S. Senator James Lankford (R-OK). As we move forward, we look forward to engaging further with the members of our congressional delegations from each of our operating jurisdictions.



Ross Ramsey, editor of The Texas Tribune, discussing the upcoming Federal election with CNPPAC members



June Deadrick, director of Texas State and Federal Relations, visits with U.S. Congresswoman Eddie Bernice Johnson (TX-D-20)

State Highlights

Arkansas

The 2016 Arkansas Legislative Session was a fiscal session, meaning that, with very limited exceptions, bills were restricted to those addressing tax and budget issues. The focus of the session was primarily on the appropriation of funds to support Medicaid expansion under the Affordable Care Act, pursuant to a program that, until very recently, was referred to in Arkansas as “the private option.” After reviewing the approximately 1,800 bills that were filed, we identified very few concerns about impacts on CNP’s business. Where there were some minor concerns, they were successfully addressed.



June Deadrick, director of Texas State and Federal Relations, with Congressman French Hill (AR-R-2)

Louisiana

The political year in Louisiana began on Jan. 11, 2016, with the swearing in of the state’s newly-elected governor, John Bel Edwards (D-Amite). He called the Legislature into Special Session on Feb. 14, 2016, to address the budget. What began on Feb. 14, the first day of the Special Session, did not end until June 23, 2016 – the last day of the Second Special Session. All told, the Louisiana Legislature met for a record 19 consecutive weeks.

Over the course of those 19 weeks we reviewed over 2,000 instruments and tracked more than 60. While the two Special Sessions were dedicated to fiscal issues and resulted in the Legislature adopting temporary tax measures to fill the budget hole – most notably a temporary increase of the state sales tax to 5 percent and a suspension of the business utility sales tax exemption – the non-fiscal Regular Session also included items of interest to CNP. HB 1068, which sought to create a regulatory framework for gas fitters, and HB 464, which sought to increase/readjust pipeline safety inspection fees, were of particular interest.

We worked with the author of HB 1068 to amend the bill in order to exempt from the regulations any entity “subject to the regulatory authority of the LPSC or the office of pipeline safety in LDNR”. Likewise, we worked with the author of HB 464, the chairman of House Natural Resources and other stakeholders to ensure that the final version of the bill was reasonable.



State Highlights ... continued

Minnesota

The 2016 Legislative Session ended May 22 with lawmakers failing to pass even a basic bonding bill containing important projects stretching all across Minnesota. The governor also pocket vetoed the omnibus tax bill, creating more uncertainty.

Regarding energy issues, CenterPoint Energy's message was again, primarily, "do-no-harm." Based on that objective, the 2016 legislative session was a success. Several issues from last year emerged periodically, such as the Conservation Improvement Program, pipeline relocation and abandoned lines, HVAC statewide licensing, local government notice of franchise fees, etc.

On the proactive side, we continued our efforts to pass legislation on natural gas vehicles along with other interested stakeholders. The bill would have provided rebates for infrastructure (fueling stations) and certain types of vehicles. Last session the initiative made it to the very final negotiations, but in the end was a victim of last minute maneuvering. This year it was a victim of politics and the reduced availability of money, with House Republicans opposed to using general fund money for the initiative and the Senate budget targets for energy set very low.

In 2016, all 134 House members and 67 senators were on the ballot as well as all eight U.S. House of Representatives who stood for reelection. Control of the Senate is now in Republican hands by a 34-33 majority and the House by a majority of 76-57.



Susan Turbes, associate director of State Government Relations, with State Representative Melissa Hortman (Dist 36B)

Mississippi

The 2016 Mississippi legislature session was the first session of a four-year term. Only 376 of the 2,963 introduced pieces of legislation were signed into law. While we reviewed every bill to weigh its potential impact on CNP's business in Mississippi, we closely tracked roughly 30 bills that could have had a positive or negative impact.

We supported SB 2755, which was enacted. It strengthens Mississippi's excavation law to better protect the public and underground utility lines. We made sure that bills allowing expansion of various municipal and natural gas district service territories did not encroach on, or interfere with, existing and potential CenterPoint Energy certificated areas, and that any expansion by such entities would still require Mississippi Public Service Commission approval. We also opposed a couple of bills that required Mississippi State Oil and Gas Board declarations of common carrier status for condemnations for gas pipelines rights-of-way. Those bills died.

The 2017 Mississippi legislative session, which began its three-month term on Jan. 3, will address many issues, with education funding still being at the top of the list. State employee raises may be on the agenda, with the Mississippi Public Utilities Staff employees not having had a pay increase in 11 years. We do not expect a significant number of energy and utility-related bills.

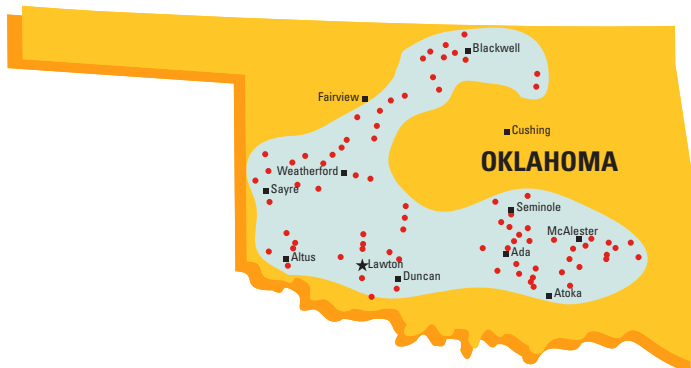


Trey Kuchar, VP of Regional Operations, Tina Lakey, district director, and U.S. Senator Roger Wicker (R-MS)



State Highlights ... continued

Oklahoma



The State of Oklahoma began the 2016 session facing a budget deficit of approximately \$1.4 billion. The legislature ultimately made this deficit up through the passage of a number of fee increases and the use of approximately \$600 million in one-time funds. More than 5,000 bills were filed in the 2016 Oklahoma legislative session. Following review of all bills filed, we identified approximately 80 bills that we actively tracked throughout the session. Priority bills included bills related to the installation of meters with automated meter reading (AMR) technology, eminent domain, pipeline routing and underground facilities damage prevention. All issues of concern to CNP were successfully addressed.



Texas

2016 was an interim year for the Texas Legislature and our government affairs team spent that time in research and preparation for the 85th Regular Session. Throughout the year, the Texas Sunset Commission held hearings on the Texas Railroad Commission, which is of utmost interest to our gas business. Additionally, both the Sunset Commission and Texas House Committee on Transportation held hearings on the Texas Department of Transportation – an agency that can impact our businesses as well. CenterPoint Energy Government Affairs provided testimony and information for both of these agencies in the hearings.



Texas Commissioner of Agriculture Sid Miller (R) and Gerard Torres, director of Texas State Relations



Texas Governor Greg Abbott, his wife Cecilia Abbott and Jeff Bonham, Vice President of Texas State Relations

Where money went in 2016

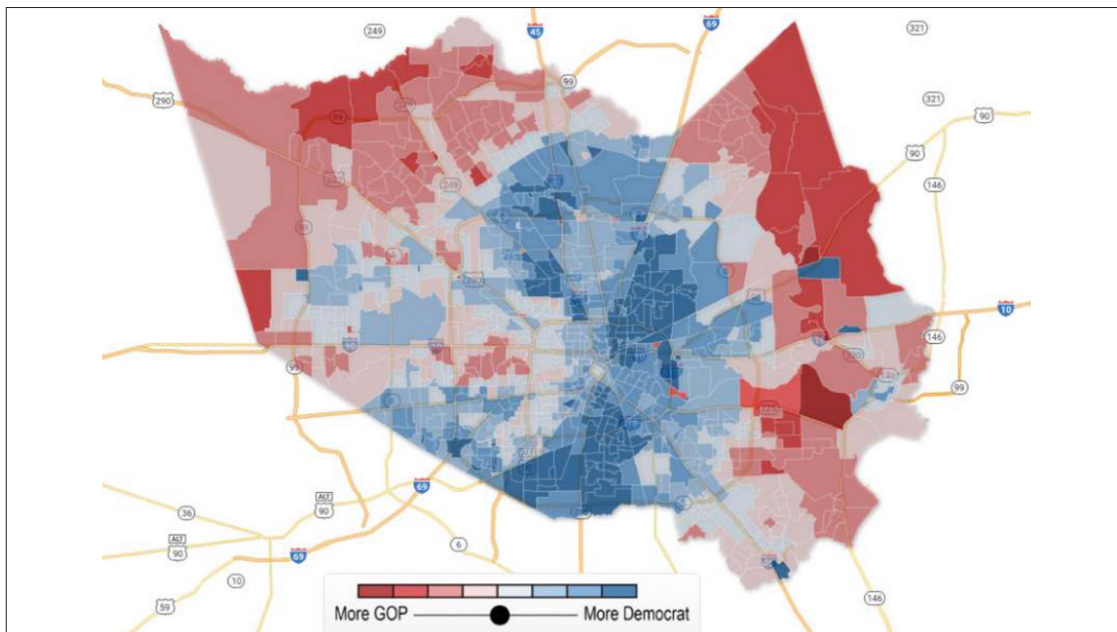


▲ STATE 75%

13% FEDERAL ▲

▲ LOCAL 12%

Texas local relations: How Harris County voted in 2016



Harris Co. Voter Turnout

2016 Presidential Election 61%
2015 Non-Presidential Election . . 21%

2016 Harris Co. Straight Party Vote

Republican 45%
Democrat. 53%
Other 2%

2016 Harris Co. Votes

Straight Ticket . . . 66%
Independent 34%

County Attorney

(i) Vince Ryan (D) 53.7%
Jim Leitner (R) 46.3%

District Attorney

Kim Ogg (D) 54.2%
(i) Devon Anderson (R) 45.8%

County Sheriff

Ed Gonzalez (D) 52.8%
(i) Ron Hickman (R) 47.2%

County Tax Assessor

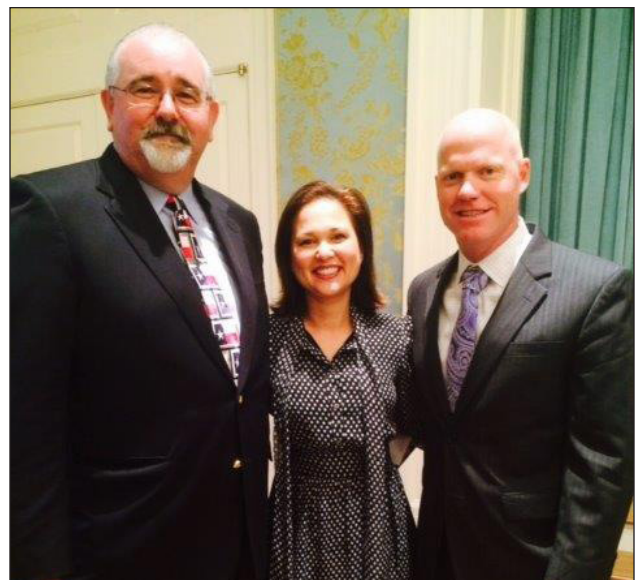
Ann Harris Bennett (D) 50.3%
(i) Mike Sullivan (R) 49.7%



Anthony Haley, contract lobbyist; Michael Martin and his father, Houston City Council Member Dave Martin; and Paul Lock, Local Government Relations manager



Scott Doyle, senior vice president of Natural Gas Distribution, and Houston Mayor Sylvester Turner



Jack Cagle, Harris County Commissioner Precinct 4, Elizabeth Brock, Local Government Relations director, and Steve Greenley, vice president of Distribution Power Delivery



June Deadrick, director of Texas State and Federal Relations, talked with U.S. Congressman Bennie Thompson (D-MS-2)



CNP District Director Tina Lakey, First Lady Deborah Bryant and Mississippi Governor Phil Bryant



Texas Governor Greg Abbott



Michelle French, Local Relations program manager; Brenda Stardig, Houston City Council member; and Paul Lock, manager of Local Government Relations



Susan Turbes, associate director of State Government Relations, Mark Benson, VP of Government Affairs for Potlatch Corp., U.S. Congressman Erik Paulsen (R-MN-3) and Jim Girard, contract lobbyist



Jeff Bonham, vice president of Texas State Relations, visits with State Representative Byron Cooke (R-TX-8)



State Senator Royce West (D-TX-23) and June Deadrick, director of Texas State and Federal Relations



Former Ambassador Arthur Schecter (left) visits with Houston City Council Member Ellen Cohen (center), Annette Edmonds (right) CNPPAC Treasurer and Manager of Government Affairs, and others



Political Council members

TRACY BRIDGE, Chairman EVP and Division President

David Baker

VP, Customer Services
Houston, TX

Eric Barkley

District Director
Shreveport, LA

Jeff Bonham

VP, Texas State Relations
Austin, TX

Elizabeth Brock

Director, Local Govt. Relations
Houston, TX

Scott Doyle

Sr. VP, Natural Gas Distribution
Houston, TX

Diane Englet

Sr. Director, Corporate Community Relations
Houston, TX

Steve Greenley

VP, Distribution Power Delivery
Houston, TX

Kenny Henderson

Associate General Counsel
Little Rock, AR

George Hepburn

Division Sr. VP and General Counsel
Gas Operations
Houston, TX

Kimberly Johnston

VP, Tax
Houston, TX

Dominic Robinson

Service Area Director
Houston, TX

Jason Ryan

VP and Assoc. General Counsel,
Regulatory and Govt. Affairs
Houston, TX

Susan Turbes

Assoc. Director, State Govt. Relations
Minneapolis, MN

Keith Wall

Director, Regulatory Affairs
Houston, TX

Annette Edmonds

PAC Treasurer and Manager, Govt. Affairs
Houston, TX



*Houston City Council Member Amanda Edwards and Paul Lock,
Local Government Relations manager*



*Kenny Mercado, senior vice president of Electric Operations;
Tina Paez, City of Houston; and State Representative
Ana Hernandez (D-TX-143)*