

CENTERPOINT ENERGY INC
Form DEF 14A
March 13, 2015
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Exchange Act Rule 14a-12

CenterPoint Energy, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

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1) Amount Previously Paid:

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4) Date Filed:

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CenterPoint Energy, Inc.

Notice of Annual Meeting of Shareholders

to be held on April 23, 2015

and Proxy Statement

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[Welcome to the CenterPoint Energy](#)

[Annual Shareholder Meeting](#)

March 13, 2015

Dear Fellow Shareholders:

We are pleased to invite you to attend our annual shareholder meeting to be held on April 23, 2015, at 9:00 a.m. in our auditorium located at 1111 Louisiana Street in Houston, Texas.

As explained in the enclosed proxy statement, at this year's meeting you will be asked to vote (i) **for** the election of nine directors, (ii) **for** the ratification of the appointment of the independent auditors, (iii) **for** the approval, on an advisory basis, of CenterPoint Energy's executive compensation, (iv) **for** the reapproval of the material terms of the performance goals under our 2009 Long-term Incentive Plan, (v) **for** the reapproval of the material terms of the performance goals under our Short-term Incentive Plan, and (vi) **against** a shareholder proposal regarding the preparation of an annual report on lobbying, and to consider any other business that may properly come before the meeting.

Your vote is very important to us — participate in the future of CenterPoint Energy and exercise your shareholder right by voting your shares right away.

Only shareholders of record at the close of business on February 23, 2015, or their proxy holders, may vote at the meeting. Attendance at the meeting is limited to shareholders or their proxy holders and CenterPoint Energy guests. Only our shareholders or their valid proxy holders may address the meeting.

Please review the proxy card for the instructions on how you can vote your shares over the internet, by telephone or by mail. It is important that all CenterPoint Energy shareholders, regardless of the number of shares owned, participate in the affairs of the Company. At CenterPoint Energy's 2014 Annual Shareholder Meeting, approximately 86 percent of the Company's outstanding shares were represented in person or by proxy.

Thank you for your continued interest in CenterPoint Energy.

Sincerely,

Milton Carroll

Scott M. Prochazka

Executive Chairman of the Board

President and Chief Executive Officer

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CenterPoint Energy

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Always There.®

Notice of Annual Meeting of Shareholders

Dear Shareholders:

You are cordially invited to attend the 2015 annual meeting of shareholders of CenterPoint Energy, Inc. This is your notice for the meeting.

TIME AND DATE

9:00 a.m. Central Time on April 23, 2015

PLACE

The CenterPoint Energy auditorium at 1111 Louisiana, Houston, Texas

ITEMS OF BUSINESS

elect the nine nominees named in the Proxy Statement as directors to hold office until the 2016 annual meeting;
ratify the appointment of Deloitte & Touche LLP as our independent auditors for 2015;
conduct an advisory vote on executive compensation;
reapprove the material terms of the performance goals under our 2009 Long-term Incentive Plan to allow certain awards to continue to qualify as performance-based compensation deductible under Internal Revenue Code Section 162(m);
reapprove the material terms of the performance goals under our Short-term Incentive Plan to allow certain awards to continue to qualify as performance-based compensation deductible under Internal Revenue Code Section 162(m);
consider a shareholder proposal regarding preparation of an annual lobbying report, if properly presented at the meeting; and
conduct other business if properly raised.

RECORD DATE

Shareholders of record at the close of business on February 23, 2015 are entitled to vote.

PROXY VOTING

Each share entitles the holder to one vote. You may vote either by attending the meeting or by proxy. For specific voting information, please see [Frequently Asked Questions About Voting](#) beginning on page 1 of the Proxy Statement that follows. **Even if you plan to attend the meeting, please sign, date and return the enclosed proxy card or submit your proxy using the Internet or telephone procedures described on the proxy card.**

Sincerely,

Dana C. O'Brien

Senior Vice President, General Counsel and

Corporate Secretary

Dated and first mailed

to shareholders

on or about March 13, 2015

Important Notice Regarding the Availability of Proxy Materials for the Annual Shareholder Meeting to be Held April 23, 2015

The proxy statement and annual report to shareholders are available at:

<http://materials.proxyvote.com/15189T>

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2015 Proxy Statement

CENTERPOINT ENERGY, INC.

1111 Louisiana

Houston, Texas 77002

(713) 207-1111

For deliveries by U.S. Postal Service:

P.O. Box 4567

Houston, Texas 77210-4567

Proxy Statement

FREQUENTLY ASKED QUESTIONS ABOUT VOTING

On what am I voting?

Item Description	More Information	Board Recommendation	Broker non-votes	Abstentions	Votes required for approval
Item 1: Election of directors	Page 4	FOR each nominee	Do not count	Do not count	Shares voted for must exceed shares voted against
Item 2: Ratification of appointment of independent auditors	Page 62	FOR	Do not count	Do not count	Shares voted for must exceed shares

Item 3: Advisory vote on executive compensation	Page 63	FOR	Do not count	Do not count	voted against Shares voted for must exceed shares voted against
Item 4: Reapproval of material terms of performance goals under 2009 Long-term Incentive Plan	Page 65	FOR	Do not count	Do not count	Shares voted for must exceed shares voted against
Item 5: Reapproval of material terms of performance goals under Short-term Incentive Plan	Page 73	FOR	Do not count	Do not count	Shares voted for must exceed shares voted against
Item 6: Shareholder proposal regarding preparation of an annual report on lobbying Who may vote?	Page 76	AGAINST	Count as a vote against	Count as a vote against	Majority of shares entitled to vote

Shareholders recorded in our stock register at the close of business on February 23, 2015 may vote at the meeting. As of that date, there were 429,946,675 shares of our common stock outstanding.

How many votes do I have?

You have one vote for each share of our common stock you owned as of the record date for the meeting.

How do I vote?

Your vote is important. You may vote in person at the meeting or by proxy. We recommend you vote by proxy even if you plan to attend the meeting. You may always change your vote at the meeting if you are a holder of record or have a proxy from the record holder. Giving us your proxy means that you authorize us to vote your shares at the meeting in the manner you indicated on your proxy card. You may also provide your proxy using the Internet or telephone procedures described on the proxy card.

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2015 Proxy Statement

Frequently Asked Questions About Voting (continued)

You may vote for or against each director nominee and the proposals under Item 2 (ratification of appointment of independent auditors), Item 3 (advisory vote on executive compensation), Item 4 (reapproval of the material terms of performance goals under our Long-term Incentive Plan), Item 5 (reapproval of the material terms of performance goals under our Short-term Incentive Plan) and Item 6 (shareholder proposal regarding preparation of an annual report on lobbying), or you may abstain from voting on these items. If you give us your proxy but do not specify how to vote, we will vote your shares in accordance with the Board's recommendations.

What are the Board's recommendations?

The Board's recommendations are set forth together with the description of each item in this proxy statement. In summary, the Board and, with respect to the ratification of the independent auditors, the Audit Committee, recommends a vote as follows:

FOR the election of the nine nominees named in this proxy statement as directors;

FOR the ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2015;

FOR the approval, on an advisory basis, of the compensation paid to our named executive officers as disclosed in this proxy statement;

FOR the reapproval of the material terms of performance goals under our Long-term Incentive Plan;

FOR the reapproval of the material terms of performance goals under our Short-term Incentive Plan; and

AGAINST the shareholder proposal regarding preparation of an annual report on lobbying.

If any other matters properly come before the annual meeting, we will vote the shares in accordance with our best judgment and discretion.

What if I change my mind after I have voted?

You may revoke your proxy before it is voted by:

submitting a new proxy card with a later date;

voting in person at the meeting; or

giving written notice to Ms. Dana C. O'Brien, Corporate Secretary, at CenterPoint Energy's address shown above.
Will my shares be voted if I do not provide my proxy?

It depends on whether you hold your shares in your own name or in the name of a bank or brokerage firm. If you hold your shares directly in your own name, they will not be voted unless you provide a proxy or vote in person at the meeting.

Brokerage firms generally have the authority to vote their customers' unvoted shares on certain routine matters. If your shares are held in the name of a broker, bank or other nominee, such nominee can vote your shares for the ratification of Deloitte & Touche LLP as our independent auditors for 2015 if you do not timely provide your proxy because this matter is considered routine under the applicable rules. However, no other items are considered routine and may not be voted on by your nominee without your instruction.

For all items other than ratification of our independent auditors, brokers holding shares must vote according to specific instructions they receive from the beneficial owners of those shares because the New York Stock Exchange precludes brokers from exercising voting discretion on certain proposals without specific instructions from the beneficial owner as to how to vote. Brokers cannot vote on Item 1 (election of directors), Item 3 (advisory vote on executive compensation), Item 4 (reapproval of the material terms of performance goals under our Long-term Incentive Plan), Item 5 (reapproval of the material terms of performance goals under our Short-term Incentive Plan), or Item 6 (shareholder proposal regarding preparation of an annual report on lobbying) without instructions from the beneficial owners. If you do not instruct your broker how to vote with respect to Item 1, Item 3, Item 4, Item 5 or Item 6, your broker will not vote for you with respect to those items.

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Frequently Asked Questions About Voting (continued)

Do I need a ticket to attend the meeting?

To be admitted to the meeting, you must provide proof of ownership of our common stock and proof of identification. If you plan to attend the meeting and your shares are held by banks, brokers, stock plans or other holders of record (in street name), you will need to provide proof of ownership. Examples of proof of ownership include a recent brokerage statement or letter from your broker or bank. All shareholders will be required to present valid picture identification, such as a driver's license, before being admitted to the meeting.

What constitutes a quorum?

To carry on the business of the meeting, we must have a quorum. This means at least a majority of the shares of common stock outstanding as of the record date must be represented at the meeting, either by proxy or in person. Shares of common stock owned by CenterPoint Energy are not voted and do not count for this purpose.

Abstentions and proxies submitted by brokers that do not indicate a vote because they do not have discretionary authority and have not received instructions as to how to vote on a proposal (so-called broker non-votes) will be considered as present for quorum purposes.

What vote is required to approve each of the proposals?

Under our bylaws, directors are elected by a majority of the votes cast at the meeting. This means that the number of votes cast for a director must exceed the number of votes cast against that director. Abstentions and broker non-votes will not affect the outcome of the vote. For additional information on the election of directors, see Election of Directors (Item 1) Majority Voting in Director Elections.

Each of the ratification of the appointment of independent auditors (Item 2), approval of the resolution included in Item 3 (advisory vote on executive compensation), approval of the proposal included in Item 4 (reapproval of the material terms of performance goals under our Long-term Incentive Plan) and approval of the proposal included in Item 5 (reapproval of the material terms of performance goals under our Short-term Incentive Plan) requires the affirmative vote of a majority of the shares of common stock entitled to vote and voted for or against the item. Abstentions and broker non-votes will not affect the outcome of the vote on these items. The resolution included in Item 6 (shareholder proposal regarding preparation of an annual report on lobbying) requires the affirmative vote of a majority of the shares of common stock entitled to vote. Broker non-votes and abstentions will have the same effect as

a vote against this item.

Who conducts the proxy solicitation and how much will it cost?

CenterPoint Energy is requesting your proxy for the annual shareholder meeting and will pay all the costs of requesting shareholder proxies, including a fee of \$13,000 plus expenses to Morrow & Co., LLC, 470 West Ave., Stamford, CT 06902, who will help us solicit proxies. We can request proxies through the mail, in person, or by telephone, fax or Internet. We can use directors, officers and other employees of CenterPoint Energy to request proxies. Directors, officers and other employees will not receive additional compensation for these services. We will reimburse brokerage firms, nominees, fiduciaries, custodians, and other agents for their expenses in distributing proxy material to the beneficial owners of our common stock.

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ITEM 1: ELECTION OF DIRECTORS

Nominees for Directors

Each of our directors will be elected at this year’s meeting to a one-year term expiring at the annual meeting in 2016.

If any nominee becomes unavailable for election, the Board of Directors can name a substitute nominee, and proxies will be voted for the substitute nominee pursuant to discretionary authority.

Unless otherwise indicated or the context otherwise requires, when we refer to periods prior to September 1, 2002, CenterPoint Energy should be understood to mean or include the public companies that were its predecessors.

Listed below are the biographies of each director nominee. The biographies include information regarding each individual’s service as a director of the Company, business experience, director positions at public companies held currently or at any time during the last five years, and the experiences, qualifications, attributes or skills that caused the Governance Committee and the Board to determine that the person should serve as a director for the Company.

The nine nominees for election in 2015 are listed below.

MILTON CARROLL

Milton Carroll, age 64, has been a director since 1992. He has served as Executive Chairman since June 2013 and as Chairman from September 2002 until May 2013. Mr. Carroll has served as a director of Halliburton Company since 2006, Western Gas Holdings, LLC, the general partner of Western Gas Partners, LP, since 2008, and LyondellBasell Industries N.V. since July 2010. He has served as a director of Healthcare Service Corporation since 1998 and as its chairman since 2002. He previously served as a director of LRE GP, LLC, general partner of LRR Energy, L.P., from November 2011 to January 2014.

Non-Independent Director

Nominee

Executive Chairman

Committees:

The Board determined that Mr. Carroll should be nominated for election as a director due to his extensive knowledge of the Company and its operations gained in over 20 years of service as a director of the Company, its predecessors and affiliates. The Board values Mr. Carroll’s knowledge of the oil and natural gas industries, board leadership skills and corporate governance expertise.

None

MICHAEL P. JOHNSON

Michael P. Johnson, age 67, has been a director since July 2008. Mr. Johnson has been the President and Chief Executive Officer of J&A Group, LLC, a management and business consulting company, since January 2009. He served from 2002 until his retirement in March 2008 as Senior Vice President and Chief Administrative Officer of The Williams Companies, Inc., a publicly held natural gas producer, processor and transporter. Prior to joining the Williams Companies, he served in various executive capacities with Amoco Corporation. He has served as a director of Buffalo Wild Wings, Inc. since 2006, and QuikTrip Corporation, a private company, since 2001 and previously served as a director of Patriot Coal Corporation from 2008 to December 2013. He also serves on the Oklahoma Advisory Board of Health Care Service Corporation and on the boards of several charitable organizations and foundations.

Independent Director Nominee

Committees:

The Board determined that Mr. Johnson should be nominated for election as a director due to his extensive management and leadership experience as a senior executive officer of major international companies. The Board values Mr. Johnson's knowledge of the oil and gas industry and expertise in corporate governance and human resources matters.

Compensation (Chair),
Governance

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*Item 1: Election of Directors (continued)***JANIECE M. LONGORIA**

Janiece M. Longoria, age 62, has been a director since 2005. Ms. Longoria is a partner in the law firm of Ogden, Gibson, Broocks, Longoria & Hall, L.L.P. in Houston, Texas and has a concentration of experience in commercial and securities-related litigation and regulatory matters. She has served as commissioner of the Port of Houston Authority since 2002 and as its chairman since January 2013 and as a director of the Texas Medical Center from 2011 to present. She previously served as a director of Patriot Coal Corporation from January 2011 to December 2013 and as member of The University of Texas System Board of Regents and the University of Texas Investment Management Company from February 2008 to February 2011.

Independent Director Nominee**Committees:**

Audit, Governance

The Board determined that Ms. Longoria should be nominated for election as a director due to her extensive legal and regulatory expertise, her experience serving as chairman of the Port of Houston Authority Commission and her experience in oversight positions on boards of major governmental and civic organizations. The Board also values her service on boards of charitable organizations and extensive community involvement.

SCOTT J. McLEAN

Scott J. McLean, age 58, has been a director since December 2013. Mr. McLean is Chairman of Amegy Bank of Texas and President of Zions Bancorporation. Prior to joining Amegy in 2002, he was with JPMorgan Chase for 23 years, where he served in a number of roles, including president in Dallas, chairman in El Paso and president in Houston. He currently serves on the Southern Methodist University Board of Trustees and the boards of the United Way of Greater Houston and the Memorial Hermann Healthcare System.

Independent Director Nominee**Committees:**

The Board determined that Mr. McLean should be nominated for election as a director due to his extensive financial, banking and executive management experience. The Board also

benefits from his experience in leadership roles with numerous business, civic and charitable organizations.

Audit, Compensation

THEODORE F. POUND

Theodore F. Pound, age 60, is a first-time nominee to the CenterPoint Energy Board of Directors. If elected, Mr. Pound will commence his service on the Board following the Annual Meeting. Mr. Pound has served as Vice President, General Counsel and Corporate Secretary of Select Energy Services, LLC, a private company providing water solutions and well-site services to energy producers, since January 2013. He previously served as Vice President, General Counsel and Secretary of Allis-Chalmers Energy, Inc., a publicly-traded oilfield services company, from September 2004 to March 2011, when it was acquired by Seawall Limited. Mr. Pound has practiced law in Texas for over 30 years, primarily in the areas of mergers and acquisitions, corporate finance, securities, compliance and governance.

**Independent Director
Nominee**

Committees:

To be determined

The Board determined that Mr. Pound should be nominated for election as a director due to his extensive legal, compliance and corporate governance expertise and his over 30 years of experience in advising public and private companies.

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2015 Proxy Statement

*Item 1: Election of Directors (continued)***SCOTT M. PROCHAZKA**

Scott M. Prochazka, age 49, has served as a director and President and Chief Executive Officer of CenterPoint Energy since January 1, 2014. He served as Executive Vice President and Chief Operating Officer of the Company from August 1, 2012 to December 31, 2013. He previously served as Senior Vice President and Division President, Electric Operations of the Company from May 2011 through July 2012; as Division Senior Vice President, Electric Operations of the Company's wholly owned subsidiary, CenterPoint Energy Houston Electric, LLC, from February 2009 to May 2011; as Division Senior Vice President, Regional Operations of the Company's wholly owned subsidiary, CenterPoint Energy Resources Corp., from February 2008 to February 2009; and as Division Vice President, Customer Service Operations, from October 2006 to February 2008. He currently serves on the Boards of Directors of Enable GP, LLC, the general partner of Enable Midstream Partners, LP, Gridwise Alliance, Edison Electric Institute, American Gas Association, Greater Houston Partnership and Junior Achievement of South Texas.

Non-Independent Director Nominee*Chief Executive Officer***Committees:**

None

The Board determined that Mr. Prochazka should be nominated for election as a director due to his extensive knowledge of the industry and the Company, its operations and people, gained in his years of service with the Company in positions of increasing responsibility.

SUSAN O. RHENEY

Susan O. Rheney, age 55, has been a director since July 2008. Ms. Rheney is a private investor. She has served as a director of QEP Midstream Partners GP, LLC, the general partner of QEP Midstream Partners, LP, a publicly traded limited partnership, since June 2013. From 2002 until March 2010, she served as a director of Genesis Energy, Inc., the general partner of Genesis Energy, LP, a publicly traded limited partnership. From 2003 to 2005, she was a director of Cenveo, Inc. and served as chairman of the board from January to August 2005. She also served until 2001 as a principal with The Sterling Group, a private financial and investment organization.

Independent Director Nominee**Committees:**

The Board determined that Ms. Rheney should be nominated for election as a director due to her extensive financial management and accounting expertise and experience as a director of midstream oil and gas companies. The Board benefits from her experience implementing strategic and operational initiatives at a variety of firms.

Audit

PHILLIP R. SMITH

Phillip R. Smith, age 63, has been a director since March 2014. He is President and Chief Executive Officer of Torch Energy Advisors, Inc. Mr. Smith joined Torch as interim President and Chief Executive Officer in October 2012 and was named President and Chief Executive Officer effective January 2013. Prior to joining Torch, Mr. Smith was a partner with KPMG LLP from 2002 to September 2012. Mr. Smith also serves on the Board of Directors and as audit committee chair for Oilstone Energy Services, Inc., a position he has held since October 2014.

**Independent Director
Nominee**

Committees:

The Board determined that Mr. Smith should be nominated for election as a director due to his 38 years of business experience, including a 25-year partner career with international accounting firms managing engagements of large and complex companies with extensive audit committee and board interaction.

Audit (Chair)

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2015 Proxy Statement

Item 1: Election of Directors (continued)

PETER S. WAREING

Peter S. Wareing, age 63, has been a director since 2005. Mr. Wareing is a co-founder and partner of the private equity firm Wareing, Athon & Company since 1988 and is involved in a variety of businesses. He is the Chairman of the Board of Gulf Coast Pre-Stress, Ltd. in Pass Christian, Mississippi and a director for Texas Concrete Company. He also currently serves as a trustee of Texas Children’s Hospital in Houston.

The Board determined that Mr. Wareing should be nominated for election as a director due to his extensive expertise in financial, business and corporate strategy development matters. The Board also values his civic leadership and involvement in the Houston business community.

**Independent Director
Nominee**

Committees:

Compensation,
Governance (Chair)

The Board of Directors recommends a vote FOR the election of each of the nominees as directors.

Director Nomination Process

In assessing the qualifications of candidates for nomination as director in addition to qualifications set forth in our bylaws, the Governance Committee and the Board consider:

the nominee’s personal and professional integrity, experience, reputation and skills;

the nominee’s ability and willingness to devote the time and effort necessary to be an effective board member;

the nominee’s commitment to act in the best interests of CenterPoint Energy and its shareholders;

the requirements under the listing standards of the New York Stock Exchange for a majority of independent directors, as well as qualifications applicable to membership on Board committees under the listing standards and various regulations; and

the Board's desire that the directors possess a broad range of business experience, diversity, professional skills, geographic representation and other qualities it considers important in light of our business plan.

At least annually, the Governance Committee reviews the overall composition of the Board, the skills represented by incumbent directors and the need for new directors to replace retiring directors or to expand the Board. In seeking new director candidates, the Governance Committee and the Board consider the skills, expertise and qualities that will be required to effectively oversee management of the business and affairs of the Company. The Governance Committee and the Board also consider the diversity of the Board in terms of the geographic, gender, age, and ethnic makeup of its members. The Board evaluates the makeup of its membership in the context of the Board as a whole, with the objective of recommending a group that can effectively work together using its diversity of experience to see that the Company is well-managed, and represents the interests of the Company and its shareholders.

Suggestions for potential nominees for director can come to the Governance Committee from a number of sources, including incumbent directors, officers, executive search firms and others. Mr. Pound was recommended to the Board as a director candidate by our Executive Chairman. If an executive search firm is engaged for this purpose, the Governance Committee has sole authority with respect to the engagement. The Governance Committee will also consider director candidates recommended by shareholders. The extent to which the Governance Committee dedicates time and resources to the consideration and evaluation of any potential nominee brought to its attention depends on the information available to the Committee about the qualifications and suitability of the individual,

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2015 Proxy Statement

Item 1: Election of Directors (continued)

viewed in light of the needs of the Board, and is at the Committee's discretion. The Governance Committee and the Board evaluate the desirability for incumbent directors to continue on the Board following the expiration of their respective terms, taking into account their contributions as Board members and the benefit that results from increasing insight and experience developed over a period of time.

Shareholders may submit the names and other information regarding individuals they wish to be considered for nomination as directors by writing to the Corporate Secretary at the address indicated on the first page of this proxy statement. To be considered for nomination by the Board of Directors, submissions of potential nominees should be made no later than November 14 in the year prior to the meeting at which the election is to occur.

Annual Board Self-Assessment

The Board of Directors conducts a self-assessment of its performance and effectiveness as well as that of the three standing committees on an annual basis. The purpose of the self-assessment is to track progress from year to year and to identify ways to enhance the Board's and its committees' effectiveness. As part of the assessment, each Director completes a written questionnaire developed by the Governance Committee to provide feedback on the effectiveness of the Board and its Committees. The collective ratings and comments of the Directors are compiled and presented by Mr. Wareing, the chairman of the Governance Committee, to the Governance Committee and the full Board for discussion and action.

Director Independence

The Board of Directors determined that Messrs. Johnson, McLean, Pound, Smith, Walker and Wareing and Meses. Longoria and Rheney are independent within the meaning of the listing standards for general independence of the New York Stock Exchange.

Under the listing standards, a majority of our directors must be independent, and the Audit, Compensation and Governance Committees are each required to be composed solely of independent directors. The standards for audit committee and compensation committee membership include additional requirements under rules of the Securities and Exchange Commission. The Board has determined that all of the members of these three committees meet the applicable independence requirements. The listing standards relating to general independence require an affirmative determination by the Board that the director has no material relationship with the listed company and contain a listing of several specific relationships that preclude independence.

As contemplated by New York Stock Exchange Rules then in effect, the Board adopted categorical standards in 2004 to assist in making determinations of independence. Under the rules then in effect, relationships falling within the categorical standards were not required to be disclosed or separately discussed in the proxy statement in connection

with the Board's independence determinations.

The categorical standards cover two types of relationships. The first type involves relationships of the kind addressed in either:

the rules of the Securities and Exchange Commission requiring proxy statement disclosure of relationships and transactions; or

the New York Stock Exchange listing standards specifying relationships that preclude a determination of independence.

For those relationships, the categorical standards are met if the relationship neither requires disclosure nor precludes a determination of independence under either set of rules.

The second type of relationship is one involving charitable contributions by CenterPoint Energy to an organization in which a director is an executive officer. In that situation, the categorical standards are met if the contributions do not exceed the greater of \$1 million or 2% of the organization's gross revenue in any of the last three years.

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2015 Proxy Statement

Item 1: Election of Directors (continued)

In making its subjective determination regarding the independence of Messrs. Johnson, McLean, Pound, Smith, Walker and Wareing and Mses. Longoria and Rheney, the Board reviewed and discussed additional information provided by the directors and the Company with regard to each of the director's business and personal activities as they related to the Company and Company management. The Board considered the transactions in the context of the New York Stock Exchange's objective listing standards, the categorical standards noted above and the additional standards established for members of the audit, compensation and governance committees.

On March 5, 2015, Mr. Walker informed the Company that he would not be standing for re-election at the Annual Meeting. The decision is not as a result of any disagreement with the Company. Prior to his decision and in connection with its determination as to the independence of Mr. Walker, the Board considered ordinary course transactions between the Company and Anadarko Petroleum Corporation, for which Mr. Walker serves as Chairman, President and Chief Executive Officer. During 2014, subsidiaries of CenterPoint Energy purchased or sold natural gas in transactions with subsidiaries of Anadarko totaling approximately \$63 million. These payments represent less than one percent of the consolidated gross revenues for 2014 for both the Company and Anadarko. These transactions were on standard terms and conditions, and Mr. Walker did not have any involvement in negotiating the terms of the purchases nor interest in the transactions. Additionally, the Board considered that Company subsidiaries may purchase natural gas from and provide natural gas related transportation services to Anadarko in the future. The Board believes that these transactions and relationships do not adversely affect Mr. Walker's ability or willingness to act in the best interests of the Company and its shareholders or otherwise compromise his independence, nor are similar transactions in the future expected to adversely affect Mr. Walker's independence.

Code of Ethics and Ethics and Compliance Code

We have a Code of Ethics for our Chief Executive Officer and Senior Financial Officers, which group consists of our Chief Financial Officer, Chief Accounting Officer, Treasurer and Assistant Controller. We will post information regarding any amendments to, or waivers of, the provisions of this code applicable to these officers at the website location referred to below under Website Availability of Documents.

We also have an Ethics and Compliance Code applicable to all directors, officers and employees. This code addresses, among other things, issues required to be addressed by a code of business conduct and ethics under New York Stock Exchange listing standards. Any waivers of this code for executive officers or directors may be made only by the Board of Directors or a committee of the Board and must be promptly disclosed to shareholders. In 2014, no waivers of our Code of Ethics or our Ethics and Compliance Code were granted.

Conflicts of Interest and Related-Party Transactions

The Governance Committee will address and resolve any issues with respect to related-party transactions and conflicts of interest involving our executive officers, directors or other related persons under the applicable disclosure rules of the Securities and Exchange Commission.

Our Ethics and Compliance Code provides that all directors, executive officers and other employees should avoid actual conflicts of interest as well as the appearance of a conflict of interest, and our Code of Ethics for our Chief Executive Officer and Senior Financial Officers similarly obligates the employees covered by that Code of Ethics (our Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, Treasurer and Assistant Controller) to handle actual or apparent conflicts of interest between personal and professional relationships in an ethical manner. Under our Ethics and Compliance Code, prior approval is required for any significant financial interest with suppliers, partners, subcontractors, or competitors. Any questionable situation is required to be disclosed to the Legal Department or an employee's direct manager.

Pursuant to our Corporate Governance Guidelines and the Governance Committee Charter, the Board has delegated to the Governance Committee the responsibility for reviewing and resolving any issues with respect to related-party

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2015 Proxy Statement

Item 1: Election of Directors (continued)

transactions and conflicts of interests involving executive officers or directors of the Company or other related persons under the applicable rules of the Securities and Exchange Commission. The Company's Corporate Governance Guidelines require that (i) each director shall promptly disclose to the Chairman any potential conflicts of interest he or she may have with respect to any matter involving the Company and, if appropriate, recuse himself or herself from any discussions or decisions on any of these matters, and (ii) the Chairman shall promptly advise the Governance Committee of any potential conflicts of interest he or she may have with respect to any matter involving the Company and, if appropriate, recuse himself or herself from any discussions or decisions on any of these matters.

The Office of the Corporate Secretary periodically gathers information from directors and executive officers regarding matters involving potential conflicts of interest or related-party transactions and provides that information to the Governance Committee for review. Directors and executive officers are also required to inform the Company immediately of any changes in the information provided concerning related-party transactions in which the director or executive officer or other related person was, or is proposed to be, a participant. In each case, the standard applied in approving the transaction is the best interests of the Company and its shareholders.

At our December 2014 Board meeting, our Board of Directors approved a new Related Party Transaction Approval Policy, which was effective on January 1, 2015. This policy was adopted to provide additional guidance with respect to the approval process for related-party transactions.

There were no related-party transactions in 2014 that were required to be reported pursuant to the applicable disclosure rules of the Securities and Exchange Commission.

Majority Voting in Director Elections

Our amended and restated bylaws include a majority voting standard in uncontested director elections. This standard applies to the election of directors at this meeting. To be elected, a nominee must receive more votes cast for that nominee's election than votes cast against that nominee's election. In contested elections, the voting standard will be a plurality of votes cast. Under our bylaws, contested elections occur where, as of a date that is 14 days in advance of the date we file our definitive proxy statement with the Securities and Exchange Commission (regardless of whether or not thereafter revised or supplemented), the number of nominees exceeds the number of directors to be elected.

Our Corporate Governance Guidelines include director resignation procedures. In brief, these procedures provide that:

incumbent director nominees must submit irrevocable resignations that become effective upon and only in the event that (1) the nominee fails to receive the required vote for election to the Board at the next meeting of shareholders at which such nominee faces re-election and (2) the Board accepts such resignation;

each director candidate who is not an incumbent director must agree to submit such an irrevocable resignation upon election or appointment as a director;

upon the failure of any nominee to receive the required vote, the Governance Committee makes a recommendation to the Board on whether to accept or reject the resignation;

the Board takes action with respect to the resignation and publicly discloses its decision and the reasons therefor within 90 days from the date of the certification of the election results; and

the resignation, if accepted, will be effective at the time specified by the Board when it determines to accept the resignation, which effective time may be deferred until a replacement director is identified and appointed to the Board.

Our amended and restated bylaws and our Corporate Governance Guidelines can be found on our website at <http://investors.centerpointenergy.com/governance.cfm>.

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2015 Proxy Statement

Item 1: Election of Directors (continued)

Board Leadership

The offices of Chairman of the Board and Chief Executive Officer are currently separate and have been separate since the formation of the Company as a new holding company in 2002. The Board believes that the separation of the two roles continues to provide, at present, the best balance of these important responsibilities with the Chairman directing board operations and leading oversight of the Chief Executive Officer and management, and the Chief Executive Officer focusing on developing and implementing the Company's board-approved strategic vision and managing its day-to-day business. The Board believes that separating the offices of Chairman of the Board and Chief Executive Officer, coupled with regular executive sessions with only independent directors present, helps strengthen the Board's independent oversight of management and provides an opportunity for the Board members to have more direct input to management in shaping the organization and strategy of the Company.

The Board's Role in Risk Oversight

The Board of Directors is actively involved in the oversight of risks that could impact CenterPoint Energy, and risk oversight is the responsibility of the full Board. In July 2014, our Corporate Governance Guidelines were amended to clarify that the Board has ultimate oversight responsibility for the Company's system of enterprise risk management.

Management is responsible for developing and implementing the Company's program of enterprise risk management. A risk oversight committee, which is composed of senior executives from across the Company, monitors and oversees compliance with the Company's risk control policy. The Company's Chief Risk Officer, who reports to the Chief Financial Officer, facilitates risk oversight committee meetings, and provides daily risk assessment and control oversight for commercial activities. Members of executive management also participate in ongoing risk assessments and risk mitigation planning.

Throughout the year, the Board participates in reviews with management on CenterPoint's risk management process, the major risks facing the Company and steps taken to mitigate those risks. Board reviews include litigation and other legal matters, regulatory developments, budget and policy, and industry and economic developments. The Board also approves overall corporate risk limits. In addition, existing committees help the Board carry out its responsibility for risk oversight by focusing on specific key areas of risk:

the Audit Committee oversees risks associated with financial and accounting matters, including compliance with legal and regulatory requirements, and the Company's financial reporting and internal controls systems;

the Governance Committee oversees risks associated with corporate governance, including board structure; and

the Compensation Committee helps ensure that the Company's compensation policies and practices encourage long-term focus and support the retention and development of executive talent.

The Board believes that the administration of its risk oversight function has not affected its leadership structure. In reviewing the Company's compensation program, the Compensation Committee has made an assessment of whether compensation policies and practices create risks that are reasonably likely to have a material adverse effect on the Company and has concluded that they do not create such risks as presently constituted.

Director Attendance

Last year, the Board met seven times, and the standing committees met a total of 14 times. Each director attended more than 75% of the meetings of the Board of Directors and each of the committees on which he or she served.

Directors are expected to attend annual meetings of shareholders. All directors attended the 2014 annual meeting.

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2015 Proxy Statement

Item 1: Election of Directors (continued)

Board Organization and Committees

The Board oversees the management of the Company's business and affairs. The Board appoints committees to help carry out its duties. Messrs. Carroll and Prochazka do not serve on any standing committees. The following table sets forth the standing committees of the Board and their members as of the date of this proxy statement, as well as the number of meetings each committee held during 2014:

Director	Audit Committee	Compensation Committee	Governance Committee
Michael P. Johnson		+	
Janiece M. Longoria			
Scott J. McLean			
Susan O. Rheney			
Phillip R. Smith	+		
R. A. Walker ⁽¹⁾			
Peter S. Wareing			+
Number of Meetings Held in 2014⁽²⁾	5	4	4

(+) Denotes Chair. Ms. Longoria, Ms. Rheney and Mr. Johnson served as chairs for the Compensation Committee, Audit Committee and Governance Committee, respectively, until April 24, 2014.

(1) On March 5, 2015, Mr. Walker informed the Company that he would not be standing for re-election at the Annual Meeting. The decision is not as a result of any disagreement with the Company.

(2) The Finance Committee, which was dissolved by the Board in April 2014, held one meeting in 2014.

Audit Committee

The primary responsibilities of the Audit Committee are to assist the Board in fulfilling its oversight responsibility for:

the integrity of our financial statements;

the qualifications, independence and performance of our independent auditors;

the performance of our internal audit function; and

compliance with legal and regulatory requirements and our systems of disclosure controls and internal controls. The Audit Committee has sole responsibility to appoint and, where appropriate, replace our independent auditors and to approve all audit engagement fees and terms. The Audit Committee's report is on page 60.

The Board of Directors has determined that Mr. Smith, the Chairman of our Audit Committee, is an audit committee financial expert within the meaning of the regulations of the Securities and Exchange Commission.

Compensation Committee

The primary responsibilities of the Compensation Committee are to:

oversee compensation for our senior executive officers, including salary and short-term and long-term incentive awards;

administer incentive compensation plans;

evaluate Chief Executive Officer performance;

review management succession planning and development; and

select, retain and oversee the Company's compensation consultant.

For information concerning policies and procedures relating to the consideration and determination of executive compensation, including the role of the Compensation Committee, see Compensation Discussion and Analysis beginning on page 19 and for the report of the Compensation Committee concerning the Compensation Discussion and Analysis, see Report of the Compensation Committee on page 59.

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2015 Proxy Statement

Item 1: Election of Directors (continued)

Governance Committee

The primary responsibilities of the Governance Committee are to:

identify, evaluate and recommend, for the approval of the entire Board of Directors, potential nominees for election to the Board;

recommend membership on standing committees of the Board;

address and resolve any issues with respect to related-party transactions and conflicts of interest involving our executive officers, directors or other related persons ;

review the independence of each Board member and make recommendations to the Board regarding director independence;

oversee annual evaluations of the Board and management;

review any shareholder proposals submitted for inclusion in our proxy statement and make recommendations to the Board regarding the Company's response;

review and recommend fee levels and other elements of compensation for non-employee directors;

evaluate whether to accept a conditional resignation of an incumbent director who does not receive a majority vote in favor of election in an uncontested election; and

establish, periodically review and recommend to the Board any changes to our Corporate Governance Guidelines. For information concerning policies and procedures relating to the consideration and determination of compensation of our directors, including the role of the Governance Committee, see Compensation of Directors beginning on page 14.

Finance Committee

In April 2014, our Board dissolved the Finance Committee. Until the dissolution of the Finance Committee, its primary responsibilities were to assist the Board in fulfilling its oversight responsibility with respect to the financial affairs of CenterPoint Energy and its subsidiaries. The Finance Committee reviewed our financial objectives and policies, financing strategy and requirements, capital structure, and liquidity and related financial risk. The Finance Committee also reviewed and made recommendations to the Board regarding our dividend policy, approved specific debt and equity offerings and other capital transactions within limits set by the Board, and reviewed the capital structure, financing plans and credit exposures of our major subsidiaries. The functions of the Finance Committee have been assumed by the full Board.

Executive Sessions of the Board

Our Corporate Governance Guidelines provide that the members of the Board of Directors who are not officers of CenterPoint Energy will hold regular executive sessions without management participation. If at any time the non-management directors include one or more directors who do not meet the listing standards of the New York Stock Exchange for general independence, the Board must hold an executive session at least once each year including only the non-management directors who are also independent. An executive session of independent directors is currently scheduled in conjunction with each regular meeting of the Board of Directors. Currently, the Governance Committee Chairman (Mr. Wareing) presides at these sessions.

Shareholder Communications with Directors

Interested parties who wish to make concerns known to the non-management directors may communicate directly with the non-management directors by making a submission in writing to Board of Directors (independent

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2015 Proxy Statement

Item 1: Election of Directors (continued)

members) in care of our Corporate Secretary at the address indicated on the first page of this proxy statement. Aside from this procedure for communications with the non-management directors, the entire Board of Directors will receive communications in writing from shareholders. Any such communications should be addressed to the Board of Directors in care of the Corporate Secretary at the same address.

Website Availability of Documents

CenterPoint Energy's Annual Report on Form 10-K, Corporate Governance Guidelines, the charters of the Audit Committee, Compensation Committee and Governance Committee, the Code of Ethics, and the Ethics and Compliance Code can be found on our website at <http://investors.centerpointenergy.com/governance.cfm>. Unless specifically stated herein, documents and information on our website are not incorporated by reference in this proxy statement.

Compensation of Directors

The Governance Committee of the Board oversees fee levels and other elements of compensation for CenterPoint Energy's non-employee directors.

Directors receive a cash retainer and are eligible to receive annual grants of our common stock under our Stock Plan for Outside Directors. Until April 2014, directors also received meeting fees, as described below. Participation in a plan providing split-dollar life insurance coverage has been discontinued for directors commencing service after 2000.

Stock ownership guidelines for non-employee directors were adopted in February 2011. Under these guidelines, each non-employee director is required to own shares of CenterPoint Energy common stock with a value equal to at least three times the director's regular annual cash retainer. New directors are required to attain the specified level of ownership within four years of joining the Board.

Retainer and Meeting Fees

Retainers are paid to our non-employee directors on a quarterly basis in arrears. From April 1, 2013 until March 31, 2014, our non-employee directors received an annual retainer of \$50,000. Effective April 1, 2014, the annual retainer was increased to \$90,000. Also effective April 1, 2014, the \$2,000 per meeting fee for attending meetings of the Board and each of its standing committees was eliminated. These changes were made to better align with competitive market data reviewed by our Governance Committee. The Chairmen of the Audit and Compensation Committees each receive a supplemental annual retainer of \$20,000 for service as committee chairmen. The Chairman of the Governance Committee receives a supplemental annual retainer of \$15,000 for service as committee chairman. The Chairman of the Finance Committee, which was dissolved by the Board in April 2014, received a supplemental

retainer of \$10,000 for service as committee chairman.

Until April 2014, Ms. Longoria and Messrs. Carroll and Wareing were members of a special CEO Succession Planning Committee. Ms. Longoria, Mr. Wareing, and, until his appointment as Executive Chairman as discussed below, Mr. Carroll, received an annual retainer of \$20,000 for service on that committee. Mr. Carroll served as chairman of the special committee and received no additional compensation for serving as the committee's chairman.

Following his appointment as Executive Chairman, Mr. Carroll no longer received an annual retainer for service on that committee. In 2014, Ms. Longoria and Mr. Wareing received \$5,000 for their service on the committee. Fees earned or paid in 2014 are set forth in the Fees Earned or Paid in Cash column of the Director Compensation Table on page 16. Mr. Carroll's compensation is discussed under Compensation Discussion and Analysis Executive Chairman Compensation Arrangements beginning on page 35.

Stock Plan for Outside Directors

Under the Stock Plan for Outside Directors, each non-employee director was granted an annual stock award of up to 5,000 shares of CenterPoint Energy common stock in 2014. The number of shares of common stock granted to non-

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2015 Proxy Statement

Item 1: Election of Directors (continued)

employee directors was set by the Board annually. Each non-employee director serving as of May 1, 2014 received an award of 5,000 shares of common stock. Effective January 1, 2015, the plan was amended to change the award from a flat share award to a value-based award. In 2015, the Board will declare a cash value amount applicable to the annual awards and the number of shares awarded will be determined by dividing the total value of the annual award by the fair market value of the common stock on the grant date. This change was made to be consistent with market practice.

Grants made under this plan on or after April 22, 2010 vest on the first anniversary of the grant date. Grants fully vest in the event of the director's death or upon a change in control (defined in substantially the same manner as in the change in control agreements for certain officers described in *Potential Payments upon Change in Control or Termination* beginning on page 52). Upon vesting of the shares, each director receives, in addition to the shares, a cash payment equal to the amount of dividend equivalents earned since the date of grant.

If a director's service on the Board is terminated for any reason other than death or a change in control, the director forfeits all rights to the unvested portion of the outstanding grants as of the termination date. If the director is 70 years of age or older when he or she ceases to serve on the Board of Directors, the director's termination date is deemed to be December 31st of the year in which he or she leaves the Board.

In addition to the annual grant, our Stock Plan for Outside Directors provided that a non-employee director may receive a one-time grant of up to 5,000 shares of common stock upon commencing service as a director, subject to the same vesting schedule described above. Effective January 1, 2015, the plan was further amended to change the one-time, initial grant from a flat share award to a value-based award. No awards have been made under the provision allowing one-time initial grants. The aggregate number of outstanding unvested stock awards is set forth in footnote (2) to the Director Compensation Table.

Deferred Compensation Plan

We maintain a deferred compensation plan that permits directors to elect each year to defer all or part of their annual retainer, supplemental annual retainer for committee chairmanship and any meeting fees. The supplemental monthly retainer for service as non-executive Chairman of the Board was not eligible for deferral under this plan. Interest accrues on deferrals at a rate adjusted annually equal to the average yield during the year of the Moody's Long-Term Corporate Bond Index plus two percent. Directors participating in this plan may elect at the time of deferral to receive distributions of their deferred compensation and interest in three ways:

an early distribution of either 50% or 100% of their account balance in any year that is at least four years from the year of deferral or, if earlier, the year in which they attain age 70;

a lump sum distribution payable in the year after they reach age 70 or upon leaving the Board of Directors, whichever is later; or

in 15 annual installments beginning on the first of the month coincident with or next following age 70 or upon leaving the Board of Directors, whichever is later.

The deferred compensation plan is a nonqualified, unfunded plan, and the directors are general, unsecured creditors of CenterPoint Energy. No fund or other assets of CenterPoint Energy have been set aside or segregated to pay benefits under the plan. Refer to Rabbi Trust under Executive Compensation Tables Potential Payments upon Change in Control or Termination on page 57 for funding of the deferred compensation plan upon a change in control.

The amounts deferred by directors in 2014 are described in footnote (1) to the Director Compensation Table. The above market earnings are reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Director Compensation Table.

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2015 Proxy Statement

Item 1: Election of Directors (continued)

Director Compensation Table

The table below and the narrative in the footnotes provide compensation amounts for our non-employee directors for 2014 as well as additional material information in connection with such amounts. For summary information on the provision of the plans and programs, refer to the Compensation of Directors discussion immediately preceding this table.

Name	Fees Earned or Paid in Cash ⁽¹⁾ (\$)	Stock Awards ⁽²⁾ (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ⁽³⁾ (\$)	Total (\$)
Michael P. Johnson	111,083	125,300		236,383
Janiece M. Longoria	102,417	125,300	6,639	234,356
Scott J. McLean	88,000	125,300		213,300
Susan O. Rheney	97,417	125,300		222,717
Phillip R. Smith	87,000	125,300		212,300
R. A. Walker	92,000	125,300		217,300
Peter S. Wareing	108,333	125,300	23,426	257,059

(1) Includes annual retainer, chairmen retainers, CEO succession planning special committee retainer, Board meeting fees until April 1, 2014 and Committee meeting fees for each director as more fully explained under Compensation of Directors Retainer and Meeting Fees.

Mr. Wareing elected to defer his meeting fees, annual retainer and committee chairman fee during 2014.

(2) Reported amounts in the table represent the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718. For purposes of the table above, the effects of estimated forfeitures are excluded.

Upon the recommendation of the Governance Committee, the Board granted 5,000 shares of common stock to each non-employee director then in office as of May 1, 2014 under our Stock Plan for Outside Directors. The grant date fair value of the awards, based on the average of the high and low market price of our common stock on the New York Stock Exchange Composite Tape on that date, was \$25.06 per share. At December 31, 2014, each of our current non-employee directors had 5,000 unvested stock awards.

(3) In 2014, Ms. Longoria and Mr. Wareing accrued above-market earnings on their deferred compensation account balances of \$6,639 and \$23,426, respectively.

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STOCK OWNERSHIP

The following table shows stock ownership of known beneficial owners of more than 5% of CenterPoint Energy's common stock, each director or nominee for director, the Chief Executive Officer, the Chief Financial Officer, the other executive officers for whom we are providing detailed compensation information under Executive Compensation Tables and our executive officers and directors as a group. Information for the executive officers and directors is given as of March 1, 2015 except as otherwise indicated. The directors and officers, individually and as a group, beneficially own less than 1% of CenterPoint Energy's outstanding common stock. Beneficial ownership is determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended (Exchange Act) and, except as otherwise indicated, the respective holders have sole voting and investment powers over such shares.

Name	Number of Shares of CenterPoint Energy Common Stock
BlackRock, Inc. 40 East 52 nd Street New York, New York 10022	41,957,174 ⁽¹⁾
Barrow, Hanley, Mewhinney & Strauss, LLC 2200 Ross Avenue, 31st Floor Dallas, Texas 75201	34,998,060 ⁽²⁾
The Vanguard Group, Inc. 100 Vanguard Blvd. Malvern, Pennsylvania 19355	33,735,704 ⁽³⁾
Vanguard Windsor Funds Vanguard Windsor II Fund 100 Vanguard Blvd. Malvern, Pennsylvania 19355	25,726,413 ⁽⁴⁾
JPMorgan Chase & Co. 270 Park Ave. New York, New York 10017	24,567,961 ⁽⁵⁾
Northern Trust Corporation 50 South LaSalle Street Chicago, Illinois 60603	23,316,865 ⁽⁶⁾
State Street Corporation One Lincoln Street Boston, Massachusetts 02111	22,539,413 ⁽⁷⁾
Tracy B. Bridge	32,277 ⁽⁸⁾
Milton Carroll	63,568 ⁽⁹⁾
Michael P. Johnson	30,200 ⁽¹⁰⁾

Janiece M. Longoria	48,077 ⁽¹⁰⁾
Joseph B. McGoldrick	78,099 ⁽⁸⁾
Scott J. McLean	5,000 ⁽¹⁰⁾
Theodore F. Pound	500
Scott M. Prochazka	40,060
Susan O. Rheney	29,000 ⁽¹⁰⁾
Phillip R. Smith	7,500 ⁽¹⁰⁾
Thomas R. Standish	298,356 ⁽¹¹⁾
R. A. Walker	23,000 ⁽¹⁰⁾
Peter S. Wareing	121,000 ⁽¹⁰⁾⁽¹²⁾
Gary L. Whitlock	437,427 ⁽⁸⁾
All executive officers and directors as a group (15 persons)	915,208

(1) This information is as of December 31, 2014 and is based on a Schedule 13G/A filed with the Securities and Exchange Commission on January 15, 2015 by BlackRock, Inc. This represents 9.8% of the outstanding common stock of CenterPoint Energy. The Schedule 13G/A reports sole voting power for 34,516,161 shares of common stock, no shared voting power for shares of common stock and sole dispositive power for 41,957,174 shares of common stock.

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Stock Ownership (continued)

- (2) This information is as of December 31, 2014 and is based on a Schedule 13G filed with the Securities and Exchange Commission on February 9, 2015 by Barrow, Hanley, Mewhinney & Strauss, LLC. This represents 8.14% of the outstanding common stock of CenterPoint Energy. The Schedule 13G reports sole voting power for 4,983,072 shares of common stock, shared voting power for 30,014,988 shares of common stock and sole dispositive power for 34,998,060 shares of common stock.
- (3) This information is as of December 31, 2014 and is based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 10, 2015 by The Vanguard Group, Inc. This represents 7.84% of the outstanding common stock of CenterPoint Energy. The Schedule 13G/A reports sole voting power of 767,753 shares of common stock, sole dispositive power for 33,036,982 shares of common stock and shared dispositive power of 698,722 shares of common stock.
- (4) This information is as of December 31, 2014 and is based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 6, 2015 by Vanguard Windsor Funds Vanguard Windsor II Fund. This represents 5.98% of the outstanding common stock of CenterPoint Energy. The Schedule 13G/A reports sole voting power for 25,726,413 shares of common stock.
- (5) This information is as of December 31, 2014 and is based on a Schedule 13G filed with the Securities and Exchange Commission on January 23, 2015 by JPMorgan Chase & Co. This represents 5.7% of the outstanding common stock of CenterPoint Energy. The Schedule 13G reports sole voting power for 19,470,562 shares of common stock, shared voting power for 757,305 shares of common stock, sole dispositive power for 23,681,728 shares of common stock and shared dispositive power for 886,233 shares of common stock.
- (6) This information is as of December 31, 2014 and is based on a Schedule 13G/A filed with the Securities and Exchange Commission on February 12, 2015 by Northern Trust Corporation and certain of its subsidiaries. This represents 5.43% of the outstanding common stock of CenterPoint Energy. The Schedule 13G/A reports sole voting power for 605,091 shares of common stock, shared voting power for 22,671,231 shares of common stock, sole dispositive power for 2,934,696 shares of common stock and shared dispositive power for 2,235,200 shares of common stock. CenterPoint Energy understands that the shares reported include 17,822,532 shares of common stock held as trustee of CenterPoint Energy's savings plan which provides for pass-through voting by plan participants.
- (7) This information is as of December 31, 2014 and is based on a Schedule 13G filed with the Securities and Exchange Commission on February 12, 2015 by State Street Corporation. This represents 5.2% of the outstanding

common stock of CenterPoint Energy. The Schedule 13G reports sole voting power for 0 shares of common stock, shared voting power for 22,539,413 shares of common stock and sole dispositive power for 0 shares of common stock.

(8)Includes shares of CenterPoint Energy common stock held under CenterPoint Energy's savings plan, for which the participant has sole voting power (subject to such power being exercised by the plan's trustee in the same proportion as directed shares in the savings plan are voted in the event the participant does not exercise voting power).

(9)Includes 31,568 shares pledged to secure loans.

(10)Includes shares scheduled to vest under the Stock Plan for Outside Directors as follows: 5,000 shares on May 1, 2015 for each of Messrs. Johnson, McLean, Smith, Walker and Wareing and Mses. Longoria and Rheney.

(11)Includes shares held by spouse.

(12)Includes shares held in trust for benefit of spouse, as to which Mr. Wareing disclaims beneficial interest.

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COMPENSATION DISCUSSION AND ANALYSIS

The following compensation discussion and analysis as well as the information provided under the Executive Compensation Tables section contains information regarding measures applicable to performance-based compensation and targets and other achievement levels associated with these measures. CenterPoint Energy cautions investors not to regard this information, to the extent it may relate to future periods or dates, as forecasts, projections or other guidance. The reasons for this caution include the following: The information regarding performance objectives and associated achievement levels was formulated as of earlier dates and does not take into account subsequent developments. The objectives may include adjustments from, or otherwise may not be comparable to, financial and operating measures that are publicly disclosed and may be considered of significance to investors. Some achievement levels, such as those relating to incentives for exceptional performance, may be based on assumptions that differ from actual results.

Executive Summary

Overview. In this section, we describe and discuss our executive compensation program, including the objectives and elements of compensation, as well as determinations made by the Compensation Committee of the Board of Directors regarding the compensation of Scott M. Prochazka, President and Chief Executive Officer, Gary L. Whitlock, our Executive Vice President and Chief Financial Officer, Tracy B. Bridge, Executive Vice President and President Electric Division, Joseph B. McGoldrick, our Executive Vice President and President Gas Division, and Thomas R. Standish, our retired Executive Vice President, whom we collectively refer to as our senior executive officers in this proxy statement. We also describe and discuss the compensation of our Executive Chairman, Milton Carroll. We refer to our Executive Chairman and our senior executive officers collectively as our named executive officers in this proxy statement.

The objective of CenterPoint Energy's executive compensation program is to enable us to recruit and retain highly qualified executive talent by providing market-based levels of compensation. We believe compensation programs can drive our employees' behavior, and accordingly we try to design our executive compensation program to align compensation with current and desired corporate performance and shareholder interests. We have structured our compensation program to motivate our executives to achieve individual and business performance objectives by varying their compensation in accordance with the success of our businesses. Accordingly, while compensation targets will to a large extent reflect the market, actual compensation will reflect CenterPoint Energy's attainment of (or failure to attain) specified financial and operational performance objectives.

Highlights of our executive compensation program include the following:

The compensation arrangements for our Executive Chairman, which have been approved by the independent members of the Board of Directors, consists of a base salary and equity awards intended to appropriately compensate him for his service as Executive Chairman and to align his interests with those of our shareholders.

The compensation of our senior executive officers is reviewed and established annually by the Compensation Committee, consisting entirely of independent directors.

To assist in carrying out its responsibilities, the Compensation Committee retains a consultant to provide independent advice on senior executive compensation matters.

We target the market median (50th percentile) for each major element of compensation because we believe the market median is a generally accepted benchmark of external competitiveness.

Actual compensation in a given year will vary based on CenterPoint Energy's performance, and to a lesser extent, on qualitative appraisals of individual performance.

We believe that a substantial portion of the compensation for our senior executive officers should be at risk, meaning that the senior executive officers will receive a certain percentage of their total compensation only to the extent CenterPoint Energy and the executive accomplish goals established by the Compensation Committee.

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Compensation Discussion and Analysis (continued)

We expect our senior executive officers to have a higher percentage of their total compensation at risk than our other executives.

We replaced the change in control agreements with our senior executive officers (with the exception of Messrs. Standish and Whitlock) which expired on December 31, 2014, with a change in control plan, which became effective January 1, 2015, approved by our Board of Directors. Our Board approved the plan in lieu of individual change in control agreements to ensure consistency of officer benefits and to ease the administrative process. Although our Executive Chairman and Mr. Whitlock did not have a change in control agreement, they are covered by our change in control plan.

We do not maintain executive employment agreements with any of our named executive officers, and our named executive officers are not entitled to guaranteed severance payments upon a termination of employment except pursuant to our change in control plan, which contains a double trigger term, or pursuant to the terms of grants made under our short-term and long-term incentive plans for senior executive officers who satisfy the retirement provisions under the short-term and long-term incentive plans.

The change in control plan does not provide for excise tax gross up payments.

We have established executive stock ownership guidelines applicable to all of our officers, including our Executive Chairman, to appropriately align the interests of our officers with our shareholders' interests.

As part of our insider trading policy, we have a policy prohibiting all of our officers and directors from hedging the risk of stock ownership by purchasing, selling or writing options on CenterPoint Energy securities or engaging in transactions in other third-party derivative securities with respect to CenterPoint Energy stock.

The Board of Directors has implemented a policy for the recoupment of short-term and/or long-term incentive payments in the event an officer is found to have engaged in any fraud, intentional misconduct or gross negligence that leads to a restatement of all, or a portion of, our financial results. This policy permits us to pursue recovery of incentive payments if the payment would have been lower based on the restated financial results.

CenterPoint Energy has prepared and reviewed with the members of the Compensation Committee pro forma tally sheets as of April 1 for each of our senior executive officers to show how various compensation and benefit

amounts are interrelated and to help the Compensation Committee better understand the impact of its compensation decisions before they are finalized.

None of our named executive officers received perquisites valued in excess of \$10,000 during 2014, and we do not consider perquisites to be a significant element of our executive compensation program.

Our 2014 Executive Compensation Program. The overall objectives and structure of our executive compensation program for our senior executive officers remained largely unchanged in 2014 as compared to 2013. In 2014:

The Compensation Committee reviewed the base salary and short-term and long-term incentive targets (expressed as a percentage of base salary earned during the year) for Mr. Prochazka and approved the following modifications to the compensation terms for Mr. Prochazka effective January 1, 2014, the effective date of Mr. Prochazka's appointment as our President and Chief Executive Officer:

Mr. Prochazka's annual base salary was increased to \$900,000;

Mr. Prochazka's incentive target under the Company's short-term incentive plan for 2014 was increased to 100% of base salary; and

Mr. Prochazka's incentive target under the Company's long-term incentive plan for 2014 was increased to 300% of base salary.

In December 2013, Mr. Prochazka also entered into a change in control agreement with the Company effective as of January 1, 2014. The agreement, which expired on December 31, 2014, provided, in the case of a change in control of the Company and termination of his employment, for severance benefits of three times

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Compensation Discussion and Analysis (continued)

Mr. Prochazka's annual base salary plus bonus, and other benefits. The agreement did not provide for a tax gross-up payment to Mr. Prochazka if he was determined to owe any excise tax under Section 4999 of the Internal Revenue Code on excess parachute payments. Please see Executive Compensation Tables Potential Payments upon Change in Control or Termination starting on page 52.

In February 2014, the Compensation Committee reviewed the base salary and short-term and long-term incentive targets for each of our other senior executive officers and determined:

to increase Mr. Whitlock's base salary by 5.1% from \$571,000 to \$600,000;

in connection with his promotion to Executive Vice President, to increase Mr. Bridge's (i) base salary by 45.7% from \$302,000 to \$440,000 effective February 16, 2014, (ii) short-term incentive target from 55% to 75% of base salary and (iii) long-term incentive target from 75% to 140% of base salary;

in connection with his promotion to Executive Vice President, to increase Mr. McGoldrick's (i) base salary by 26.4% from \$348,000 to \$440,000 effective February 16, 2014, (ii) short-term incentive target from 60% to 75% of base salary and (iii) long-term incentive target from 80% to 140% of base salary; and

to make no changes to Mr. Standish's compensation.

The Compensation Committee made no changes to the short- and long-term incentive targets for Messrs. Whitlock and Standish. In February 2014, the Compensation Committee also reviewed and discussed the long-term incentive compensation awards to be made to our executives in 2014, including allocations between performance shares and stock awards, and the performance goals that would determine the payout opportunities under the planned awards.

In February 2014, the independent members of the Board of Directors approved the following modifications to Mr. Carroll's compensation arrangements:

Mr. Carroll's annual base salary was increased to \$600,000 effective as of January 1, 2014 and continuing thereafter until the termination of Mr. Carroll's service as Executive Chairman of the Board or as otherwise modified by the Board;

Mr. Carroll was granted an award of 30,000 restricted stock units to be payable on June 1, 2016 contingent on his continued service as Chairman on that date; and

beginning in 2014, Mr. Carroll would receive an annual long-term incentive compensation award under the Company's long-term incentive plan, with an incentive compensation target equal to 200% of his base salary.

In March 2014, the Compensation Committee approved increasing the maximum payout opportunity for performance share awards under our long-term incentive plan from 150% to 200% to more closely align the maximum payout opportunity with competitive market data compiled by our independent compensation consultant at the time, Frederick W. Cook & Co., Inc. (Cook & Co.). This change was effective with respect to the performance share awards granted to our named executive officers in 2014.

In March 2014, the Compensation Committee reduced the threshold achievement level for the Company's total shareholder return performance objective from the 35th percentile to the 25th percentile, and reduced payout upon threshold achievement for the total shareholder return performance objective from 50% to 33%. The Compensation Committee believes that the lower threshold achievement level coupled with the reduced payout upon threshold achievement more closely aligns these awards with the competitive market data compiled by Cook & Co. We intend that this objective will provide a reasonable chance of achieving threshold performance, thus enhancing the motivational effects of the awards, while requiring superior stock price performance for maximum payout.

Prior to conducting its 2014 analysis, the Committee asked Cook & Co., the Compensation Committee's independent executive compensation consultant, to review the 2013 peer group. Cook & Co. compared the 2013 peer group to CenterPoint Energy based on key financial and other metrics and recommended no changes to the existing peer group. See [Role of Compensation Committee](#) [Decisions Made by the Compensation Committee](#) for additional information about the peer group.

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At its February 2014 meeting, the Committee decided to engage in a request for proposal process for compensation consulting services. Following the review, the Committee retained Pearl Meyer & Partners (Pearl Meyer) as its independent compensation consultant beginning August 2014. The Compensation Committee selected Pearl Meyer based largely on Pearl Meyer's strong reputation and analytical capabilities.

Impact of Our Performance on 2014 Short-term Incentive Compensation and Vesting of 2012 Performance Share Grants and Stock Awards. CenterPoint Energy reported net income of \$611 million, or \$1.42 per diluted share, for 2014, which included a \$0.07 per diluted share tax benefit, as compared to net income of \$311 million, or \$0.72 per diluted share for 2013. The results for 2013 included two unusual items related to the formation of Enable Midstream Partners, LP: (i) a \$225 million non-cash deferred tax charge, and (ii) \$13 million of pre-tax partnership formation expenses. Excluding the effects of these unusual items, net income for 2013 would have been \$544 million, or \$1.26 per diluted share. Our utility operations delivered solid results in 2014 with a particularly strong financial performance from our Gas Operations business. CenterPoint Energy's core operating income, which is a primary performance objective used under our executive compensation program for determining payouts under short-term incentive compensation awards and long-term incentive compensation awards made in years prior to 2012, was \$742 million in 2014, which exceeded the target amount under our 2014 short-term incentive plan by \$21 million. Following the May 1, 2013 formation of Enable Midstream Partners, CenterPoint Energy reports its investment in midstream operations as equity income rather than operating income. As a result, operating income for 2014 is not comparable to prior results. CenterPoint Energy's core operating income is determined by adjusting reported operating income to remove the effect of specified items, either positive or negative, to reflect what we consider to be our core operational business performance in the period being measured. For more information regarding the determination of core operating income, please refer to Executive Compensation Tables Non-Equity Incentive Plan Awards.

Our short-term incentive plan provides an annual cash award based on the achievement of annual performance objectives specified for each of our senior executive officers, including specific objectives relating to core operating income, controllable expenses and business unit performance. Based on our level of achievement of the 2014 performance objectives at 126% and an assessment of each individual's performance by the Compensation Committee, the 2014 short-term incentive awards for our senior executive officers, expressed as a percentage of their individual target awards, were 126% for Messrs. Prochazka, Whitlock and Standish and 128% for Messrs. Bridge and McGoldrick. Mr. Carroll was not eligible to participate in, and did not receive a payment under, our 2014 short-term incentive plan. Please refer to Executive Compensation Tables Non-Equity Incentive Plan Awards for information regarding the specified performance objectives and our actual achievement levels during 2014.

In February 2012, we granted performance share awards to Messrs. Prochazka, Whitlock, Bridge, McGoldrick and Standish under our long-term incentive plan. The awards were made in two separate, equal grants, with the payout opportunity for each grant based on a different performance objective to be measured over the three-year performance cycle of January 2012 through December 2014. The first performance objective was based on total shareholder return as compared to that of other publicly traded companies in a peer group subset of the S&P Utility Index and the second was based on achieving an earnings per share goal. Based on our performance over the three-year cycle, the 2012 performance share awards vested based on an achievement level of 0% and 150%, respectively. Please refer to

Executive Compensation Tables Option Exercises and Stock Vested for Fiscal Year 2014 for information regarding the number of gross shares distributed and the total value realized on vesting.

In February 2012, we granted a stock award to our senior executive officers under our long-term incentive plan. The awards were subject to a performance goal which was the declaration of a minimum of \$2.43 in cash dividends per share over the three-year vesting period. These stock awards vested in February 2015 as the total dividends declared during the measurement period were \$2.635 per share. The gross number of shares distributed and the total value realized on vesting of these awards will be included in our compensation disclosures for 2015.

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Compensation Discussion and Analysis (continued)

Actions Taken Regarding 2015 Executive Compensation Program. In February 2015, the Compensation Committee reviewed the base salary and short-term and long-term incentive targets for each of our senior executive officers, except for Mr. Standish, and determined to:

increase Messrs. Prochazka, Bridge and McGoldrick's base salaries by 3%, 3.4% and 3.4%, respectively; and

increase Messrs. Bridge and McGoldrick's long-term incentive target from 140% of base salary to 160% of base salary.

The Compensation Committee made no other changes to the compensation arrangements for the senior executive officers.

In February 2015, the Compensation Committee reviewed Mr. Carroll's compensation arrangements and made no changes to his annual base salary or his long-term incentive target. The Compensation Committee awarded Mr. Carroll an additional grant of 30,000 restricted stock units to be payable on June 1, 2017 contingent on his continued service until that date.

In February 2015, the Compensation Committee also reviewed and approved the long-term incentive compensation awards to be made to our executives in 2015, including allocations between performance shares and stock awards, as well as the performance goals that would determine the payout opportunities under the planned awards.

Prior to conducting its 2015 analysis, the Committee asked Pearl Meyer, its compensation consultant retained effective August 2014, to recommend the 2015 peer group. Pearl Meyer compared the 2014 peer group to CenterPoint Energy based on key financial and other metrics. In consideration of Pearl Meyer's recommendations, the Compensation Committee approved the removal of three companies from the 2015 peer group (Integrus Energy Group, Pepco Holdings and NiSource) and the addition of three companies (Atmos Energy, OGE Energy Corp and Pinnacle West Capital Corp). We believe that the use of this group as a reference for evaluating our compensation policies helps align us with our peers and competitors. We also believe this group of companies provides a sufficiently large data set that is generally not subject to wide changes in compensation data.

For more information regarding the actions taken by our Compensation Committee with respect to our 2015 Executive Compensation Program, please see below under 2015 Executive Compensation Program.

Shareholder Advisory Say-on-Pay Vote. At our 2015 annual meeting, we are providing our shareholders with the opportunity to cast an advisory vote on the compensation of our named executive officers, commonly known as a say-on-pay vote. This vote provides our shareholders the opportunity to express their views regarding the compensation program for our named executive officers as disclosed in this proxy statement. As an advisory vote, the

say-on-pay vote at our 2015 annual meeting will not be binding upon CenterPoint Energy or the Board of Directors. However, the Board of Directors values the opinions expressed by our shareholders, and the Compensation Committee (and, with respect to Mr. Carroll, the independent members of the Board of Directors) will consider the outcome of the vote when making future compensation decisions for our named executive officers. For additional information, please refer to Advisory Vote on Executive Compensation (Item 3) beginning on page 63.

The advisory vote at our 2015 annual meeting will be our fifth say-on-pay vote. We conducted our fourth say-on-pay vote at our 2014 annual meeting at which an advisory resolution approving the compensation of our named executive officers, as disclosed in the proxy statement for our 2014 annual meeting, was approved by approximately 97% of the shares that were voted either for or against the resolution (excluding abstentions and broker non-votes). We have considered the favorable results of this vote, and the Compensation Committee has not made any changes to our overall executive compensation program as a result of the vote.

At our 2011 annual meeting, we also conducted an advisory vote on the frequency of future shareholder advisory votes on executive compensation, at which the Board of Directors recommended that our shareholders vote in favor of holding annual say-on-pay votes instead of the other options presented. At our 2011 annual meeting,

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Compensation Discussion and Analysis (continued)

approximately 87% of the shares that were voted in favor of one of the three available frequency recommendations (excluding abstentions and broker non-votes) voted in favor of an annual frequency, approximately four percent voted in favor of holding future votes once every two years, and approximately nine percent voted in favor of holding future votes once every three years. In April 2011, we disclosed that, consistent with the results of the advisory vote, we intend to hold future say-on-pay votes annually until we next hold an advisory vote on the frequency of say-on-pay votes as required under SEC rules.

Objective and Design of Executive Compensation Program

We strive to provide compensation that is competitive, both in total level and in individual components, with the companies we believe are our peers and other likely competitors for executive talent. By competitive, we mean that total compensation and each element of compensation corresponds to a market-determined range. We target the market median (50th percentile) for each major element of compensation because we believe the market median is a generally accepted benchmark of external competitiveness. We believe competitive compensation is normally sufficient to attract executive talent to the Company and also makes it less likely that executive talent will be lured away by higher compensation to perform a similar role with a similarly sized competitor.

To help ensure market-based levels of compensation, we measure the major elements of compensation annually for a position against available data for similar positions in other companies. We believe annual measurement is generally appropriate, because the market is subject to variations over time as a result of changes within peer companies and the supply and demand for experienced executives. Once the market value for a position is determined, we compare the compensation levels of individual incumbents to these market values. The salary level and short-term and long-term incentive target percentages for our senior executive officers are based on market data for the officer's position. Compensation levels can vary compared to the market due to a variety of factors such as experience, scope of responsibilities, tenure and individual performance. In light of our focus on determining market value for each position, we do not employ analyses that compare compensation levels of our senior executive officers with each other or with other employees within the Company.

We also motivate our executives to achieve individual and business performance objectives by varying their compensation in accordance with CenterPoint Energy's overall success. Actual compensation in a given year will vary based on CenterPoint Energy's performance, and to a lesser extent, on qualitative appraisals of individual performance. We expect our senior executive officers to have a higher percentage of their total compensation at risk and therefore, we try to align each of our senior executive officers with the short- and long-term performance objectives of CenterPoint Energy and with the interests of our shareholders. The size of at-risk compensation is expressed as a percentage of base salary.

We maintain benefit programs for our employees, including our senior executive officers but excluding our Executive Chairman, with the objective of retaining their services. Our benefits reflect competitive practices at the time the benefit programs were implemented and, in some cases, reflect our desire to maintain similar benefits treatment for all

employees in similar positions. To the extent possible, we structure these programs to deliver benefits in a manner that is tax efficient to both the recipient and CenterPoint Energy.

Role of Compensation Committee

The Compensation Committee of the Board of Directors oversees compensation for our senior executive officers, our Executive Chairman and other senior executives, including base salary and short-term and long-term incentive awards. The Committee also administers incentive compensation plans, evaluates our Chief Executive Officer's performance and reviews management succession planning and development. The Board has determined that the members of the Committee meet the applicable requirements for independence under the standards of the Securities and Exchange Commission and the New York Stock Exchange discussed under *Director Independence* on page 8.

Decisions Made by the Compensation Committee. The Compensation Committee reviews each element of compensation annually to improve alignment with stated compensation objectives. As a result of its review, the

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Committee may recommend that the Board approve adjustments to base salary for our senior executive officers. In addition, the Committee may adjust short-term and long-term incentive target compensation levels for the senior executive officers to better align compensation with our market-based pay philosophy. In its review, the Committee also takes into consideration whether any incentive compensation target or performance objective could lead to a decision by an executive to take an inappropriate level of risk for the Company. In establishing individual incentive targets and awards, the Committee considers the data provided by its consultant, the level and nature of the executive's responsibility, the executive's experience and the Committee's own qualitative assessment of the executive's performance. In making these determinations, the Committee also takes into account our Chief Executive Officer's performance evaluations of and recommendations regarding such executive officers.

Annually, the Committee directs its consultant to review the base salary and short-term and long-term incentive levels of our senior executive officers. To ensure that our compensation programs are market-based, the Committee's consultant analyzes and matches the position and responsibilities of each senior executive officer to proxy statement data from a peer group of utility companies and to published compensation surveys covering both the utility industry and general industry. We do not consider geographical differences to be a relevant factor since we recruit on a national basis.

For 2014, the peer group for proxy statement data consisted of the following 16 publicly traded utility companies:

AGL Resources Inc.	Integrus Energy Group, Inc.
Ameren Corporation	NiSource Inc.
American Electric Power Company, Inc.	Pepco Holdings, Inc.
CMS Energy Corporation	PG&E Corporation
Consolidated Edison, Inc.	SCANA Corporation
DTE Energy Company	Sempra Energy
Duke Energy Corporation	Wisconsin Energy Corporation
Entergy Corporation	Xcel Energy Inc.

This peer group had median revenues and market capitalization comparable to CenterPoint Energy and CenterPoint Energy's 3-year average percentage of income from regulated operations is within one standard deviation of the mean 3-year average percentage of income from regulated operations among the peer group companies. This group of companies was identical to the group of companies used for measuring our relative total shareholder return for purposes of determining payouts under some of our 2014 long-term incentive compensation awards.

Prior to conducting its 2015 analysis, the Committee asked Pearl Meyer to review the 2014 peer group. Pearl Meyer compared the 2014 peer group to CenterPoint Energy based on key financial and other metrics and recommended changes for 2015 designed to generate an appropriate peer group for the Company. Factors considered by Pearl Meyer include our current peer group membership, companies within comparable Global Industry Classification Standard

sector, companies who list CenterPoint Energy as a peer in their proxies, the peers that the current peer group list as comparables, companies listed in shareholder advisor reports regarding CenterPoint Energy and companies within a reasonable range of CenterPoint Energy's relative to 12-month trailing revenue and current market capitalization. As a result of the review, three companies were removed from the 2015 peer group (Integrus Energy Group, Pepco Holdings and NiSource, Inc.) due to pending acquisitions or restructurings and three were added (Atmos Energy, OGE Energy Corp and Pinnacle West Capital Corp). We believe that the use of this group as a reference for evaluating our compensation policies helps align us with our peers and competitors. We also believe this group of companies provides a sufficiently large data set that is generally not subject to wide changes in compensation data.

Role of Consultant. To assist in carrying out its responsibilities, the Compensation Committee retains a consultant to provide independent advice on executive compensation and to perform specific tasks as requested by the Committee. The consultant reports directly to the Committee, which preapproves the scope of work and the fees charged. The Compensation Committee or the Governance Committee may direct our compensation consultant to perform additional analyses or research related to compensation issues.

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From October 2006 until August 2014, Cook & Co. served as consultant to the Committee. From time to time, the Governance Committee of the Board also retained Cook & Co. to provide independent advice on director compensation. At its February 2014 meeting, the Committee decided to engage in a request for proposal process for compensation consulting services. Following the review, the Committee retained Pearl Meyer & Partners (Pearl Meyer), effective August 2014, as its independent executive compensation consultant due in large part to their strong reputation and analytical capabilities.

The Committee reviews and assesses the independence and performance of its consultants in accordance with applicable Securities and Exchange Commission and NYSE rules on an annual basis to confirm that the consultant is independent and meets all applicable regulatory requirements. In making this determination, the Committee reviewed information provided by each compensation consultant including the following factors:

the provision of other services to CenterPoint Energy by each consultant;

the amount of fees received from CenterPoint Energy by each compensation consultant as a percentage of total revenue of the compensation consultant;

the policies and procedures of the compensation consultant that are designed to prevent conflicts of interest;

any business or personal relationship of the Committee's advisors with a member of the Committee;

any stock of CenterPoint Energy owned by the Committee's advisors or the advisor's immediate family members;
and

any business or personal relationship of the Committee's advisors or any other employee of each advisor with an executive officer at CenterPoint Energy.

In particular, the Committee noted that neither advisor provided other services to CenterPoint Energy.

In future years, if the Committee's compensation consultant provides significant services to us that could reasonably be seen to affect the compensation consultant's independence, we plan to disclose in our proxy materials the nature of those services, and fees paid for such services.

Role of Executive Officers

Of our senior executive officers, only our Chief Executive Officer has a role in determining executive compensation policies and programs. Our Chief Executive Officer works with business unit and functional leaders along with our internal compensation staff to provide information to the Compensation Committee to help ensure that all elements of compensation support our business strategy and goals. Our Chief Executive Officer reviews internally developed materials before they are furnished to the Committee.

Our Chief Executive Officer also periodically reviews and recommends specific Company performance metrics to be used in short- and long-term incentive plans. Our Chief Executive Officer works with the various business units and functional departments to develop these metrics, which are then presented to the Committee for its consideration and approval.

Our Chief Executive Officer reviews and recommends changes to the peer companies used for compensation purposes using internal analyses of revenue and the percentage of income from regulated operations. These recommendations are reviewed by the Committee's independent consultant and then presented to the Committee for its consideration and approval.

Within the parameters of the compensation policies established by the Committee, our Chief Executive Officer also makes preliminary recommendations for base salary adjustments and short-term and long-term incentive levels for the other senior executive officers. Our Chief Executive Officer also recommends payment amounts for the non-formulaic portion of the other executive officers' short-term incentive plan awards. Our Chief Executive Officer bases his recommendations on a variety of factors such as his appraisal of the executive's job performance and contribution to CenterPoint Energy, improvement in organizational and employee development, and accomplishment of strategic priorities. Our Chief Executive Officer does not make any recommendations regarding his own compensation.

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Compensation Discussion and Analysis (continued)

Elements of Compensation

Base Salary. Base salary is the foundation of total compensation. Base salary recognizes the job being performed and the value of that job in the competitive market. Base salary must be sufficient to attract and retain the executive talent necessary for our continued success and provides an element of compensation that is not at risk to avoid fluctuations in compensation that could distract our executives from the performance of their responsibilities. The Compensation Committee generally seeks to position the base salary for our most senior executives near the 50th percentile of base salaries in the peer group and published compensation surveys.

Adjustments to base salary primarily reflect either changes or responses to changes in market data or increased experience and individual contribution of the employee. The typical date for making these adjustments is April 1; however, adjustments may occur at other times during the year to recognize new responsibilities or new data regarding the market value of the job being performed. Changes in base salary impact short- and long-term incentive payouts, as well as some benefits. A newly named executive or an executive whose responsibilities have significantly increased may be moved to the market median (50th percentile) over several years.

Short-Term Incentives. Our short-term incentive plan provides an annual cash award that is designed to link each employee's annual compensation to the achievement of annual performance objectives for CenterPoint Energy and the individual's business unit, as well as to recognize the employee's performance during the year. The target for each employee is expressed as a percentage of base salary earned during the year.

The Compensation Committee generally determines each senior executive officer's short-term incentive target based on the competitive market data developed by its compensation consultant and recommendations from the Chief Executive Officer for officers other than himself.

The achievement of the performance objectives generates a funding pool under the short-term incentive plan for the year. The Committee establishes and approves the specific performance objectives based on possible objectives as approved by the Committee. The performance objectives are selected by the Compensation Committee from among the performance objectives included in the short-term incentive plan. The performance objectives in the short-term incentive plan were last approved by our shareholders at our 2011 annual meeting and are being submitted for reapproval at the 2015 annual meeting so that future awards under the short-term incentive plan may qualify as performance-based compensation for purposes of Section 162(m) of the Internal Revenue Code. Performance objectives are based on financial and operational factors determined to be critical to achieving our desired business plans. Performance objectives are designed to reflect goals and objectives to be accomplished over a 12-month measurement period; therefore, incentive opportunities under the plan are not impacted by compensation amounts earned in prior years. After the end of the year, the Committee compares the actual results to the pre-established performance objectives and certifies the extent to which the objectives are achieved for funding the incentive plan.

The Committee has discretion to decrease the amount payable pursuant to any performance award, but may not increase the amount payable pursuant to a performance award in a manner inconsistent with the requirements for qualified performance-based compensation under Section 162(m) of the Internal Revenue Code. In determining whether to exercise this discretion, the Committee may assess an individual executive's contribution to the achievement of the performance objectives and any special circumstances, and will be guided by our policy providing that absent performance issues, individual performance awards under the plan will not be less than 50% of the funding of the individual award (as determined based on the level of achievement of the specified performance objectives). The Committee may also consider the input of our Chief Executive Officer on the amount to be awarded to each of the other senior executive officers. In addition, the Committee has discretion to pay awards that are not tied to performance objectives. This authority provides the Committee with the flexibility to provide awards for executive performance in connection with extraordinary circumstances or events. Any such amount paid in excess of the funded amount under the short-term incentive plan is reported as a bonus instead of non-equity incentive plan compensation.

Because an important component of our business plan is successful financial performance, the primary performance objective for 2014 was core operating income. Core operating income is our reported operating income adjusted to

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Compensation Discussion and Analysis (continued)

reflect what we consider to be our core operational business performance in the period being measured. The adjustments made to our reported operating income to arrive at our core operating income are detailed under Executive Compensation Tables Non-Equity Incentive Plan Awards beginning on page 40.

For 2014, Mr. Prochazka's performance objectives were related to our core operating income and the operational objectives described below. These performance measures were determined to be appropriate given his responsibility with respect to the collective operating performance of all of CenterPoint Energy's businesses as a whole. Performance objectives for our senior executive officers were based on a matrix of performance objectives for the Company as a whole. Operational objectives include (i) controlling expenditures and (ii) non-financial operational performance objectives such as reliability indices, safety-related incident rates, and other objectives relating to the services provided by CenterPoint Energy.

Additional detail regarding specific performance objectives for our senior executive officers for 2014 and the specified threshold, target, maximum and exceptional achievement levels, and an example of the funding and distribution calculation are provided following the Grants of Plan-Based Awards for Fiscal 2014 table under Executive Compensation Tables Non-Equity Incentive Plan Awards beginning on page 40.

The scaling of the levels necessary to achieve threshold, target, maximum and exceptional performance is based on an assessment of expected business performance during the measurement period. Over a period of years, if we achieve expected business performance, the short-term incentive program should pay out at target levels. For a program to be motivational, there should be a high likelihood of achieving at least threshold performance in a given year. Also in a given year, we believe there should be a reasonable likelihood of achieving target performance. To create additional incentive for exceptional performance, funding for short-term incentive goals related to core operating income can reach 200% of target, but it is not expected that this level of funding would be triggered in most years.

Effective January 1, 2010, the Compensation Committee revised the terms of the short-term incentive plan for participants who are or become retirement eligible (age 55 with five years of service) during the year. Retirement-eligible participants who terminate employment after at least 90 days of service during the year will receive a short-term incentive payment, if any, under the short-term incentive plan based on eligible earnings during the period of employment during the calendar year based on the actual achievement of the applicable performance objectives.

Long-Term Incentives. We provide a long-term incentive plan in which each of our senior executive officers and certain other management-level employees participate. Our long-term incentive plan is designed to reward participants for sustained improvements in CenterPoint Energy's financial performance and increases in the value of our common stock and dividends over an extended period.

The Committee authorizes grants annually at a regularly scheduled meeting during the first quarter of the year. Grants can be made from a variety of award types authorized under our long-term incentive plan. In recent years, we have emphasized performance-based shares.

We have also granted restricted stock unit awards, which we sometimes refer to as stock awards in this proxy statement, which vest based on continued service over a three-year period and the achievement of a performance goal based on the level of dividends declared over the vesting period. Over a period of years, if we achieve expected business performance, we expect that the long-term incentive plan should pay out at target levels.

A three-year performance period is used for grants under the long-term incentive plan because:

a three-to-five year period is a typical performance measurement period for this type of compensation element;

a three-year period encourages retention;

three years is of sufficient duration so that high or low performance in one year should neither guarantee nor preclude a payout;

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three years duration also helps assure participants that their performance will influence a payout during the measurement period; and

we have traditionally used a three-year period.

As a result of the three-year performance period, in any given year, our senior executive officers generally have outstanding grants covering three concurrent periods.

On March 20, 2014, the Committee authorized awards as shown in the columns captioned Estimated Future Payouts Under Equity Incentive Plan Awards in the Grants of Plan-Based Awards for Fiscal Year 2014 table on page 39. The Committee set a target percentage of each senior executive officer's base salary that was consistent with our objective of targeting the market median compensation level as described above. Vesting and payout of the performance shares will be determined based on the level of achievement of each performance objective over the three-year cycle of January 2014 through December 2016. For additional detail regarding the grants, see Executive Compensation Tables Equity Incentive Plan Awards Long-term Incentive Plan Awards Granted in 2014 beginning on page 44.

Long-term incentive compensation has been allocated between performance shares and stock awards on a 70% and 30% basis, respectively. This allocation provides what the Committee considers to be an appropriate blend of grants. The Compensation Committee reviews the allocation between performance shares and stock awards annually with its compensation consultant. In 2014, both Cook & Co. and the successor consultant, Pearl Meyer, confirmed that the allocation between performance shares and stock awards on a 70% and 30% basis, respectively, was market-based among both utility peers and the general industry. Cook & Co. also informed the Compensation Committee that it believed that the blend is sufficient to provide both an incentive and retention effect for our senior executive officers. Our 2014 performance share awards were made in two separate grants, with the payout opportunity for each grant based on a different performance objective.

The first is based on total shareholder return over the three-year performance cycle as compared to that of a subset of the S&P Utility Index comprised of 17 companies, consisting of CenterPoint Energy and the other 16 companies listed on page 25 (we refer to this group as the peer group subset of the S&P Utility Index). Forty percent of long-term compensation is based on the total shareholder return metric. The remaining 30% is based on achieving specified cumulative operating income goals over the three-year performance cycle.

Total shareholder return is a widely utilized metric that captures stock price appreciation and dividend yield. By comparing CenterPoint Energy's total shareholder return to the other companies included in the peer group subset of the S&P Utility Index, threshold payout for this metric is achieved by the creation of shareholder value whereby CenterPoint Energy reaches the 25th percentile of panel based on position within this group (13th out of the 17 company peer group that includes CenterPoint Energy). Maximum payout for this metric is achieved by the creation

of shareholder value that places CenterPoint Energy in the second position or higher within the group. Linear interpolation is used to reward performance between threshold and maximum. We intend for the total shareholder return measure to provide a reasonable chance of threshold performance, thus enhancing the motivational effects of the plan, while requiring a rank in the top two companies for maximum payout. We believe the peer group subset of the S&P Utility Index is a reasonable proxy for the universe of companies engaged in businesses similar to ours.

The Committee established operating income targets over the three-year performance cycle as reflected in our five-year plan at the time these awards were made as the other performance objective for long-term incentive awards made in 2014. We calculate operating income based on generally accepted accounting principles, adjusted for certain factors to reflect what we consider to be our core operating income. We intend that this objective will provide a reasonable chance of achieving threshold performance, thus enhancing the motivational effects of the plan, while requiring significant earnings growth for maximum payout. For a detailed description of the calculation of cumulative operating income, see page 45.

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If actual achievement for the performance objective under an award does not meet at least the threshold level, the Compensation Committee will not approve a distribution under the plan related to that award. If a performance objective meets or exceeds the threshold level, the Committee has historically been able to approve a payout ranging from 50% to 150% of target based on actual achievement level. In March 2014, the Compensation Committee approved (i) increasing the maximum payout opportunity for the performance share awards from 150% to 200% to remain competitive with competitor long-term incentive plans; and (ii) reducing the threshold achievement level for the total shareholder return performance objective from the 35th percentile to the 25th percentile and therefore reducing the threshold payout for this award from 50% of target to 33% of target.

The March 20, 2014 awards shown in the Grants of Plan-Based Awards for Fiscal Year 2014 table on page 39 also include restricted stock unit awards. Vesting of these awards requires continuous service through the February 18, 2017 vesting date. The performance objective required for the vesting of these awards was eliminated to be consistent with market practices. The restricted stock units are intended to retain executive officers and reward them for absolute long-term stock appreciation while providing some value to the recipient even if the stock price declines. In this way, the restricted stock units help balance against the riskier nature of the performance share awards and promote retention.

Payments of both the performance share awards and the stock awards will be made in the form of shares equal in number to the shares covered by the award multiplied by the achievement percentage, if applicable, subject to withholding to satisfy tax obligations. Please refer to Potential Payments Upon Change in Control or Termination for the impact of a change in control or termination of employment on outstanding grants.

Both the performance shares and the stock awards accrue dividend equivalents over the performance cycle or vesting period, respectively, at the same level as dividends earned by shareholders on shares of common stock outstanding. Dividend equivalents on the shares which are vested are paid in cash when the shares are distributed. Dividend equivalents are not paid with respect to unearned and unvested shares.

In addition, outstanding performance share awards and stock awards provide that retirement eligible participants (age 55 with five years of service) who terminate employment will receive a payment under the award, if any, based on the actual achievement of the applicable performance objective at the end of the performance period or vesting period, respectively, with any such amount pro-rated for the period of their employment during that period. Upon termination for cause, no benefits are payable under the award agreements. For awards made beginning in 2012, the Committee approved revised forms of award agreements for future performance share awards and stock awards to provide that a retirement eligible participant will not receive such pro-rated payments if he or she terminates employment within the first six months of the calendar year in which the award was made. In addition, this form of agreement for restricted stock unit awards with service-based vesting provides that such awards would be subject to earlier full vesting upon a change in control of the Company or pro-rata vesting upon the recipient's earlier separation from service due to death, disability or retirement, provided that the recipient will not receive a payment if he or she retires within the first six months of the calendar year in which the award was made.

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Compensation Discussion and Analysis (continued)

2014 Executive Compensation Program

For 2014, the base salaries and short-term and long-term incentive targets for our senior executive officers were as follows:

Name	Base Salary	Short-term Incentive	Long-term Incentive
		Target %	Target %
Scott M. Prochazka	\$900,000	100% of base salary	300% of base salary
	(No change)		
Gary L. Whitlock	Increase of \$29,000	75% of base salary	140% of base salary
	to \$600,000		
Tracy B. Bridge	Increase of \$138,000	75% of base salary	140% of base salary
	to \$440,000		
Joseph B. McGoldrick	Increase of \$92,000	75% of base salary	140% of base salary
	to \$440,000		
Thomas R. Standish	\$512,000	75% of base salary	140% of base salary
	(No change)		

For a description of the compensation arrangements for Mr. Carroll, our Executive Chairman, please see Executive Chairman Compensation Arrangements.

2015 Executive Compensation Program

In February 2015, the Compensation Committee reviewed the base salary and short-term and long-term incentive targets (expressed as a percentage of base salary earned during the year) for Mr. Prochazka and determined to increase his base salary by 3% and not to change his short-term and long-term incentive targets from the levels established for 2014 compensation. The Compensation Committee also reviewed and approved increases to the base salaries of Messrs. Whitlock, Bridge and McGoldrick ranging from 0% to 3.4% and reviewed the short-term and long-term

incentive targets (expressed as a percentage of base salary earned during the year) for these senior executive officers. No changes were made to the short-term incentive targets for Messrs. Whitlock, Bridge or McGoldrick. The Compensation Committee approved increases to the long-term incentive targets for Messrs. Bridge and McGoldrick from 140% of base salary to 160% of base salary.

For 2015, the base salaries and short-term and long-term incentive targets for our senior executive officers were as follows (excluding Mr. Standish, who stepped down as Executive Vice President of the Company effective August 31, 2014):

Name	Base Salary effective 04/01/15	Short-term Incentive Target % as of 01/01/15	Long-term Incentive Target % as of 01/01/15
Scott M. Prochazka	Increase of \$27,000 to \$927,000	100% of base salary	300% of base salary
Gary L. Whitlock	\$600,000 (no change)	75% of base salary	140% of base salary
Tracy B. Bridge	Increase of \$15,000 to \$455,000	75% of base salary	160% of base salary
Joseph B. McGoldrick	Increase of \$15,000 to \$455,000	75% of base salary	160% of base salary

In February 2015, the Compensation Committee also determined that 2015 long-term incentive compensation awards would again be allocated between performance shares and restricted stock units on a 70% and 30% basis, respectively. Consistent with 2014, the Committee determined that 2015 performance share awards would be made in two separate grants, with 40% based on total shareholder return over the three-year performance cycle as compared to a selected peer group of companies and 30% based on achieving a cumulative operating income goal

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over the three-year performance cycle. In prior years, the Committee had granted performance shares based on achievement of total shareholder return and earnings per share goals. The performance share awards approved by the Compensation Committee in February 2015 for our named executive officers and certain other senior executives are subject to shareholder reapproval at our 2015 annual meeting of the performance goals under our 2009 Long-term Incentive Plan, as discussed under Item 4: Reapproval of the Material Terms of Performance Goals Under the 2009 Long-term Incentive Plan beginning on page 65. If the shareholders do not reapprove the performance goals under our 2009 Long-term Incentive Plan, these performance share awards will immediately be forfeited and cancelled after the 2015 annual meeting. If shareholder approval is obtained, these awards would remain outstanding and would be earned to the extent the applicable performance and service conditions are satisfied. The Company has not recognized compensation expense for these grants because a grant date as defined in FASB ASC Topic 718 has not occurred, as the grants are contingent upon shareholder approval, which cannot be assured.

In February 2015, the Compensation Committee approved the performance objectives for our short-term incentive plan for fiscal 2015. The performance goals approved for 2015 consist of (i) a core operating income goal, with a weight of 55%, (ii) an operational performance goal, consisting of a minimum threshold that requires that core operating income for 2015 equal or exceed \$650 million and then specific payout goals of an overall operations and maintenance expenditures goal with a weight of 25% and a customer satisfaction goal with a weight of 10%, and (iii) a safety goal with a weight of 10%. We expect that the Committee will structure the short-term incentive plan for 2015 for our named executive officers as an umbrella plan. Under this umbrella design, bonus amounts will initially be determined based on achievement of one or more performance goals to be established by the Committee on or before March 31, 2015. The Committee may then exercise its negative discretion to determine the actual bonuses payable to our named executive officers, in each case considering our actual performance with respect to the performance goals approved by the Committee in February 2015. We believe that this design will better enable us to make bonus awards intended to qualify as performance-based compensation within the meaning of Section 162(m) such that, if so qualified, payouts under the short-term incentive plan would be deductible for federal income tax purposes.

Effective March 3, 2015, Mr. William D. Rogers was appointed Executive Vice President and Chief Financial Officer. The Compensation Committee approved the following compensation terms for Mr. Rogers:

a base salary of \$410,000;

a sign-on equity incentive award of 18,000 restricted stock units, 10,000 of which will vest on the first anniversary of his employment start date of February 9, 2015 and 8,000 of which will vest on the second anniversary of his employment start date;

a short-term incentive target of 75% of base salary; and

a long-term incentive target of 140% of base salary.

Effective March 1, 2015, the Compensation Committee approved a grant of 25,000 restricted stock units to Mr. McGoldrick as a retention arrangement, in recognition of his extensive financial knowledge and history with CenterPoint Energy and his consistent exceptional leadership and performance. Under the terms of the grant, Mr. McGoldrick's restricted stock units will vest on March 1, 2017 as long as he remains employed through, and retires on, March 1, 2017.

Equity Award Practices

In accordance with the terms of our long-term incentive plan, our practice is to price annual grants of equity awards at the closing market price for our common stock on the New York Stock Exchange on the grant date, which is the date the Compensation Committee approves the grants. In recent years, long-term incentive grants made other than at the time of the annual grants have been provided for retention purposes or to new employees only. These types of

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grants are approved by the Compensation Committee or, with respect to our non-executive officers, a Special Stock Award Committee, which for 2014, consisted of our Chief Executive Officer and the Chairman of the Compensation Committee and for 2015, consists of our Chief Executive Officer.

We do not have a practice of timing grants in coordination with the release of material information or timing grants to enhance the value of stock options to optionees. We have not granted stock options since 2004.

Recoupment of Awards

The Board has implemented a policy for the recoupment of short-term and/or long-term incentive payments in the event an officer is found to have engaged in any fraud, intentional misconduct or gross negligence that leads to a restatement of all, or a portion of, our financial results. This policy permits us to pursue recovery of incentive payments if the payment would have been lower based on the restated financial results.

Executive Stock Ownership Guidelines

We believe that our Executive Stock Ownership Guidelines align the interests of our officers, including our named executive officers, with the interests of shareholders. The guidelines provide that our Chief Executive Officer should own CenterPoint Energy common stock having a market value of five times base salary, and the other senior executive officers and our Executive Chairman should own CenterPoint Energy common stock having a market value of three times their respective base salaries. For purposes of the guidelines, the ownership requirement will be determined annually based on the executive's current base salary. The base salary multiple is converted to a fixed number of shares (rounded to the nearest 100 shares) using the prior 365-day average closing price of our common stock as reported by the New York Stock Exchange.

In addition to shares owned outright, equivalent shares held in our savings plan, unvested stock awards, and shares held in trust are counted towards the guidelines. Unvested performance share awards do not count towards the guidelines for our officers. Until the designated ownership level is reached, the officer is expected to retain at least 50% of the after-tax shares delivered through the long-term incentive plan. Certain exclusions apply to the retention expectation, such as estate planning, gifts to charity, education and the purchase of a primary residence. Newly hired or recently promoted officers are given a reasonable period of time to comply with these guidelines. The Committee reviews our officers' stock holdings annually to monitor compliance with these guidelines. We have also adopted a policy prohibiting directors and corporate and senior division officers from pledging shares to secure loans, subject to grandfathering of existing arrangements, or otherwise holding shares of our common stock in margin accounts.

Although we do not conduct formal benchmarking studies of ownership guidelines, the ownership guidelines and the administration of the program are reviewed annually by the Compensation Committee with advice from the Committee's consultant.

Review of Tally Sheets

At least annually (with the most recent pro forma April 1 version presented in February 2015), the Compensation Committee reviews tally sheets for each of our then current senior executive officers that reflect all components of compensation, including base salary, short-term and long-term incentive compensation, retirement benefits, deferred compensation benefits, death benefits, and benefits or payments that would be payable in connection with a change in control or termination of employment. Tally sheets are provided to the Committee to show how various compensation and benefits amounts are interrelated and how changes in one component of compensation impact other components and to enable Committee members to quantify amounts payable upon various termination scenarios.

Change in Control Plan

On December 11, 2014, our Board of Directors approved a change in control plan for our officers. The plan, effective January 1, 2015, is intended to help ensure that our officers, including our senior executive officers and our Executive Chairman, continue to give their full attention to our business needs in the event we were to become the subject of

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the types of change in control transactions described in the plan. The plan includes a double trigger, whereby to be eligible for benefits, the executive's employment must be terminated following a change in control. The plan does not provide for any excise tax gross-up payments. For a more detailed discussion, refer to Potential Payments upon Change in Control or Termination on page 52.

Benefits

We have maintained a defined benefit plan for eligible employees since 1953 to help employees provide for retirement and to attract and retain employees. In addition, we maintain a benefit restoration plan as a nonqualified supplemental retirement plan to generally provide for benefits in excess of those available under the retirement plan due to annual limits imposed by the Internal Revenue Code. Changes in base salary and/or short-term incentive compensation affect benefits payable under the retirement plan and the benefit restoration plan. A description of the retirement plan and benefit restoration plan begins under Pension Benefits on page 48. The present value of the accumulated benefits under the plans for each senior executive officer is set forth in the Pension Benefits table on page 49.

We maintain a savings plan designed to encourage all employees to help provide for their own retirement and to attract and retain employees. We also have a nonqualified savings restoration plan that provides for matching contributions not available under the savings plan due to Internal Revenue Code limits. Base salary and short-term incentive compensation are included as eligible plan compensation under the provisions of the savings plan and the savings restoration plan. A description of the savings plan and the savings restoration plan begins on page 50. Matching contributions to the plans for the senior executive officers are included in the footnote to the All Other Compensation column of the Summary Compensation Table.

Our senior executive officers may defer salary and short-term incentive compensation under our deferred compensation plan. A description of that plan begins on page 50. The above-market portion of the 2014 aggregate earnings is reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

We also maintain an executive benefits plan for certain executives who were employed as of July 1, 1996 (Messrs. McGoldrick and Standish) that provides death benefits. In 1996, we determined this benefit was no longer competitive in the market and consequently froze entry into this plan at that time. See footnote 6(f) to the Summary Compensation Table for a description of the plan and the estimated aggregate incremental benefit during 2014.

We also have an executive life insurance plan providing endorsement split-dollar life insurance in the form of a death benefit for designated executives who were employed as of December 31, 2001, including Messrs. Carroll, Whitlock, McGoldrick and Standish. The purpose of this plan is to assist the executive's beneficiaries with the impact of estate taxes on deferred compensation plan distributions. See footnote 6(e) to the Summary Compensation Table for a description of the plan.

Tax Considerations

Section 162(m) of the Internal Revenue Code generally limits the tax deductibility of compensation in excess of \$1 million for our named executive officers (other than our Chief Financial Officer), unless the compensation meets rules qualifying it as performance-based compensation. The Compensation Committee believes that, in establishing the cash and equity incentive compensation plans and arrangements for our executives, the potential deductibility of the compensation payable under those plans and arrangements should be only one of a number of relevant factors taken into consideration. For that reason, the Compensation Committee may deem it appropriate to provide one or more of our executives with the opportunity to earn incentive compensation, whether through cash incentive awards or equity incentive awards, which may not be deductible by reason of Section 162(m) or other provisions of the Internal Revenue Code. The Compensation Committee believes it is important to maintain cash and equity incentive compensation at the requisite level to attract and retain the individuals essential to our financial success, even if all or part of that compensation may not be deductible by reason of Section 162(m) of the Internal Revenue Code.

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Unlike certain of our change in control agreements, which expired on December 31, 2014, our change in control plan described above for our senior executive officers does not provide a gross-up payment to cover any excise tax an executive is determined to owe on an excess parachute payment. For additional discussion, refer to Potential Payments upon Change in Control or Termination on page 52.

Our executive plans and agreements that are subject to Section 409A of the Internal Revenue Code are intended to comply with Section 409A of the Internal Revenue Code.

Executive Chairman Compensation Arrangements

In April 2013, the Board of Directors appointed Milton Carroll as Executive Chairman of the Board effective as of June 1, 2013 and authorized us to provide certain compensation arrangements to Mr. Carroll. Mr. Carroll previously served as a non-employee director and Chairman of the Board until his appointment as Executive Chairman. Prior to June 1, 2013, under an arrangement approved by the Board of Directors in April 2010, Mr. Carroll received the compensation payable to other non-employee directors and certain supplemental compensation for agreeing to serve as the non-executive Chairman of the Board through May 2013, a position that involved a substantial commitment of time over and above regular service as a Board member and member of committees of the Board. Under this arrangement, Mr. Carroll received a supplemental monthly retainer of \$30,000 payable beginning June 30, 2010 and continuing until May 31, 2013.

In connection with his appointment as Executive Chairman in April 2013, the Board of Directors approved compensation arrangements for Mr. Carroll that provided for (i) an annual salary of \$450,000 commencing June 1, 2013 and continuing thereafter until the earlier of May 31, 2016 or the termination of Mr. Carroll's service as Executive Chairman of the Board and payable on a monthly or semi-monthly basis, and (ii) an annual award of 30,000 shares of common stock to be made during the period commencing on June 1, 2013 and continuing until the earlier of May 31, 2016 or the termination of Mr. Carroll's service as Executive Chairman of the Board, with each such award payable on June 1, 2013, June 1, 2014 and June 1, 2015, respectively. Under this arrangement, we issued 30,000 shares of CenterPoint Energy common stock to Mr. Carroll on each of June 1, 2013 and June 1, 2014. The compensation arrangements for Mr. Carroll that were adopted in connection with his appointment as Executive Chairman were approved by the independent members of the Board of Directors, and neither Mr. Carroll nor the former Chief Executive Officer participated in that determination.

In February 2014, the independent members of the Board of Directors approved the following modifications to Mr. Carroll's compensation arrangements: (i) Mr. Carroll's annual base salary was increased to \$600,000 effective as of January 1, 2014 and continuing thereafter until the termination of Mr. Carroll's service as Executive Chairman of the Board or as otherwise modified by the Board; (ii) Mr. Carroll was granted an award of 30,000 restricted stock units to be payable on June 1, 2016 contingent on his continued service as Chairman on that date; and (iii) beginning in 2014,

Mr. Carroll would receive an annual long-term incentive compensation award under the Company's long-term incentive plan that will be allocated between performance shares and stock awards on the same basis as 2014 awards to be made to other executive officers, with an incentive compensation target for Mr. Carroll equal to 200% of base salary.

In February 2015, the Compensation Committee reviewed Mr. Carroll's compensation arrangements and made no changes to his annual base salary or his long-term incentive target. The Compensation Committee awarded Mr. Carroll an additional grant of 30,000 restricted stock units to be payable on June 1, 2017 contingent on his continued service until that date.

Mr. Carroll participates in an executive life insurance plan as a director who was elected to the Board before 2001 and was not an employee of the Company at the time of his initial election. This plan provides endorsement split-dollar life insurance with a death benefit equal to six times the director's annual retainer, excluding any supplemental retainer, with coverage continuing after the director's retirement from the Board. Due to limits on the increases in the death benefit under this plan, the death benefit for Mr. Carroll remains at \$180,000. The annual premiums on the

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policies are payable solely by CenterPoint Energy, and in accordance with the Internal Revenue Code, Mr. Carroll must recognize imputed income based upon the insurer's one-year term rates. Mr. Carroll is also provided a tax gross-up payment for all taxes due on the imputed income associated with the policy value so that coverage is provided at no cost to him. The applicable amounts are set forth in footnotes 6(b) and 6(e) to the Summary Compensation Table. Upon the death of the insured, the director's beneficiaries will receive the specified death benefit, and we will receive any balance of the insurance proceeds.

Mr. Carroll is subject to our executive stock ownership guidelines.

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EXECUTIVE COMPENSATION TABLES

The following tables show compensation information for our President and Chief Executive Officer and our Executive Vice President for our Electric and Gas Divisions for the one-year period ended December 31, 2014, for our other senior executive officers for the one-year periods ended December 31, 2014, 2013 and 2012 and for our Executive Chairman for the one-year periods ended December 31, 2014 and 2013.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus ⁽¹⁾ (\$)	Stock Awards ⁽²⁾ (\$)	Option Awards ⁽³⁾ (\$)	Plan Compensation ⁽⁴⁾ (\$)	Change in Pension Value and Non-Equity Incentive	All Other Compensation ⁽⁶⁾ (\$)	Total (\$)
							Nonqualified Deferred Compensation ⁽⁵⁾ (\$)		
Scott M. Prochazka President and Chief Executive Officer	2014	\$ 900,000		\$ 2,700,141		1,134,000	\$ 85,325	\$ 77,825	\$ 4,897,291
Gary L. Whitlock Executive Vice President and Chief Financial Officer	2014	592,750		799,401		560,000	93,899	118,825	\$ 2,164,875
	2013	567,250		778,432		497,762	66,304	102,048	2,011,796
	2012	552,000		1,226,235		492,660	64,193	101,335	2,436,423
Tracy B. Bridge Executive Vice President and President Electric Division	2014	422,750	5,502	616,200		399,498	148,949	39,166	1,632,065
Milton Carroll Executive Chairman	2014	600,000		1,924,131			21,279	7,465	2,552,875
	2013	262,500		2,086,200			33,098	192,649	2,574,447
	2014	428,500	5,067	616,200		404,933	327,991	244,957	2,027,648

Joseph B.
McGoldrick
Executive Vice
President and
President Gas
Division

Thomas R.							
Standish	2014	511,999	716,688	483,840	535,022	173,749	2,421,298
Former	2013	509,500	702,780	447,086	27,675	91,215	1,778,256
Executive Vice							
President	2012	498,250	1,151,827	444,688	673,554	223,890	2,992,209

(1) For 2014, amounts shown in Bonus column represent discretionary payments above amounts earned pursuant to achieved performance goals under our short-term incentive plan.

(2) Reported amounts for our named executive officers represent the aggregate grant date fair value of awards computed in accordance with FASB ASC Topic 718 based on the probable achievement level of the underlying performance conditions as of the grant date.

Reported amounts for Mr. Carroll represent stock awards included as part of the compensation arrangements approved in April 2013 and February 2014 in connection with his position as Executive Chairman of the Board. Under the April 2013 arrangement, Mr. Carroll will be entitled to receive an annual award of 30,000 shares of our common stock to be made during the period commencing on June 1, 2013 and continuing until the earlier of May 31, 2016 or the termination of Mr. Carroll's service as Executive Chairman of the Board, with each such award payable on June 1, 2013, June 1, 2014 and June 1, 2015, respectively. Under this arrangement, we issued 30,000 shares of common stock to Mr. Carroll on each of June 1, 2013 and June 1, 2014. The reported amount in the table above has been calculated for the maximum aggregate amount of 90,000 shares of common stock payable over the June 1, 2013 to May 31, 2016 period. Under the February 2014 arrangement, Mr. Carroll was granted 30,000 shares of our common stock to be payable on June 1, 2016 contingent on his continued service as Chairman on that date. For additional information, see Compensation Discussion and Analysis Executive Chairman Compensation Arrangements. For purposes of the tables above and below, the effects of estimated forfeitures are excluded. Please also refer to the Grants of Plan-Based Awards for Fiscal Year 2014 table on page 39 and the accompanying footnotes.

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Executive Compensation Tables (continued)

The maximum value at the grant date of stock awards for each of our named executive officers assuming the highest level of performance conditions is achieved is as follows:

Name	Year	Maximum Value of
		Stock Awards
		(\$)
Prochazka	2014	4,590,216
Whitlock	2014	1,358,958
	2013	1,050,863
	2012	1,490,799
Bridge	2014	1,047,540
Carroll	2014	2,764,059
McGoldrick	2014	1,047,540
Standish	2014	1,218,417
	2013	948,753
	2012	1,390,460

(3) CenterPoint Energy has not granted stock options since 2004.

(4) Non-Equity Incentive Plan Compensation represents short-term incentive awards earned with respect to performance in the designated year and paid in the following year. For more information on the 2014 short-term incentive awards, refer to the Grants of Plan-Based Awards for Fiscal Year 2014 table on page 39 and the accompanying footnotes. Mr. Carroll is not eligible for short-term incentive awards.

(5) The two components of the 2014 Change in Pension Value and Nonqualified Deferred Compensation Earnings are as follows:

Name	Change in	Above Market Earnings on	Total
	Pension Value ^(a)	Nonqualified Deferred	(\$)
	(\$)	Compensation ^(b)	

				(\$)	
Prochazka	\$	82,507	\$	2,818	\$ 85,325
Whitlock		93,735		164	93,899
Bridge		148,949			148,949
Carroll				21,279	21,279
McGoldrick		318,351		9,640	327,991
Standish		507,693		27,329	535,022

(a) The Change in Pension Value is the increase or decrease in the present value of accumulated benefits under our retirement plan and the related benefit restoration plans from December 31, 2013 to December 31, 2014. Benefits are assumed to commence as of the earliest age that an individual could retire without a reduction in benefits. The present value as of December 31, 2013 assumed a discount rate of 4.80% and lump sum conversion interest rates of 3.80%, 4.55% and 4.80% for benefits paid within the first 5 years, 6th through 20th years, and all remaining years, respectively. The present value as of December 31, 2014 assumed a discount rate of 4.05% and lump sum conversion interest rates of 3.05%, 3.80% and 4.05% for benefits paid within the first 5 years, 6th through 20th years, and all remaining years, respectively. Refer to the narrative accompanying the Pension Benefits table on page 48 for a more detailed discussion of the present value calculation.

(b) Above Market Earnings consist of the amounts that exceed 120% of the applicable federal long-term rate at the time the interest rate was set. In 1985, CenterPoint Energy entered into a corporate-owned life insurance policy on the lives of Messrs. McGoldrick and Standish who contributed to the 1985 deferred compensation plan. These policies were entered into with their consent. Proceeds upon death are payable to CenterPoint Energy and are available to offset the benefit payments from the plan.

(6) The following table sets forth the elements of All Other Compensation for 2014:

Name ^(a)	Tax Reimbursements ^(b) (\$)	Contributions			Insurance Premiums ^(e) (\$)	Annual Value of Executive (Death) Benefit Plan (change in PVAB) ^(f) (\$)	Total All Other Compensation (\$)
		Contributions to Vested and Unvested Defined Contribution Plans (qualified) ^(c) (\$)	Contributions to Vested and Unvested Defined Contribution Plans (nonqualified) ^(d) (\$)	Contributions to Vested and Unvested Defined Contribution Plans (\$)			
Prochazka	\$ 82	\$ 15,600	\$ 60,546	\$ 1,597	\$	\$ 77,825	
Whitlock	3,939	15,600	49,831	49,455		118,825	
Bridge	45	15,600	22,099	1,422		39,166	
Carroll	672			6,793		7,465	
McGoldrick	1,830	15,600	25,657	42,504	159,366	244,957	

Standish	3,110	15,600	41,945	35,164	77,930	173,749
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(a) None of the named executive officers received perquisites valued in excess of \$10,000 during 2014.

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Executive Compensation Tables (continued)

- (b) The tax reimbursement amounts shown represent gross-up payments equal to miscellaneous items and the after-tax cost of imputed income that the named executive officers are required to recognize as a result of coverage under the executive life insurance plan described in footnote (e) below. The gross-up payments are calculated assuming the highest individual income tax rate is applicable.
- (c) These amounts represent CenterPoint Energy's contributions to the savings plan, which is described under Savings Plan and Savings Restoration Plans on page 50.
- (d) These amounts represent benefits accrued under the savings restoration plan, which is described under Savings Plan and Savings Restoration Plans on page 50.
- (e) The insurance premium amounts include annual premiums we pay to provide life insurance coverage and long-term disability coverage for our senior executive officers, as well as coverage for Messrs. Whitlock, Carroll, McGoldrick and Standish under an executive life insurance plan providing split-dollar life insurance. The executive life insurance plan provides endorsement split-dollar life insurance, with coverage continuing after the executive's termination of service at age 65 or later. If the participant leaves after age 55 and prior to age 65, benefits under the plan will cease unless the Compensation Committee elects to continue the coverage. These executive officers have single-life coverage equal to two times current salary. The death benefit for Mr. Carroll under the plan is \$180,000. Upon the death of the insured, CenterPoint Energy will receive any balance of the insurance proceeds payable in excess of the specified death benefit. For additional details regarding Mr. Carroll, see Compensation Discussion and Analysis Executive Chairman Compensation Arrangements.
- (f) These amounts include the estimated aggregate incremental benefit during 2014 of providing benefits under our executive benefit plan for Messrs. McGoldrick and Standish who participate in this plan pursuant to individual contractual agreements originally entered into in 1993. If death occurs during active employment, the plan provides for a benefit of 100% of the executive's current base salary for one year and then 50% of base salary for nine years. The plan also provides that if the executive retires after reaching age 65, CenterPoint Energy will pay an annual benefit equal to 50% of the executive's annual base salary at the time of retirement for six years after his death. If the executive terminates employment prior to reaching age 65, all benefits are forfeited. Benefits have been calculated assuming retirement at age 65 and using base salary in effect at the end of the year for which the calculation was made. No pre-retirement mortality or terminations are assumed.

Grants of Plan-Based Awards for Fiscal Year 2014

The following table presents the non-equity and equity incentive plan-based awards granted during 2014. The grant date fair value of equity awards is based on the probable achievement level of the underlying performance conditions as of the grant date at the closing price on the grant date, which was \$24.14 for the February 19, 2014 grant and \$23.70 for the March 20, 2014 grants.

Name	Grant Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			Grant Date Fair Value of Stock Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold: Number of Shares (#)	Target: Number of Shares (#)	Maximum: Number of Shares (#)	
Scott M. Prochazka	3/20/14	450,000	900,000	1,710,000				810,066
	3/20/14				15,038	45,570	91,140	1,080,009
	3/20/14				17,090	34,180	68,360	810,066
Gary L. Whitlock	3/20/14	222,281	444,562	844,669				239,844
	3/20/14				4,452	13,490	26,980	319,713
	3/20/14				5,060	10,120	20,240	239,844
Tracy B. Bridge	3/20/14	158,531	317,062	602,418				184,860
	3/20/14				3,432	10,400	20,800	246,480
	3/20/14				3,900	7,800	15,600	184,860
Milton Carroll	3/20/14				7,595	15,190	30,380	360,003
	3/20/14					15,190		360,003
	3/20/14				6,683	20,250	40,500	479,925
	2/19/14					30,000		724,200
Joseph B. McGoldrick	3/20/14	160,687	321,375	610,612				184,860
	3/20/14				3,432	10,400	20,800	246,480
	3/20/14				3,900	7,800	15,600	184,860
Thomas R. Standish	3/20/14	192,000	384,000	729,599				214,959
	3/20/14				3,993	12,100	24,200	286,770
	3/20/14				4,535	9,070	18,140	214,959

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There were no other equity awards granted during the year.

- (1) The estimated payouts under non-equity incentive plan awards are based on the terms of our March 2014 short-term incentive plan. Based on the goals adopted in 2014, the maximum payout amount (as shown in the Maximum column) is 190% of target for our senior executive officers. Actual amounts paid in 2015 for 2014 performance are shown in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. Any amount awarded by the Compensation Committee to an individual executive officer in excess of the actual performance level of the underlying performance objectives is reflected in the Summary Compensation Table in the Bonus column.
- (2) The grants of equity incentive plan awards consist of two types of awards for each senior executive officer: a restricted stock unit award covering a number of shares listed in the Target: Number of Shares column in the first line for each officer, and two performance share awards, for which threshold, target and maximum numbers of shares are shown in the columns under Estimated Future Payouts Under Equity Incentive Plan Awards in the second and third lines for each officer. Both the restricted stock unit awards and the performance share awards accrue dividend equivalents over the vesting period or performance cycle, respectively, at the same level as dividends earned by shareholders on shares of common stock outstanding. Dividend equivalents on the vested shares will be paid in cash. These awards are granted under our long-term incentive plan. Refer to Note (2) to the Outstanding Equity Awards at Fiscal Year-End 2014 table for the vesting date of each of these awards. Mr. Carroll's awards includes the two types of awards described above for the senior executive officers and an additional restricted stock award granted to him in February, 2014. The equity incentive award for Mr. Carroll does not reflect the stock awards included as part of the compensation arrangements approved in April 2013 in connection with his appointment as Executive Chairman of the Board. Under this arrangement, Mr. Carroll will be entitled to receive an annual award of 30,000 shares of common stock to be made during the period commencing on June 1, 2013 and continuing until the earlier of May 31, 2016 or the termination of Mr. Carroll's service as Executive Chairman of the Board, with each such award payable on June 1, 2013, June 1, 2014 and June 1, 2015, respectively. Under this arrangement, we issued 30,000 shares of common stock to Mr. Carroll on each of June 1, 2013 and June 1, 2014. For additional information, see Compensation Discussion and Analysis Executive Chairman Compensation Arrangements.

Non-Equity Incentive Plan Awards

For our short-term incentive plan, core operating income had to equal or exceed \$625 million before any payouts for the 2014 plan year occurred.

Short-Term Incentive Targets. The base salary earned and short-term incentive target for each of our senior executive officers for the 2014 plan year were as follows:

	Prochazka	Whitlock	Bridge	McGoldrick	Standish
Base salary earned in 2014	\$ 900,000	\$ 592,750	\$ 422,750	\$ 428,500	\$ 511,999
Target short-term incentive award percentage for 2014	100%	75%	75%	75%	75%

Mr. Carroll is not eligible to participate in our short-term incentive plan.

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Executive Compensation Tables (continued)

Short-term Incentive Plan Awards. The achievement of performance objectives, which the Compensation Committee establishes and approves annually, is used to determine the funding of the short-term incentive plan for the year. For each performance objective, a target performance level is established at the beginning of the year. If actual performance is achieved at that target level, the plan is funded at 100% for that performance objective. A threshold level of achievement is also established for the performance objective. Achievement must meet at least the threshold level for any funding to be provided on that performance objective. At the threshold level, funding for that performance objective is 50% of the target amount. Similarly, a maximum level of performance is established for each performance objective, which results in funding for that objective at 150% of the target amount if the maximum level of performance is achieved. An exceptional achievement level is established at 200% of target for performance objectives related to overall company core operating income and overall company operations and maintenance expenditures. Linear interpolation is used to determine funding for performance between achievement levels. The maximum funding pool under the plan is limited based on the percentage achievement level of the applicable performance objectives and the base salary earned multiplied by the applicable executive's short-term incentive target. The performance objectives used to determine the level of funding for our senior executive officers for 2014 short-term incentive plan awards were as follows:

Performance Objectives	Performance Objectives Actual Achievement	Weightings of Performance Objectives
Overall Company Core Operating Income	136%	55%
Overall Company Operations and Maintenance Expenditures	132%	25%
Customer Satisfaction Survey and Reliability Composite	150%	10%
Safety Composite	29%	10%
Total Weightings		100%
Funded Achievement Level	126%	

Each of the performance objectives is described in detail below.

To determine Overall Company Core Operating Income, we adjust our reported operating income to remove the effect of specified items, either positive or negative, to reflect what we consider to be our core operational business performance in the period being measured. Adjustments are the following:

plus or minus income or loss related to the company's stranded cost recovery and system restoration bonds;

plus or minus any mark-to-market accounting entries and net natural gas inventory adjustments not reflected in the plan;

plus or minus the financial impacts of any changes in accounting standards, the unplanned change in application of accounting standards, and impairments of goodwill;

plus the significant (>\$1 million per category) financial impact of any unplanned items including: new legislation or regulation, any named storm, restructuring costs, or other unplanned items that receive written approval from the CEO and/or Executive Committee.

For 2014, the various levels of achievement for Overall Company Core Operating Income, the most significant performance objective for CenterPoint Energy, were as follows:

	In Millions				Actual	
	Threshold	Target	Maximum	Exceptional		
	\$	\$	\$	\$	\$	%
Overall Company Core Operating Income	678	721	750	779	742	136%

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The target level above is based on our 2014 business plan as approved by the Board of Directors. The threshold, maximum and exceptional levels are based on target less 6%, target plus 4%, and target plus 8%, respectively.

Overall Company Operations and Maintenance Expenditures is defined as:

All operations and maintenance expenses (excluding transmission cost of service, stranded cost recovery and system restoration bonds)

plus or minus the financial impacts of any changes in accounting standards, the unplanned change in application of accounting standards, and impairments of goodwill;

minus energy efficiency costs (which includes mandated spending and tracked costs but excludes bonus achievement for the Minnesota conservation incentive program costs, energy efficiency costs, gas affordability program and any similar newly approved regulatory mechanisms);

minus any unplanned expenditures required to generate additional revenues including Home Service Plus labor and benefits costs;

minus the significant (>\$1 million per category) financial impact of any unplanned items including: new legislation or regulation, any named storm, restructuring costs, or other unplanned items that receive written approval from the CEO and/or Executive Committee;

plus or minus any differences between plan and actual allocation percentages of capitalized operation and maintenance expenses for internal labor and related expenses.

For 2014, various levels of achievement for Overall Company Operations and Maintenance Expenditures were as follows:

	In Millions				Actual	
	Threshold	Target	Maximum	Exceptional	\$	%
Overall Company Operations and Maintenance Expenditures	\$ 1,211	\$ 1,164	\$ 1,117	\$ 1,071	\$ 1,134	132%

The target level above is based on our 2014 business plan as approved by the Board of Directors. The threshold, maximum and exceptional levels are based on plan plus 4%, plan less 4% and plan less 8%, respectively.

Customer Satisfaction Survey and Reliability Composite goal includes results from a weighted average of the Customer Satisfaction Survey for Gas Operations and Houston Electric and System Average Interruption Duration Index for Houston Electric according to the following weights and measures:

	Threshold	Target	Maximum	Weight	Actual #	Actual %
Gas Operations						
Customer Satisfaction Survey	3.67	3.76	3.85	50%	4.10	150%
Houston Electric						
Customer Satisfaction Survey	3.42	3.51	3.60	25%	3.76	150%
System Average Interruption Duration						
Index	110	100	90	25%	88	150%
Goal Achievement						150%

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Safety Composite goal is the average of the Gas Operations and Houston Electric Safety Achievements according to the following weights and measures:

	Threshold	Target	Maximum	Weight	Actual #	Actual %
Gas Operations						
Recordable Incident Rate	1.69	1.61	1.45	20%	1.79	0%
Days Away, Restricted, or Transferred	1.16	1.10	0.99	10%	1.35	0%
Preventable Vehicle Incident Rate	1.54	1.47	1.32	20%	1.44	110%
Houston Electric						
Recordable Incident Rate	1.69	1.61	1.45	20%	1.83	0%
Days Away, Restricted, or Transferred	1.28	1.22	1.10	10%	1.26	67%
Preventable Vehicle Incident Rate	2.29	2.18	1.96	20%	2.63	0%
Goal Achievement						29%

Example of Funding and Distribution of the Short-term Incentive Plan Awards

The following example is provided to illustrate the funding and distribution of the short-term incentive plan. For purposes of this example, we have assumed a base salary earned of \$500,000, a short-term incentive plan target of 75% and an achievement level of 120%.

Funding of the Short-term Incentive Plan Award:

Base salary earned during the year	\$ 500,000
Short-term incentive plan target percentage	X 75%
Target individual award amount	\$ 375,000
Achievement level	X 120%
Funding of the short-term incentive plan award	\$ 450,000

Distribution of the Short-term Incentive Plan Award:

Funding of the short-term incentive plan award per above	\$ 450,000
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Formulaic award percentage	X 50%
Formulaic portion paid	\$ 225,000

Any amount paid above the formulaic portion is at the discretion of the Committee.

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Executive Compensation Tables (continued)

Equity Incentive Plan Awards

Long-term Incentive Plan Awards Granted in 2014. To determine the amount of long-term incentive compensation granted, each named executive officer's base salary was multiplied by his long-term incentive target percentage. The resulting amount of long-term incentive compensation for each of the awards of performance shares and stock awards was then divided by the closing price of our common stock on the New York Stock Exchange on March 20, 2014 (\$23.70). The grants were determined as follows:

Description	Prochazka	Whitlock	Bridge	Carroll	McGoldrick	Standish
Base Salary	\$ 900,000	\$ 571,000	\$ 440,000	\$ 600,000	\$ 440,000	\$ 512,000
Long-term incentive target	300%	140%	140%	200%	140%	140%
Long-term incentive compensation at target	\$ 2,700,000	\$ 799,400	\$ 616,000	\$ 1,200,000	\$ 616,000	\$ 716,800
Performance share portion (70%)	\$ 1,890,000	\$ 559,580	\$ 431,200	\$ 840,000	\$ 431,200	\$ 501,760
Performance shares granted at target (rounded)	79,750	23,610	18,200	35,440	18,200	21,170
Stock award portion (30%)	\$ 810,000	\$ 239,820	\$ 184,800	\$ 360,000	\$ 184,800	\$ 215,040
Stock award shares granted at target (rounded)	34,180	10,120	7,800	15,190	7,800	9,070

For a discussion of additional long-term incentive compensation granted to Mr. Carroll, see Compensation Discussion and Analysis Executive Chairman Compensation Arrangements.

Performance Shares. Participants received two separate awards totaling the performance shares granted at target shown above, with vesting of each award based on one of the independent performance objectives listed below.

Retirement eligible participants (age 55 with five years of service) who terminate employment on or after July 1 of the calendar year in which the award is granted will receive a payment under the award, if any, based on the actual achievement of the performance objective at the end of the vesting period with any such amount pro-rated for the period of their employment during the vesting period:

Performance Objectives	Threshold Achievement ⁽¹⁾	Target Achievement (100%)	Maximum Achievement (200%)
Total shareholder return based upon companies in the S&P Utility Index peer group subset	25th	Linear interpolation between Threshold	2nd position or

	percentile	and Maximum achievement	higher
Three-year cumulative operating income over three-year performance cycle	\$2,143 million	\$2,306 million	\$2,515 million

(1) Payout upon threshold achievement for the total shareholder return and operating income performance objectives is 33% and 50%, respectively. In March 2014, the Compensation Committee approved the change in payout for threshold achievement for the total shareholder return performance objective from 50% to 33% due to the change in the threshold achievement level from the 35th percentile to the 25th percentile.

Total Shareholder Return

One performance share award vests based on total shareholder return achieved over the three-year cycle in comparison to a subset of 17 companies (including CenterPoint Energy) in the peer group subset of the S&P Utility Index as of January 1, 2014. Maximum achievement (200% of target) requires CenterPoint Energy to rank second or higher in that comparison, but no shares would vest if the company ranks below the 25th percentile in that comparison (threshold level). For this performance objective, the number of performance shares granted will vest using linear interpolation between the threshold and maximum achievement levels. Forty percent of long-term compensation is based on the total shareholder return metric.

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Executive Compensation Tables (continued)

The 17 companies included in our peer group subset of the S&P Utility Index as of January 1, 2014 were:

AGL Resources, Inc.	Integrus Energy Group, Inc.
Ameren Corporation	NiSource Inc.
American Electric Power Company, Inc.	Pepco Holdings, Inc.
CenterPoint Energy, Inc.	PG&E Corporation
CMS Energy Corporation	SCANA Corporation
Consolidated Edison, Inc.	Sempra Energy
DTE Energy Company	Wisconsin Energy Corporation
Duke Energy Corporation	Xcel Energy Inc.
Entergy Corporation	

Earnings Per Share

In March, 2014, our Compensation Committee decided to eliminate the Earnings Per Share performance award. This award vests based on earnings per share achieved over the three-year cycle for the award, with maximum achievement (150% of target) being reached if earnings per share reaches the maximum level, but no shares would vest if earnings per share are below the threshold level. The number of performance shares granted vest using linear interpolation between the threshold and maximum achievement levels. The last earnings per share performance award will vest in December 2015.

This award was eliminated in favor of the Three-Year Cumulative Operating Income Award, described below, to better align the awards with the performance of our operations.

Earnings per share used to determine the vesting of performance share awards is based on our earnings per share as reported pursuant to generally accepted accounting principles (GAAP), adjusted to remove the effect of specified items to reflect what we consider to be our core operational business performance in the period being measured. Adjustments are the following:

plus or minus the impacts of any changes in accounting standards;

plus or minus any impact to income from changes in value of Time Warner stocks and the related ZENS securities;

plus or minus any mark-to-market accounting entries and net natural gas inventory adjustments not reflected in the plan;

plus impairments of goodwill;

significant financial impacts associated with a joint venture or master limited partnership not reflected in the plan; and

gains, losses or expenses required by GAAP for mergers and acquisitions and not reflected in the plan.

Three-Year Cumulative Operating Income

One performance share award vests based on our achievement of the three-year cumulative operating income goal reflected in the approved five-year plan for the three years ending December 31, 2016. Thirty percent of long-term compensation is based on this metric. If performance for the goal meets or exceeds the threshold level, the Committee may approve a payout of 50% to 200% of the number of the target performance shares awarded. Reported operating income, excluding income or loss related to stranded cost recovery and system restoration bonds, will be adjusted for the following:

any mark-to-market accounting entries and net natural gas inventory adjustments not reflected in the five-year plan;

the financial impacts of any changes in accounting standards, the unplanned change in application of accounting standards, and impairments of goodwill; and

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Executive Compensation Tables (continued)

financial impact of any significant (>\$1 million per category) unplanned items including, new legislation or regulation, any named storm, restructuring costs, or other unplanned items that receive written approval from the CEO and/or Executive Committee.

The three-year cumulative operating income target will be updated if our financial plan changes as a result of any acquisitions, mergers and divestitures.

Refer to Compensation Discussion and Analysis Elements of Compensation Long-Term Incentives for a discussion of vesting and dividend rights associated with awards under our long-term incentive plan.

Stock Awards. Participants received a restricted stock unit award, which we sometimes refer to as a stock award in this proxy statement, representing shares of CenterPoint Energy common stock, as shown in the table on page 39. The award is a three-year service-based award and will vest on February 18, 2017. Retirement eligible participants (age 55 with five years of service) who terminate employment on or after July 1 of the calendar year in which the award is granted will receive a payment under the award, if any, with any such amount pro-rated for the period of their employment during the vesting period.

Outstanding Equity Awards At Fiscal Year-End 2014

The following table provides information regarding the outstanding equity awards held by our named executive officers as of December 31, 2014. The closing stock price on the New York Stock Exchange on December 31, 2014 was \$23.43.

Name	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options	Number of Securities Plan Awards: Number of	Equity Incentive Plan Awards: (\$)	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock	Market Value of Shares or Units of	Equity Incentive Plan Awards: Number of	Equity Incentive Plan Awards: Market Value of Unearned Shares, Units or Other Rights

Exercisable (#)	Unexercisable (#)	Underlying Unexercised Options (#)	That Have Not Vested ⁽¹⁾ (#)	Stock That Have Not Vested (\$)	Unearned Shares, Units or Other Rights That Have Not Vested ⁽²⁾ (#)	That Have Not Vested (\$)
			34,180	800,837	114,918	2,692,529
			10,120	237,112	74,452	1,744,410
			7,800	182,754	32,692	765,974
			75,190	1,761,702	37,063	868,386
			7,800	182,754	36,292	850,322
			9,070	212,510	67,033	1,570,583

(1) Outstanding stock awards will fully vest on the following dates:

Type of Stock			Prochazka	Whitlock	Bridge	Carroll	McGoldrick	Standish
Grant Date	Award	Vesting Date						
June 1, 2013	Stock Award	6/1/2015				30,000		
February 19, 2014	Stock Award	6/1/2016				30,000		
March 20, 2014	Stock Award	2/18/2017	34,180	10,120	7,800	15,190	7,800	9,070
Total			34,180	10,120	7,800	75,190	7,800	9,070

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(2) Outstanding stock awards with performance objectives will fully vest on the following dates:

Grant Date	Type of Stock		Prochazka	Whitlock	Bridge	Carroll	McGoldrick	Standish
	Award	Vesting Date						
February 22, 2012	Stock Award ^(a)	2/22/2015	3,100	12,100	3,100		4,200	10,900
February 21, 2013	Performance Shares ^(b)	12/31/2015	19,920	26,360	7,360		9,160	23,800
February 21, 2013	Stock Award ^(a)	2/21/2016	8,500	11,300	3,200		3,900	10,200
March 20, 2014	Performance Shares ^(c)	12/31/2016	83,398	24,692	19,032	37,063	19,032	22,133
Total			114,918	74,452	32,692	37,063	36,292	67,033

(a) Award provides only one achievement level.

(b) Based on 2013 and 2014 results, the provided amounts reflect threshold achievement for the total shareholder return and maximum achievement for the earnings per share awards.

(c) Based on 2014 results, the provided amounts reflect threshold achievement for the total shareholder return and maximum achievement for the three-year cumulative operating income awards.

Option Exercises and Stock Vested for Fiscal Year 2014

The following table indicates the number and value of stock options exercised and stock awards vested during 2014.

	Option Awards	Stock Awards ⁽¹⁾
--	---------------	-----------------------------

Name	Number of Shares	Value Realized	Number of Shares	Value Realized
	Acquired on Exercise	on Exercise	Acquired on Vesting	on Vesting
	(#)	(\$)	(#)	(\$)
Prochazka			8,045	199,714
Whitlock			47,920	1,214,763
Bridge			8,045	199,714
Carroll			30,000	750,300
McGoldrick			11,935	298,505
Standish			44,350	1,125,103

(1) For each of the named executive officers, the Stock Awards consist of the following:

Name	Performance Share Awards for the 2012-2014 Performance Cycle ^(a) Value		Stock Awards Granted February 24, 2011 That Vested February 24, 2014		Stock Awards Granted February 22, 2012 That Vested February 22, 2014		Stock Awards Granted June 1, 2013 That Vested June 1, 2014	
	Number of Shares	Realized on Vesting ^(b) (\$)	Number of Shares	Value Realized on Vesting ^(c) (\$)	Number of Shares	Value Realized on Vesting ^(d) (\$)	Number of Shares	Value Realized on Vesting ^(e) (\$)
Prochazka	5,445	129,904	2,600	69,810				
Whitlock	21,120	503,870	14,300	383,955	12,500	326,938		
Bridge	5,445	129,904	2,600	69,810				
Carroll							30,000	750,300
McGoldrick	7,335	174,995	4,600	123,510				
Standish	19,050	454,485	12,800	343,680	12,500	326,938		

(a) A participant is vested in the right to receive performance shares under the award agreements as of December 31, 2014 (the end of the performance cycle). However, pursuant to the terms of the awards, the actual number of shares to be awarded to the participant is not known until the Compensation Committee determines the applicable performance levels of the underlying goals within 60 days after the end of the performance cycle. Accordingly, the awards are valued for compensation purposes after the Compensation Committee completes its

determination and the procedures to verify the financial information used in determining the applicable performance level achievements have been completed, then the actual transfer of the stock is made to participants.

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- (b) Value Realized on Vesting for the performance share awards was determined using closing market price of our common stock (\$21.02) on the New York Stock Exchange on February 26, 2015, together with a dividend equivalent amount equal to the dividends accrued during the performance period (\$2.8375 per share) on our shares of common stock. The number of performance shares vested was determined based on an overall achievement level of 75%.
- (c) Value Realized on Vesting for the stock awards was determined using closing market price of our common stock (\$24.38) on the New York Stock Exchange on the vesting date together with dividend equivalents per share during the vesting period of \$2.47.
- (d) Value Realized on Vesting for the stock awards was determined using closing market price of our common stock (\$24.48) on the New York Stock Exchange on the vesting date together with dividend equivalents per share during the vesting period of \$1.675.
- (e) Value Realized on Vesting for the stock awards was determined using closing market price of our common stock (\$24.12) on the New York Stock Exchange on the vesting date together with dividend equivalents per share during the vesting period of \$0.89.

Pension Benefits

Pension benefits for our senior executive officers are provided under a tax-qualified defined benefit pension plan the CenterPoint Energy Retirement Plan. In addition, our senior executive officers are eligible for benefits under a benefit restoration plan, also a defined benefit plan. Participants are fully vested in both plans after three years of service. For all employees hired on or after January 1, 1999 (which includes Messrs. Prochazka and Whitlock), participants accumulated a retirement benefit based upon a cash balance formula of four percent of base salary and short-term incentive compensation through December 31, 2008. For all employees hired prior to January 1, 1999 (which includes Messrs. Bridge, McGoldrick and Standish), benefits accrued based on a participant's years of service, final average pay and covered compensation through December 31, 2008. Beginning January 1, 2009, final average pay formula benefit under the retirement plan were frozen as to any future accruals. The lump sum value of the age-65 annuity for all final average pay formula participants was calculated using an interest conversion rate of 4.52% as of January 1, 2009. This lump sum amount will continue to grow annually with interest, based on the 30-year Treasury rate from the prior November, until commencement of the benefit. Effective January 1, 2009 all participants are eligible for a retirement benefit based on a cash balance formula of five percent of base salary and short-term incentive compensation. Benefits that may not be provided under the retirement plan because of Internal Revenue Code annual limits on benefits and compensation are made in a bookkeeping account under the benefit restoration plan. This excess benefit amount is

determined based on the final average pay formula and the cash balance formula under the retirement plan, as applicable. To comply with the requirements under Section 409A of the Internal Revenue Code, we established the CenterPoint Energy Benefit Restoration Plan (CNP Benefit Restoration Plan) for excess benefits that accrued or vested from and after 2005. This plan is subject to Section 409A. Benefits accrued under this plan are generally paid in a lump sum following the participant's separation from service, and all of our senior executive officers participate in this plan and will receive payments in a lump sum under this plan. Benefit payments for our senior executive officers will be delayed for six months to comply with Section 409A of the Internal Revenue Code. Messrs. McGoldrick and Standish also have a benefit under the 1991 CenterPoint Energy Benefit Restoration Plan (1991 Benefit Restoration Plan), which provides for excess benefits that were earned and vested prior to 2005. The 1991 Benefit Restoration Plan is not subject to Section 409A, and benefits under this plan are paid at the same time and in the same form and manner as distributions from the retirement plan. The benefit restoration plans also provide for the inclusion of short-term incentive compensation in the final average pay formula for calculating benefits for certain executives, including Messrs. McGoldrick and Standish. Neither benefit restoration plan provides any past service credits or accelerated service benefits.

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The table below provides information regarding our senior executive officers' accumulated benefits under our retirement and benefit restoration plans.

Name	Plan Name	Number of	Present Value of	
		Years	Accumulated	Payments
		Credited	Benefit	during 2014
		Service	(\$)	(\$)
<i>Final Average Pay Formula⁽¹⁾</i>				
Bridge	Retirement Plan	28.8	752,242	
	CNP Benefit Restoration Plan	28.8	98,226	
McGoldrick	Retirement Plan	36	1,806,458	
	CNP Benefit Restoration Plan	36	890,101	
	1991 Benefit Restoration Plan	36	850,619	
Standish	Retirement Plan	33	1,583,067	
	CNP Benefit Restoration Plan	33	2,021,647	
	1991 Benefit Restoration Plan	33	1,488,416	
<i>Cash Balance Formula⁽²⁾</i>				
Prochazka	Retirement Plan	13.2	166,258	
	CNP Benefit Restoration Plan	13.2	133,465	
Whitlock	Retirement Plan	13.4	178,143	
	CNP Benefit Restoration Plan	13.4	452,755	

(1) Through December 31, 2008, Messrs. Bridge, McGoldrick and Standish accrued benefits based on years of service, final average pay and covered compensation, which we refer to as final average pay (FAP) formulas.

For Messrs. McGoldrick and Standish, final average pay means the highest base salary for 36 consecutive months out of the 120 consecutive months immediately preceding the earlier of retirement or December 31, 2008. This retirement plan benefit is calculated under the following formula:

$$1.5\% \times FAP \times Service + [0.44\% \times (FAP - Social Security Covered Compensation) \times Service]$$

In the final average pay formula, the maximum service is 35 years. In addition, the age 65 benefit is not reduced for early retirement if retirement occurs at age 60 or later with at least 30 years of service. Early retirement subsidies are also provided for participants who are age 55 or older with at least 30 years of service.

For Mr. Bridge, final average pay means the highest base salary for 60 consecutive months out of the 120 consecutive months immediately preceding the earlier of retirement or December 31, 2008. This retirement plan benefit is calculated under the following formula:

$$1.1\% \times FAP \times Service + [0.45\% \times (FAP - Social Security Covered Compensation) \times Service]$$

In the final average pay formula, the maximum service applicable to the portion of the benefit attributable to FAP in excess of Social Security Covered Compensation is 30 years. The benefit is reduced for early retirement if retirement occurs before age 65. Early retirement subsidies are provided for retirement at age 55 or older.

Messrs. Bridge, McGoldrick and Standish also accrued a benefit under the benefit restoration plans based on the applicable final average pay formula as if the Internal Revenue Code limits did not apply. In addition, short-term incentive compensation is included in the formula for calculating the benefit payable under the benefit restoration plans for certain key officers, including Messrs. McGoldrick and Standish.

Beginning in 2009, Messrs. Bridge, McGoldrick and Standish accrued a benefit under the CNP Benefit Restoration Plan based on the cash balance formula as if the Internal Revenue Code compensation limits did not apply.

The present value for Messrs. Bridge, McGoldrick and Standish was calculated based on benefits accrued through December 31, 2014 assuming retirement at the earliest age without a reduction in benefits (at least age 60 with at least 30 years of service for Messrs. McGoldrick and Standish, and at least age 65 for Mr. Bridge). The calculation assumes the participant is 55% likely to commence the benefit in the form of a single life annuity and 45% likely to elect a lump sum distribution. The single life annuity is the normal form of benefit under the plan. Mortality assumptions for discounting annuities are based on the RP-2014 Aggregate Mortality Table projected using Scale MP-2014 and an interest rate of 4.05%. The lump sum distribution is calculated as the greater of the cash balance amount and the present value of the accrued benefit commencing at age 65 assuming interest rates of 3.05%, 3.80% and 4.05%, for benefits paid within the first five years, 6th through 20th years and all remaining years, respectively and using the mortality table prescribed by Section 417(e)(3) of the Internal Revenue Code. The interest rate for discounting payments back to December 31, 2014 was 4.05%. These assumptions, where applicable, are the same assumptions disclosed in *Stock Based Incentive Compensation Plans and Employee Benefit Plans* in Note 6(a) to our consolidated financial statements included in our annual report on Form 10-K for the year ended December 31, 2014.

Messrs. Prochazka and Whitlock's benefits are based solely on the cash balance formula under the retirement plan. Interest accrues in the current year at the applicable interest rate prescribed under the Internal Revenue Code for the previous November based upon the account

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balance as of the end of the previous year. The interest rate for the 2014 plan year was 3.80%. In addition, Messrs. Prochazka, and Whitlock accrued an excess benefit amount under the CNP Benefit Restoration Plan based on the cash balance formula as if the Internal Revenue Code annual benefit and compensation limits did not apply.

The present value for Messrs. Prochazka and Whitlock was calculated based on benefits accrued through December 31, 2014 payable at age 65 (the earliest retirement age where the benefit is not reduced). Account balances are assumed to accumulate interest credits until age 65 at 4.00%. Since this is a cash balance plan, the lump sum payment is equal to the participant's account balance at retirement. The single life annuity is calculated by dividing the account balance by the present value factor of an immediate single life annuity assuming interest rates of 3.05%, 3.80% and 4.05% for benefits paid within the first five years, 6th through 20th years and all remaining years, respectively and using the mortality table prescribed by Section 417(e)(3) of the Internal Revenue Code. To calculate the present value of the benefit in the table, mortality assumptions are based on the RP-2014 Aggregate Mortality Table projected using Scale MP-2014, and the interest rate for discounting payments back to December 31, 2014 is 4.05%.

Savings Plan and Savings Restoration Plans

Our savings plan provides that participants may contribute up to 50% on a pre-tax basis of their plan-eligible compensation. In addition, we make a matching contribution of 100% of the first 6% contributed by employees. Payment options under the savings plan include (i) a lump sum payment; (ii) annual, semi-annual, quarterly or monthly installments over a period elected by the participant, not to exceed ten years; or (iii) a rollover of the account. Once the annual compensation limit under the Internal Revenue Code is reached in the savings plan, CenterPoint Energy's matching contribution is made in a bookkeeping account under the savings restoration plan. To comply with the provisions under Section 409A of the Internal Revenue Code, we established the CenterPoint Energy Savings Restoration Plan (CNP Savings Restoration Plan) for all benefits earned or vested from and after 2005, and this plan is subject to Section 409A. Benefits under this plan are paid in a lump sum following the participant's separation from service, and all of our senior executive officers participate in this plan. Benefit payments for our senior executive officers will be delayed for six months to comply with Section 409A of the Internal Revenue Code. Benefits earned and vested prior to 2005 are payable under the 1991 CenterPoint Energy Savings Restoration Plan (1991 Savings Restoration Plan), and no new benefits are provided from and after 2005 under this plan. The 1991 Savings Restoration Plan is not subject to Section 409A, and benefits are paid under this plan at the same time and in the same form and manner as distributions payable from the savings plan. Earnings on both restoration plans are based on each participant's annual rate of return on their account in the savings plan. Participants are not permitted to make voluntary deferrals into either savings restoration plan.

Deferred Compensation Plans

Our current deferred compensation plan permits eligible key employees to elect voluntarily each year to defer a percentage of up to 90% of salary and/or short-term incentive compensation. The Company amended the Deferred Compensation Plan as of December 31, 2007, renamed it the 1989 Deferred Compensation Plan and froze the plan to new participants and benefit accruals as of December 31, 2007. Effective January 1, 2008, obligations with respect to deferrals under the 1989 Deferred Compensation Plan after December 31, 2004, along with all associated earnings were transferred to and are paid from the 2005 Deferred Compensation Plan, which was adopted effective as of January 1, 2008, to replace the 1989 Deferred Compensation Plan. References to our deferred compensation plan include both our 2005 Deferred Compensation Plan, which covers amounts subject to Section 409A, as well as our 1989 Deferred Compensation Plan, which covers amounts which are exempt from Section 409A. Under the terms of our deferred compensation plan, interest accrues on deferrals at a rate adjusted annually equal to the average yield during the year of the Moody's Long-Term Corporate Bond Index plus two percent. Participants in the plan currently may elect to receive distributions of their deferred compensation and interest in three ways: (i) an early distribution of either 50% or 100% of their account balance in any year that is at least four years from the year of deferral or, if earlier, the year in which they attain age 65, (ii) a lump sum distribution upon retirement or (iii) 15 annual installments commencing upon retirement. If a participant terminates employment prior to age 55, a lump sum distribution of his or her deferral amount plus interest, calculated using the Moody's rate and excluding the additional two percentage points, will be made regardless of his or her form of election. For deferrals under the 2005 Deferred Compensation Plan, if a participant terminates employment after age 55, the deferral amount plus interest (including the additional two percent) will be paid in accordance with the participant's distribution elections, in either a lump

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sum payment in the January after his or her termination or 15 annual installments commencing upon his or her separation from service. For deferrals under the 1989 Deferred Compensation Plan, if a participant terminates employment from and after age 55 but prior to age 60, the deferral amount plus interest (including the additional two percent) will be paid in accordance with the participant's distribution elections, in either a lump sum payment in the January after his or her separation from service or 15 annual installments commencing upon his or her separation from service. If a participant terminates employment after age 60 under the 1989 Deferred Compensation Plan, the deferral amount plus interest, including the additional two percent, will be paid in accordance with the participant's distribution elections after he or she reaches age 65. Mr. Carroll was the only named executive officer who elected to defer compensation in the plan during 2014.

From 1985 to 1988, we offered the 1985 Deferred Compensation Plan that permitted participants to elect to defer all or part of their eligible compensation in those years. Higher fixed interest rates were available for deferrals made under the 1985 Deferred Compensation Plan as a result of higher prevailing market rates at that time. Distribution payments generally follow the same procedures described above for 15 annual installments; however, the fixed interest rate established at the time of deferral is used.

Each of our deferred compensation plans discussed above is a nonqualified, unfunded plan, and the employees are general, unsecured creditors of CenterPoint Energy. No fund or other assets of CenterPoint Energy have been set aside or segregated to pay benefits under any of these plans. Please refer to Rabbi Trust under Potential Payments upon Change in Control or Termination on page 57 for funding of the plans upon a change in control.

Nonqualified Deferred Compensation Table

The following table provides information with respect to benefits under the deferred compensation plans and the savings restoration plans.

Name	Plan Name	Company Aggregate			Aggregate Withdrawal Distributions	Aggregate Balance at December 31, 2014
		Executive Contributions in 2014 (\$)	Contributions in 2014 ⁽¹⁾ (\$)	Earnings in 2014 ⁽²⁾ (\$)		
Prochazka	2005 Deferred Compensation Plan			8,097		134,071
	CNP Savings Restoration Plan		60,546	14,447		192,799
	1991 Savings Restoration Plan			1,557		20,778

Whitlock	1989 Deferred Compensation Plan		457		7,356
	CNP Savings Restoration Plan	49,831	47,466		865,849
	1991 Savings Restoration Plan		18,837		343,622
Bridge	CNP Savings Restoration Plan	22,099	1,127		76,259
Carroll	1989 Deferred Compensation Plan		32,654		540,705
	2005 Deferred Compensation Plan ⁽³⁾	90,000	28,478	(67,319)	471,574
McGoldrick	1985 Deferred Compensation Plan ⁽⁴⁾		30,834		193,116
	CNP Savings Restoration Plan	25,657	5,009		213,720
	1991 Savings Restoration Plan		2,491		106,304
Standish	1989 Deferred Compensation Plan		20,383		331,766
	1985 Deferred Compensation Plan ⁽⁴⁾		64,326		396,366
	CNP Savings Restoration Plan	41,945	46,202		696,934
	1991 Savings Restoration Plan		15,026		226,655

(1) The Company Contributions in 2014 column for the savings restoration plan include employer matching contributions that could not be made to the savings plan due to limitations under the Internal Revenue Code. Our contributions to the savings plan and the savings restoration plan for the senior executive officers are also included in the footnote to the All Other Compensation column of the Summary Compensation Table.

(2) Aggregate Earnings in 2014 consist of earnings on prior plan deferrals. The interest rate for 2014 for the 1989 and 2005 Deferred Compensation Plans was 6.43% with interest compounded annually. Messrs. Prochazka, Whitlock, Carroll and Standish each have deferrals under one of these plans.

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The interest crediting rate under the terms of the 1985 Deferred Compensation Plan was a fixed rate based upon the age of the participant at the time of deferral. Messrs. McGoldrick and Standish are the only senior executive officers who previously deferred under this plan and the interest crediting rate is 19%, with interest compounded annually. The above-market portion of these 2014 aggregate earnings is reported in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table.

Aggregate Earnings in 2014 also includes gains and losses on both savings restoration plans determined based on the participant's balances as of January 1, 2014 plus any matching contributions credited for that year. The gains and losses are calculated using the annualized rate of return for the participant's account in the savings plan based on the investment funds selected under the savings plan by the participant.

(3) For Mr. Carroll, the amount reported as aggregate withdrawals/distributions represents a lump sum early distribution upon his election, which is related to amounts deferred for his annual retainer and committee chairman fees for the 2010 Plan year.

(4) In 1985, CenterPoint Energy entered into a corporate-owned life insurance policy on the lives of Messrs. McGoldrick and Standish who contributed to the 1985 Deferred Compensation Plan. These policies were entered into with their consent. Proceeds upon death are payable to CenterPoint Energy and are available to offset the benefit payments from the plan.

Potential Payments upon Change in Control or Termination

In December 2003, the Compensation Committee recommended that the Board of Directors adopt change in control agreements for selected executives to help ensure the executives' continued full attention to business needs in the event of any change in control transaction as described in the agreements. Those agreements became effective in January 2004. The amounts payable under the agreements were initially determined based on direction and input from the Committee's consultant and a review of peer group companies.

All of our senior executive officers, except for Messrs. Whitlock and Standish, had a change in control agreement at December 31, 2014. Mr. Carroll did not have a change in control agreement. All of our change in control agreements expired on December 31, 2014 (the expired agreements). In lieu of these expired agreements, our Board adopted a change in control plan, which was effective January 1, 2015 (the plan). All of our named executive officers, including Mr. Carroll, are participants in the plan. The Board approved the replacement of the expired agreements with the plan to ensure consistency of officer benefits and to simplify administration.

The change in control plan, like the expired agreements, provides for payments and other benefits in the event a covered termination of employment occurs within two years after the completion of a transaction that effects a change in control. A change in control will be deemed to occur under the plan and the expired agreements if:

any person or group becomes the direct or indirect beneficial owner of 30% or more of our outstanding voting securities, unless these securities are acquired directly from CenterPoint Energy as part of a merger or consolidation and following the merger or consolidation the conditions for an exclusion from a merger or consolidation event described below are met;

the members of our Board on the effective date of the plan, and successors designated as provided in the agreement, cease to constitute a majority of the Board;

there is a merger or consolidation of, or involving, CenterPoint Energy unless:

more than 70% of the surviving corporation's outstanding voting securities are owned by former shareholders of CenterPoint Energy,

if the transaction involves CenterPoint Energy's acquisition of another entity, the total fair market value of the consideration plus long-term debt of the business being acquired does not exceed 50% of the total fair market value of CenterPoint Energy's outstanding voting securities, plus CenterPoint Energy's consolidated long-term debt,

no person is the direct or indirect beneficial owner of 30% or more of the then outstanding shares of voting stock of the parent corporation resulting from the transaction, and

a majority of the members of the board of directors of the parent corporation resulting from the transaction were members of our Board immediately prior to consummation of the transaction; or

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Executive Compensation Tables (continued)

there is a sale or disposition of 70% or more of CenterPoint Energy's assets unless:

individuals and entities that were beneficial owners of CenterPoint Energy's outstanding voting securities immediately prior to the asset sale are the direct or indirect beneficial owners of more than 70% of the then outstanding voting securities of CenterPoint Energy (if it continues to exist) and of the entity that acquires the largest portion of the assets (or the entity that owns a majority of the outstanding voting stock of the acquiring entity), and

a majority of the members of our Board (if CenterPoint Energy continues to exist) and of the entity that acquires the largest portion of the assets (or the entity that owns a majority of the outstanding voting stock of the acquiring entity) were members of our Board immediately prior to the asset sale.

Under the plan, a covered termination occurs if the officer's employment is terminated for reasons other than death, disability (as defined in our long-term disability plan), involuntary termination for cause (as defined), or resignation of the officer unless such resignation is due to (a) a failure to maintain the officer in his position or a substantially equivalent position; (b) a significant adverse change in the authorities, powers, functions, responsibilities or duties held; (c) a material reduction in the officer's base salary; (d) a significant reduction in the officer's qualified, nonqualified and welfare benefits; (e) a material reduction in the officer's overall compensation; (f) a change in the location of the officer's principal place of employment by more than 50 miles; or (g) a failure to provide directors' and officers' liability insurance covering the officer. Under the expired agreements, a covered termination was defined substantially the same as under the plan, except that an officer's termination on or after age 65 was not a covered termination.

The expired agreements provided that we would pay Messrs. Prochazka, Bridge and McGoldrick, if they experienced a covered termination of employment, a lump sum amount equal to (i) three times, in the case of Mr. Prochazka, and (ii) two times, in the case of Messrs. Bridge and McGoldrick, the sum of such officer's base salary plus short-term incentive award at target. The plan provides that we would pay our senior executive officers experiencing a covered termination of employment a lump sum amount equal to (i) three times, in the case of Mr. Prochazka, and (ii) two times, in the case of Messrs. Bridge, Carroll and McGoldrick, the sum of the officer's base salary plus short-term incentive award at target.

For officers who are not age 55 or older with five years of service, the expired agreements also provided for a short-term incentive lump sum payment based on eligible earnings to the date of termination multiplied by his short-term incentive target. All senior executive officers (except for Mr. Prochazka) meet the age and service requirements and therefore would be entitled to a similar pro rata short-term incentive payment under the terms of the short-term incentive plan. Three years of service for Mr. Prochazka and two years of service for Messrs. Bridge and

McGoldrick will be added for benefit purposes under the retirement plan, and such additional benefit will be paid in the same time and manner that the officer's benefit under the benefit restoration plan is paid. In addition, the expired agreements provided and the plan provides for welfare benefits for a period of two years, career transition placement services and the reimbursement of legal fees incurred related to the severance. If an award agreement for performance shares granted under our long-term incentive plan does not provide for any early payment upon a change in control, then the plan provides for full vesting of performance shares under our long-term incentive plan if there is a covered termination within two years after a change in control. However, if the terms of the award are more favorable than those of the plan, the more favorable change in control terms under the award agreements will apply rather than the terms of the plan with respect to such awards.

Some of the expired agreements required us to make a tax gross-up payment to the senior executive officer if the officer was determined to owe any excise tax under Section 4999 of the Internal Revenue Code on excess parachute payments. Excess parachute payments are defined in Section 280G(b) of the Internal Revenue Code and may include payments under the change in control agreements or other agreements or arrangements, including the change in control provisions of the long-term incentive plan awards described below. The tax gross-up payment would be an amount sufficient to make the officer whole, after payment of applicable taxes, including excise taxes, interest and

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penalties assessed. The total change in control payment was subject to a reduction of up to ten percent if such reduction would avoid triggering excise tax. Our plan does not include any excise tax gross-up payment provisions. Instead, under our plan the executive's total change in control payment is automatically reduced to the minimum extent necessary to prevent triggering the excise tax, but only if, the after-tax benefit of the reduced payment exceeds the after-tax benefit if the payment was not reduced. If the payment is not reduced, the officer will be liable for any excise tax due under Section 4999.

An officer must sign a waiver and release in connection with any claims relating to the executive's employment with or separation from the Company prior to receiving any benefits under the expired agreements or the plan. The expired agreements provided and the plan provides that for one year following a covered termination, an officer is prohibited from hiring or soliciting any employees to leave our employment or solicit or attempt to solicit the business of any of our customers or acquisition prospects. In addition, for one year following a covered termination, an officer is prohibited, without prior written consent, from engaging in any business or accepting employment with or rendering services to a business that is in competition with us. These non-solicit and non-compete restrictions are limited to a 50-mile radius around any geographical area in which we engage in operations or marketing of products or services.

Change in control provisions in awards under our current long-term incentive plan. The expired agreements described above did not provide for any payments related to outstanding awards under our current long-term incentive plan. The plan provides that participants will fully vest in any performance awards under the long-term incentive plan if there is a covered termination within two years after a change in control. Unlike the plan, the terms of outstanding awards to the senior executive officers under our current long-term incentive plan require us to make payments to these officers in the event of a change in control (which has the same definition contained in the change in control agreements), without regard to whether the officer's employment is terminated. The plan provides that in the event of a conflict between the benefits provided under the plan and any other agreement, the participant will be entitled to the most favorable benefit. Therefore, an officer's termination would not be required for the officer to be entitled to the accelerated payment under the outstanding awards. The different outstanding award types under the long-term incentive plan are treated as follows:

Stock Awards. We would be required to settle rights relating to unvested stock awards by delivering to the officers shares of our common stock, without regard to whether any performance-based vesting conditions have been satisfied, together with shares having a market value equal to accrued dividend equivalents on those shares. Alternatively, the Compensation Committee could elect to settle these rights by paying cash in an amount equal to the fair market value of the shares otherwise deliverable.

Performance Shares. We would be required to settle rights relating to unvested performance shares by delivering the number of shares that would be required if performance was at the target achievement level plus dividend equivalent shares as described above. Alternatively, the Compensation Committee could elect to settle these rights by paying cash in an amount equal to the fair market value of the shares otherwise deliverable.

Options. We would be required to settle unexercised stock options from our long-term incentive plan in cash for a per share amount equal to the excess of the fair market value of the common stock over the exercise price.

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Payments in the event of change in control. The table below presents amounts that would have been payable in settlement of outstanding awards under our long-term incentive plans if a change in control had occurred on December 31, 2014. It also presents amounts that would have been payable and the value of benefits provided under the change in control agreements assuming a covered termination of employment occurred on December 31, 2014 following a change in control. The numbers in the table have been rounded to the nearest one thousand dollars.

Type of Payment	Prochazka	Whitlock	Bridge	Carroll	McGoldrick
Severance amount	\$ 5,409,000	\$	\$ 1,517,000		\$ 1,525,000
Short-term incentive plan ⁽¹⁾	902,000	445,000	317,000		321,000
Long-term incentive plan: ⁽²⁾					
Performance shares	2,635,000	1,973,000	818,000	864,000	929,000
Stock awards	1,118,000	839,000	348,000	367,000	394,000
Benefit restoration plan ⁽³⁾	318,000		88,000		92,000
Health and welfare benefits	31,000		21,000		21,000
Outplacement	4,000		4,000		4,000
Total benefit and payment	10,417,000	3,257,000	3,113,000	1,231,000	3,286,000

(1) Under the terms of our short-term incentive plan, an individual age 55 or older with at least five years of service satisfies the relevant provisions under the plan and is eligible for a pro rata payment at the actual level of achievement, without regard to whether it is preceded by a change in control, based on his eligible earnings to the date of termination multiplied by his short-term incentive target. Messrs. Whitlock, Bridge and McGoldrick satisfy the retirement provisions under the plan, and a change in control does not impact this payment. Refer to Payments upon termination of employment. For purposes of the table above, the target level of achievement has been assumed.

(2) Under the terms of our long-term incentive plan, an individual age 55 or older with at least five years of service satisfies the relevant provisions under the plan and is eligible for pro rata payment at the actual level of achievement, without regard to whether it is preceded by a change in control. For purposes of the calculations, amounts that would be payable in shares have been converted to dollars using the New York Stock Exchange closing price for CenterPoint Energy common stock on December 31, 2014 (which was \$23.43). Under the terms of our current long-term incentive plan, amounts payable in shares would be converted to dollars using the New York Stock Exchange closing price on the date on which the change in control occurred. The change in control provisions under our current long-term incentive plan are not conditioned upon termination of employment. The

payments are determined as described under Change in control provisions in our current long-term incentive plan. Amounts shown for performance shares are calculated based on a target level of achievement for each award. Amounts shown for the long-term incentive plan in this table include amounts in the Payments upon termination of employment table below.

(3) Amounts shown consist of the increase in cash balance accounts that would result from crediting an additional three years of service and interest for Mr. Prochazka, and an additional two years of service and interest for Messrs. Bridge and McGoldrick. For purposes of calculating these amounts, balances were projected with the 2015 interest crediting rate of 3.04%. Immediate commencement of the benefit was also assumed.

Upon a change in control, each senior executive officer would also be entitled to receive payment for any fully vested benefits to which he is already entitled or which are required to be provided by law. These benefits could include those earned under CenterPoint Energy's retirement, benefit restoration, savings, savings restoration, deferred compensation and retiree medical plans, as well as the continuation of health coverage required by the Consolidated Omnibus Budget Reconciliation Act (COBRA).

The new change in control plan, effective January 1, 2015, was designed to provide substantially similar benefits as were provided under the change in control agreements. Had the new plan been effective on January 1, 2014, amounts payable would be the same as shown for Messrs. Prochazka, Bridge and McGoldrick in the table above. Had the new plan been effective on January 1, 2014, the total benefit and payment in the event of a change in control for Messrs. Whitlock and Carroll would be approximately \$5,603,000 and \$2,437,000, respectively. Neither executive had a change in control agreement at December 31, 2014, but both are beneficiaries under the change in control plan.

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Payments upon termination of employment. Certain benefits are payable to a senior executive officer upon his termination of employment other than in the event of a change in control as described above. The table below presents information on the value of short-term and long-term incentive benefits at the target level of achievement that would be provided if a senior executive officer terminated employment as of December 31, 2014. The numbers in the table have been rounded to the nearest one thousand dollars.

Type of Payment	Prochazka	Whitlock	Bridge	Carroll	McGoldrick	Standish
Short-term incentive plan ⁽¹⁾	\$	\$ 445,000	\$ 317,000	\$	\$ 321,000	\$ 384,000
Long-term incentive plan: ⁽²⁾						
Performance shares		1,367,000	460,000	287,000	556,000	1,232,000
Stock awards		538,000	176,000	98,000	214,000	484,000
Total	\$	\$ 2,350,000	\$ 953,000	\$ 385,000	\$ 1,091,000	\$ 2,100,000

(1) Under the terms of our short-term incentive plan, an individual age 55 with five years of service satisfies the retirement provisions under the plan and is eligible for a pro rata plan distribution based on eligible earnings to date multiplied by his short-term incentive target at the actual level of achievement. Messrs. Whitlock, Bridge, McGoldrick and Standish satisfy the retirement provisions under the plan, and a termination of employment does not impact this payment. For purposes of the table above, the target level of achievement has been assumed.

(2) For purposes of the calculations, amounts that would be payable in shares have been converted to dollars using the New York Stock Exchange closing price for CenterPoint Energy common stock on December 31, 2014 (which was \$23.43). Under the terms of our long-term incentive plans, an individual age 55 with five years of service satisfies the retirement provisions under the plan and is eligible for a pro rata plan distribution. In the case of performance shares, such distribution is based on the number of days employed in the performance cycle at the actual level of achievement. All amounts above have been calculated assuming the target level of achievement. In the case of stock awards, such distribution is based on the number of days employed in the vesting period. Messrs. Whitlock, Bridge, Carroll, McGoldrick and Standish satisfy the retirement provisions under the plan.

Upon termination of employment, each senior executive officer would also be entitled to receive payment for any fully vested benefits to which he is already entitled or which are required to be provided by law. These benefits could include those earned under CenterPoint Energy's retirement, benefit restoration, savings, savings restoration, deferred compensation and retiree medical plans, as well as the continuation of health coverage required by COBRA.

Payments upon termination due to death. If a named executive officer had died on December 31, 2014, the officer's designated beneficiaries would have been entitled to substantially the same amounts set forth in the table above under *Payments upon termination of employment* for payments under the short-term and long-term incentive plans. The

table below presents information on the value of the benefits also payable if a named executive officer had died on December 31, 2014. The numbers in the table have been rounded to the nearest one thousand dollars. The beneficiaries would have been entitled to the following amounts:

Type of Payment	Prochazka	Whitlock	Bridge	Carroll	McGoldrick
Executive life insurance plan ⁽¹⁾	\$	\$ 1,200,000	\$	\$ 180,000	\$ 880,000
Executive benefit plan					2,420,000
Basic life insurance ⁽¹⁾	50,000	50,000	50,000		50,000
Total	\$ 50,000	\$ 1,250,000	\$ 50,000	\$ 180,000	\$ 3,350,000

(1) Amounts payable by third party insurance providers.

Each senior executive officer's beneficiaries would also be entitled to receive payment for any fully vested benefits to which they are already entitled or which are required to be provided by law. These benefits include those earned under CenterPoint Energy's retirement, benefit restoration, savings, savings restoration, deferred compensation and retiree medical plans, as well as the continuation of health coverage required by COBRA.

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Payments upon disability. If a senior executive officer becomes disabled as defined under our long-term disability plan, he would receive the long-term disability payments stated in the table below as well as substantially the same amounts set forth in the table above under *Payments upon termination of employment* payable for a termination of employment other than in connection with a change in control. The numbers in the table have been rounded to the nearest one thousand dollars.

Type of Payment	Prochazka	Whitlock	Bridge	Carroll	McGoldrick
Long-term Disability Per Month ⁽¹⁾	\$ 20,000	\$ 20,000	\$ 18,000	\$	\$ 18,000

(1) Amounts payable by third party insurance providers.

Upon becoming disabled as defined under our long-term disability plan, each senior executive officer would also be entitled to receive payment for any fully vested benefits to which he is already entitled or which are required to be provided by law. These benefits could include those earned under CenterPoint Energy's retirement, benefit restoration, savings, savings restoration, deferred compensation and retiree medical plans, as well as the continuation of health coverage required by COBRA.

Rabbi Trust

We maintain a trust agreement with an independent trustee establishing a springing rabbi trust for the purpose of funding benefits payable to participants (including each of our named executive officers) under our deferred compensation plans, benefit restoration plans and savings restoration plans and in some instances our long-term incentive plan agreements and the change in control plan. The trust is a grantor trust, irrevocable except in the event of an unfavorable ruling by the Internal Revenue Service as to the tax status of the trust or certain changes in tax law. It is currently funded with a nominal amount of cash. Future contributions will be made to the grantor trust if and when required by the provisions of the covered plans or when required by our Benefits Committee. If there is a change in control (defined in substantially the same manner as in the change in control agreements described under *Potential Payments upon Change in Control or Termination*), the grantor trust must be fully funded, within 15 days following the change in control, with an amount equal to the entire benefit to which each participant would be entitled under the covered plans as of the date of the change in control (calculated on the basis of the present value of the projected future benefits payable under the covered plans). The assets of the grantor trust are required to be held separate and apart from the other funds of CenterPoint Energy and its subsidiaries, but remain subject to the claims of general creditors under applicable state and federal law.

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EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information about CenterPoint Energy's common stock that may be issued under our existing equity compensation plans as of December 31, 2014.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders ⁽¹⁾	2,786,155 ⁽²⁾	\$	8,890,983 ⁽³⁾
Equity compensation plans not approved by security holders			
Totals	2,786,155	\$	8,890,983

(1) Plans approved by shareholders consist of the 2001 Long-term Incentive Plan, the 2009 Long-term Incentive Plan and the Stock Plan for Outside Directors. No future grants may be made under the 2001 plan.

(2) Includes outstanding grants of 2,062,917 performance shares (which includes 397,253 shares at actual achievement for the 2012 performance cycle and assumes maximum performance is achieved for performance cycles commencing 2013 and later) and 723,238 shares issuable upon settlement of outstanding grants of stock awards.

(3) The securities remaining available for issuance may be issued in the form of stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, performance units and performance shares. The shares remaining available for issuance generally may be used for any of these types of awards, except that the Stock Plan for Outside Directors provides only for awards of common stock.

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REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis with management. Based upon this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in CenterPoint Energy's proxy statement on Schedule 14A for its 2015 annual meeting, which is incorporated by reference in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, each as filed with the Securities and Exchange Commission.

Michael P. Johnson, Chairman

Scott J. McLean

R. A. Walker

Peter S. Wareing

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REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of CenterPoint Energy. During 2014, the Audit Committee met 5 times, including meetings to discuss the interim financial information contained in each quarterly earnings announcement with management and Deloitte & Touche LLP, CenterPoint Energy's independent registered public accounting firm (independent auditors), prior to public release.

In discharging its oversight responsibility as to the audit process, the Audit Committee (a) obtained from the independent auditors a formal written statement describing all relationships between the auditors and CenterPoint Energy that might reasonably be thought to bear on the auditors' independence consistent with applicable Public Company Accounting Oversight Board (PCAOB) requirements and (b) discussed with the auditors any relationships that may impact their objectivity and independence. The Audit Committee also discussed with management and the independent auditors the quality and adequacy of CenterPoint Energy's internal controls. The Audit Committee reviewed with the independent auditors their audit plans, audit scope, and identification of audit risks.

The Audit Committee discussed and reviewed with the independent auditors all communications and other matters required to be discussed by generally accepted auditing standards, including those described in PCAOB Auditing Standard No. 16, as amended (Communication with Audit Committees), and discussed and reviewed the results of the independent auditors' examination of the financial statements. The Audit Committee also discussed the results of the internal audit examinations.

Management has the responsibility for the preparation of CenterPoint Energy's financial statements and for its internal controls and the independent auditors have the responsibility for the examination of those statements and the related audit of internal control over financial reporting. The Audit Committee reviewed and discussed the audited financial statements of CenterPoint Energy as of and for the fiscal year ended December 31, 2014, with management and the independent auditors. The Audit Committee also reviewed and discussed with management and the independent auditors management's report and the report and attestation of the independent auditors on internal control over financial reporting, based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, in accordance with Section 404 of the Sarbanes-Oxley Act.

Based on the above-mentioned review and discussions with management and the independent auditors, the Audit Committee recommended to the Board that CenterPoint Energy's audited financial statements be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, for filing with the Securities and Exchange Commission. The Audit Committee also reappointed, subject to ratification, Deloitte & Touche LLP as CenterPoint Energy's independent auditors for the fiscal year ending December 31, 2015.

Phillip R. Smith, Chairman

Janiece M. Longoria

Scott J. McLean

Susan O. Rheney

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PRINCIPAL ACCOUNTING FIRM FEES

Aggregate fees related to services provided to CenterPoint Energy as a consolidated entity for the fiscal years ending December 31, 2014 and 2013 by CenterPoint Energy's principal accounting firm, Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates, are set forth below.

	Year Ended December 31,	
	2014	2013
Integrated audit of financial statements and internal control over financial reporting ⁽¹⁾	\$ 3,965,000	\$ 5,167,000
Audit-related fees ⁽²⁾	481,200	545,200
Total audit and audit-related fees	4,446,200	5,712,200
Tax fees		
All other fees ⁽³⁾	31,500	20,000
Total fees	\$ 4,477,700	\$ 5,732,200

(1) For 2014 and 2013, amounts include fees for services provided by the principal accounting firm relating to the integrated audit for financial statements and internal control over financial reporting, statutory audits, attest services, and regulatory filings.

(2) For 2014 and 2013, amount includes fees for consultations concerning financial accounting and reporting standards and various agreed-upon or expanded procedures related to accounting and/or billing records to comply with financial accounting or regulatory reporting matters.

(3) Fees relate to a subscription-based service which provides the Company with access to benchmarking information and tools.

Audit Committee Policies and Procedures for Preapproval of Audit and Non-Audit Services

Consistent with Securities and Exchange Commission policies regarding auditor independence, the Audit Committee is responsible for pre-approving audit and non-audit services performed by the independent auditor. In addition to its approval of the audit engagement, the Audit Committee takes action at least annually to authorize the independent

auditor's performance of several specific types of services within the categories of audit-related services and tax services. Audit-related services include assurance and related services that are reasonably related to the performance of the audit or review of the financial statements or that are traditionally performed by the independent auditor. Authorized tax services include compliance-related services such as services involving tax filings, as well as consulting services such as tax planning, transaction analysis and opinions. Services are subject to preapproval of the specific engagement if they are outside the specific types of services included in the periodic approvals covering service categories or if they are in excess of specified fee limitations. The Audit Committee may delegate preapproval authority to subcommittees.

During 2014, no preapproval requirements were waived for services included in the Audit-related fees caption of the fee table above pursuant to the limited waiver provisions in applicable rules of the Securities and Exchange Commission.

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ITEM 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITORS

The Audit Committee has appointed Deloitte & Touche LLP as independent auditors to conduct the annual audit of CenterPoint Energy's accounts for the year 2015. Deloitte & Touche LLP (and their predecessors) have served as independent auditors for CenterPoint Energy and its predecessors since 1932. Ratification requires the affirmative vote of a majority of the shares of common stock entitled to vote and voted for or against the matter. Abstentions and broker non-votes will not affect the outcome of the vote on this item. If the appointment is not ratified by the shareholders, the Audit Committee will reconsider the appointment.

Representatives of Deloitte & Touche LLP will be present at the annual meeting and will have an opportunity to make a statement if they wish. They will be available to respond to appropriate questions from shareholders at the meeting.

The Board of Directors recommends a vote FOR the ratification of the appointment of Deloitte & Touche LLP as our independent auditors for 2015.

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ITEM 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act and the related rules of the SEC, we are providing our shareholders with the opportunity to cast an advisory vote on the compensation of our named executive officers at the 2015 Annual Meeting of Shareholders. This item, commonly referred to as a "say-on-pay" vote, provides you, as a CenterPoint Energy shareholder, the opportunity to express your views regarding the compensation of our named executive officers as disclosed in this proxy statement.

The objective of our executive compensation program is to enable us to recruit and retain highly qualified executive talent by providing market-based levels of compensation. We have structured our compensation program to motivate our executives to achieve individual and business performance objectives by varying their compensation in accordance with the success of our businesses. Highlights of our executive compensation program include the following:

Market-Based Compensation Targets. We generally target the market median (50th percentile) for each major element of compensation for our senior executive officers. To help ensure market-based levels of compensation, we measure the major elements of compensation annually for a job against available data for similar positions in our peer companies. In establishing individual incentive targets and awards, the Compensation Committee considers the data provided by its consultant, the level and nature of the executive's responsibility, the executive's experience and the Committee's own qualitative assessment of the executive's performance.

Pay for Performance. We believe that a substantial portion of the compensation for our senior executive officers should be "at risk," meaning that the executives will receive a certain percentage of their total compensation only to the extent CenterPoint Energy and the particular executive accomplish goals established by the Compensation Committee. While compensation targets will to a large extent reflect the market, actual compensation in a given year will vary based on CenterPoint Energy's performance, and to a lesser extent, on qualitative appraisals of individual performance.

2014 Compensation. The Compensation Committee reviewed the base salary and short-term and long-term incentive targets for Mr. Prochazka in connection with his January 1, 2014 appointment as our President and Chief Executive Officer and approved an increase to his base salary to \$900,000, an increase to his short-term incentive target to 100% of base salary and an increase to his long-term incentive target to 300% of base salary. In February 2014, the Compensation Committee reviewed the base salary and short-term and long-term incentive targets for each of our other senior executive officers and determined (i) to increase Mr. Bridge's short-term incentive target from 55% of base salary to 75% of base salary and increase Mr. McGoldrick's short-term incentive target from 60% of base salary to 75% of base salary; (ii) to increase Mr. Bridge's long-term incentive target from 75% of base salary to 140% of base salary and increase Mr. McGoldrick's long-term incentive target

from 80% of base salary to 140% of base salary; and (iii) to increase Mr. Whitlock's base salary by 5.1%, Mr. Bridge's base salary by 45.7% and Mr. McGoldrick's base salary by 26.4%. The Compensation Committee made no changes to the short- and long-term incentive targets for Messrs. Whitlock and Standish. The base salary of Mr. Standish also remained at the levels established for 2013 compensation. The Compensation Committee also approved increasing the maximum payout opportunity for performance share awards from 150% to 200% to remain competitive with competitor long-term incentive plans. Please refer to Our 2014 Executive Compensation Program under Compensation Discussion and Analysis on page 20 for more detailed information.

Change in Control Plan. We maintained change in control agreements with all of our named executive officers, except for Messrs. Carroll, Standish and Whitlock. In lieu of the change in control agreements, which expired on December 31, 2014, our Board of Directors approved a change in control plan, which was effective January 1, 2015. The Change in Control Plan applies to all of our named executive officers, contains a "double trigger" term and does not provide for any excise tax gross-up payments.

Stock Ownership Guidelines. We maintain executive stock ownership guidelines applicable to certain of our officers, including our named executive officers, to appropriately align the interests of our officers with our

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Item 3: Advisory Vote on Executive Compensation (continued)

shareholders' interests for CenterPoint Energy common stock. Our guidelines provide that our Chief Executive Officer should own CenterPoint Energy common stock having a market value of five times base salary, and the other named executive officers should own CenterPoint Energy common stock having a market value of three times their respective base salaries.

Recoupment Policy. We have implemented a policy for the recoupment of short-term and/or long-term incentive payments in the event an officer is found to have engaged in any fraud, intentional misconduct or gross negligence that leads to a restatement of all, or a portion of, our financial results. This policy permits us to pursue recovery of incentive payments if the payment would have been lower based on the restated financial results.

The discussion under "Compensation Discussion and Analysis" beginning on page 19 describes our executive compensation program and the related decisions made by the Compensation Committee in more detail. We encourage you to read this discussion, as well as the summary compensation table and other related compensation tables and narrative discussion under "Executive Compensation Tables" beginning on page 37, which provides detailed information regarding the compensation of our named executive officers.

In accordance with Section 14A of the Exchange Act and the related rules of the SEC, we are asking our shareholders to approve the following resolution regarding the compensation of our named executive officers:

RESOLVED, that the shareholders of CenterPoint Energy, Inc. (the "Company") hereby approve, on an advisory basis, the compensation paid to the Company's named executive officers, as disclosed in the proxy statement for the Company's 2015 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the SEC, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

Approval of the foregoing resolution requires the affirmative vote of a majority of the shares of common stock entitled to vote and voted for or against this item. Abstentions and broker non-votes will not affect the outcome of the vote on this item.

As an advisory vote, this proposal is not binding upon CenterPoint Energy or the Board of Directors. The final decision on the compensation and benefits of our named executive officers and on whether and how to address the results of the vote remains with the Board of Directors and the Compensation Committee. However, the Board of Directors values the opinions expressed by our shareholders, and the Compensation Committee will consider the outcome of the vote when making future compensation decisions for our named executive officers.

The Board of Directors recommends a vote FOR the approval, on an advisory basis, of the compensation paid to our named executive officers as disclosed in this proxy statement.

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ITEM 4: REAPPROVAL OF THE MATERIAL TERMS OF PERFORMANCE GOALS UNDER THE 2009 LONG-TERM INCENTIVE PLAN

The Board of Directors adopted the CenterPoint Energy, Inc. 2009 Long-term Incentive Plan (Long-term Incentive Plan) in 2009, and our shareholders approved the Long-term Incentive Plan on April 23, 2009. You are being asked to reapprove the material terms of the performance-based goals under the Long-term Incentive Plan so that awards made to certain of our officers that are intended to qualify as performance-based compensation deductible under Section 162(m) of the Internal Revenue Code (Code) may so qualify. We are not requesting additional shares under or proposing any amendments to the terms of the Long-term Incentive Plan in connection with the reapproval of the material terms of the performance-based awards.

Section 162(m) of the Code limits our ability to deduct for federal income tax purposes certain compensation in excess of \$1 million paid to our Chief Executive Officer and our three other most highly compensated officers other than the Chief Financial Officer, unless it is qualified performance-based compensation. Pursuant to the requirements of the Section 162(m) regulations, the material terms of the performance goals of the Long-term Incentive Plan are being submitted for reapproval by our shareholders. For purposes of Section 162(m) of the Code, the material terms of the performance goals include (i) the employees eligible to receive compensation under the Long-term Incentive Plan, (ii) a description of the business criteria on which the performance goal may be based, and (iii) the maximum amount of compensation that can be paid to a participant under the performance goal, and are specifically described below.

Shareholder reapproval of the material terms of performance goals under the Long-term Incentive Plan will permit us to grant awards intended to qualify as performance-based compensation deductible under Section 162(m) of the Code until our 2020 annual meeting. If the material terms of the performance goals under the Long-term Incentive Plan are not reapproved by the shareholders, no awards granted under the Long-term Incentive Plan until such approval is attained will qualify as performance-based under Section 162(m) of the Code, which may limit our deductions with respect to compensation as more fully described under [Certain Tax Code Limitations on Deductibility](#) below.

The Board of Directors believes that the Long-term Incentive Plan is important to further the interests of CenterPoint Energy and its shareholders by providing incentives in the form of awards to officers and employees. Such awards will give participants in the Long-term Incentive Plan an interest in CenterPoint Energy parallel to that of the shareholders, thus enhancing the proprietary and personal interest of such participants in CenterPoint Energy's continued success and progress, and recognizing outstanding performance and individual contributions. The Long-term Incentive Plan is important for the ability of CenterPoint Energy and its subsidiaries to attract and retain such officers and employees.

The following is a summary of the principal features of the Long-term Incentive Plan, a copy of which is attached to this Proxy Statement as [Appendix A](#), including the material terms on which awards intended to qualify as performance-based awards under Section 162(m) of the Code may be based. This summary is qualified in its entirety by express reference to the complete text of the Long-term Incentive Plan. See [Federal Income Tax Consequences](#) below for a general discussion of the federal income tax consequences of the Long-term Incentive Plan to participants and to CenterPoint Energy.

Description of the Long-term Incentive Plan

Administration. In general, the Long-term Incentive Plan will be administered by the Compensation Committee. The Compensation Committee selects the participants and determines the type or types of awards from those available under the Long-term Incentive Plan and the number of shares to be granted to each participant under the Long-term Incentive Plan. Participants may include an employee of CenterPoint Energy or any of its subsidiaries. All or part of an

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award may be subject to conditions established by the Compensation Committee. The Compensation Committee has the power to amend or modify the terms of an award in any manner that is either (1) not adverse to the award recipient, (2) consented to by the award recipient or (3) necessary to maintain consistency with the terms of the Long-term Incentive Plan. The Compensation Committee will have full and final authority to interpret the Long-term Incentive Plan and may, from time to time, adopt rules and regulations to carry out the terms of the Long-term Incentive Plan.

The Compensation Committee may delegate to the Chief Executive Officer and other senior officers and to a subcommittee its duties under the Long-term Incentive Plan, and it may also engage or authorize the engagement of third-party administrators to carry out administrative functions under the Long-term Incentive Plan.

Shares Subject to the Long-term Incentive Plan. Subject to certain provisions of the Long-term Incentive Plan, no award shall be granted if it shall result in the aggregate number of shares of common stock issued under the Long-term Incentive Plan, plus the number of shares of common stock covered by or subject to awards under the Long-term Incentive Plan then outstanding (after giving effect to the grant of the award in question), exceeding the aggregate of (1) 10,800,000 shares of common stock and (2) the number of shares of common stock available for grants of awards under CenterPoint Energy's prior long-term incentive plan (Prior Plan) as of the effective date of the Long-term Incentive Plan; *provided*, however, that no more than 1,000,000 shares of common stock shall be available for incentive stock options. The number of shares of common stock that are subject to awards under the Long-term Incentive Plan or awards under the Prior Plan outstanding as of the effective date of the Long-term Incentive Plan that (a) are forfeited, terminated or expire unexercised, (b) are settled in cash in lieu of shares of common stock or (c) are not actually issued due to (i) net settlement of an award or (ii) CenterPoint Energy's tax withholding obligations with respect to an award, in each case, will again become available for awards. The number of shares available for grant under the Long-term Incentive Plan will not be reduced by (x) any shares of common stock tendered in connection with the purchase of shares of common stock upon the exercise of an option as described below or (y) shares of common stock delivered under the Long-term Incentive Plan in settlement of an award issued or made upon the assumption, substitution, conversion or replacement of outstanding awards under a plan or arrangement of an acquired entity. Shares of common stock subject to an award issued or made as a post-transaction grant under such a plan or arrangement of an acquired entity will not reduce or be counted against the maximum number of shares of common stock available for issuance or delivery under the Long-term Incentive Plan, to the extent that the exemption for transactions in connection with mergers and acquisitions from the shareholder approval requirements of the applicable securities exchange for equity compensation plans applies. The Compensation Committee may make appropriate adjustments in the number of shares under the Long-term Incentive Plan to reflect any amendment to the Long-term Incentive Plan, stock split, stock dividend, recapitalization, merger, consolidation, reorganization, combination or exchange of shares or other similar event. Notwithstanding the foregoing, no adjustment or substitution of awards shall be made in a manner that results in noncompliance with the requirements of Section 409A of the Code, to the extent applicable.

As of March 2, 2015, (1) full value awards (including restricted stock, restricted stock units and performance awards settled in stock) covering 2,964,910 shares remained outstanding, assuming that performance shares are settled at

maximum, (2) no stock options were outstanding and (3) there were 8,010,366 shares of common stock remaining available for awards under the Long-term Incentive Plan. The closing price of a share of our common stock on the New York Stock Exchange on March 2, 2015 was \$20.69.

Eligibility. All employees of CenterPoint Energy or any of its subsidiaries are eligible for a grant of awards under the Long-term Incentive Plan. The Compensation Committee will determine the type or types of awards to be made under the Long-term Incentive Plan from those available under the Long-term Incentive Plan and will designate from time to time the participants who are to be granted awards under the Long-term Incentive Plan.

Types of Awards. Awards under the Long-term Incentive Plan may be in the form of options, stock appreciation rights (SARs), stock awards, restricted stock unit awards, cash awards or performance awards, as described below. At the discretion of the Compensation Committee, any such award may be granted subject to the attainment of specified

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*Item 4: Reapproval of the Material Terms of Performance Goals Under the 2009 Long-term Incentive Plan
(continued)*

performance goals. Awards may consist of those listed below and may be granted singly, in combination or in tandem. Awards may also be granted in combination or in tandem with, in replacement of, or as alternatives to, grants or rights under the Long-term Incentive Plan or any other employee plan of CenterPoint Energy or any of its subsidiaries, including the Long-term Incentive Plan of any acquired entity; provided, however, that, other than adjustments allowed under the Long-term Incentive Plan, the terms of outstanding awards may not be amended to reduce the exercise price of an option or SAR or to cancel outstanding options or SARs in exchange for cash, other awards or options or SARs with an exercise price that is less than the exercise price of the original award without shareholder approval. All or part of an award will be subject to conditions established by the Compensation Committee. Each award will be evidenced in such communications as the Compensation Committee deems appropriate, including in an award agreement, which will contain such terms, conditions and limitations as shall be determined by the Compensation Committee. Award agreements may provide that awards may be cancelled if the participant violates a non-competition, non-solicitation or non-disclosure covenant or agreement or otherwise engages in activity that is in conflict with or adverse to the interest of CenterPoint Energy, as determined by the Compensation Committee. In connection with the cancellation of an award for such violations, any gains realized on the vesting or exercise of the cancelled award would be required to be repaid to CenterPoint Energy. Upon the death, disability or termination of employment by a participant, any unexercised, unvested or unpaid awards will be treated as set forth in the applicable award agreement or in any other written agreement CenterPoint Energy has entered into with the participant.

Options. Options are rights to purchase a specified number of shares of our common stock at a specified price. The number of shares, the exercise price, and all other terms and conditions of an option are determined by the Compensation Committee on or before the date of grant. An option granted under the Long-term Incentive Plan may consist of either an incentive stock option that complies with the requirements of Section 422 of the Code or a non-qualified stock option that does not comply with such requirements. The term of an option may not be longer than ten years, and, in general, options must have an exercise price per share that is not less than the fair market value of our common stock on the date of grant.

The exercise price of an option must be paid in full at the time the option is exercised. If permitted by the Compensation Committee and elected by the participant, the exercise price may be paid by means of tendering shares of our common stock. Tendered shares of common stock would be valued at the fair market value of our common stock on the date of exercise. The Compensation Committee will determine acceptable methods for tendering common stock to exercise an option. The Compensation Committee may also adopt additional rules and procedures regarding the exercise of options from time to time, provided that such rules and procedures are not inconsistent with the Long-term Incentive Plan. In the alternative, the Compensation Committee may provide a cashless exercise of an option by cash payment to the option holder equal to the difference between the fair market value per share of common stock on the date of exercise and the exercise price, multiplied by the number of shares with respect to which the option is exercised less any obligation to satisfy tax withholdings.

Stock Appreciation Rights. A SAR is a right to receive a payment, in cash or shares of our common stock, equal to the excess of the fair market value of a specified number of shares of our common stock on the date the rights are exercised over a specified grant price. A SAR may be granted under the Long-term Incentive Plan to the holder of an option with respect to all or a portion of the shares of common stock subject to the option or may be granted separately. The Compensation Committee will determine the terms, conditions and limitations applicable to any SARs, including the term of any SARs, which may not be longer than ten years, and the date or dates upon which they become exercisable.

Stock Awards. Stock awards consist of restricted and non-restricted grants of common stock. Any terms, conditions and limitations applicable to a stock award will be determined by the Compensation Committee. When a restricted stock award is granted, the grantee is registered as the owner of the shares of restricted stock and is entitled to any dividends paid with respect to the restricted stock. Any share certificates evidencing the restricted stock award must contain legends stating the restrictions applicable to those shares.

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Item 4: Reapproval of the Material Terms of Performance Goals Under the 2009 Long-term Incentive Plan (continued)

Restricted Stock Unit Award. Restricted stock unit awards consist of restricted grants of units denominated in common stock. A restricted stock unit is a unit evidencing the right to receive in specified circumstances one share of common stock or equivalent value in cash that is restricted or subject to forfeiture provisions. The Compensation Committee will determine any terms, conditions and limitations applicable to a restricted stock unit award. In addition, at the discretion of the Compensation Committee, rights to dividend equivalents or interest credits may be extended to and made part of any restricted stock unit award. When the restrictions on a restricted stock unit lapse, shares of common stock or equivalent cash value will be delivered to the participant.

Cash Awards. Cash awards consist of grants denominated in cash. The terms, conditions and limitations applicable to any cash awards will be determined by the Compensation Committee. The Compensation Committee may provide for the crediting of interest or other earnings on cash awards.

Performance Awards. Without limiting the type or number of awards that may be made under the other provisions of the Long-term Incentive Plan, an award may be in the form of a performance award. The Compensation Committee will determine the terms, conditions and limitations applicable to a performance award. The Compensation Committee will set performance goals in its discretion which, depending on the extent to which they are met, will determine the value and/or amount of performance awards that will be paid out to the participant and/or the portion that may be exercised.

Qualified performance awards are performance awards that are intended to qualify as performance-based compensation under Section 162(m) of the Code. Qualified performance awards will be paid, vested or otherwise deliverable solely on account of the attainment of one or more pre-established objective performance goals established by the Compensation Committee prior to the earlier of (1) 90 days after the commencement of the period of service to which the performance goals relate or (2) the lapse of 25% of the period of service.

A performance goal may be based upon one or more business criteria that apply to the participant, one or more of our business units, or CenterPoint Energy as a whole, and may include any of the following:

earnings per share;	return on capital employed;
earnings per share growth;	return on invested capital;
total shareholder return;	shareholder value;
economic value added;	net cash flow;
cash return on capitalization;	operating income;
increased revenue;	earnings before interest and taxes;
revenue ratios (per employee or per customer);	cash flow;

net income;	cash from operations;
stock price;	cost reductions;
market share;	cost ratios (per employee or per customer);
return on equity;	proceeds from dispositions;
return on assets;	project completion time and budget goals;
return on capital;	net cash flow before financing activities;
return on capital compared to cost of capital;	customer growth; or
	total market value

Goals may also be based on performance relative to a peer group of companies. Prior to the payment of any compensation based on the achievement of performance goals, the Compensation Committee must certify in writing that the applicable performance goals were satisfied.

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*Item 4: Reapproval of the Material Terms of Performance Goals Under the 2009 Long-term Incentive Plan
(continued)*

Nonqualified performance awards are performance awards that are not intended to qualify as performance-based compensation under Section 162(m) of the Code. Nonqualified performance awards shall be based on achievement of such goals and be subject to such terms, conditions and restrictions as the Compensation Committee or its delegate determines.

Limitations. No participant may be granted, during any one calendar year, awards consisting of options or SARs that are exercisable for more than 1,000,000 shares of common stock. No participant may be granted, during any one calendar year, stock awards or restricted stock unit awards covering or relating to more than 1,000,000 shares of common stock. No participant may be granted awards consisting of cash or in any other form permitted under the Long-term Incentive Plan (other than awards consisting of options or SARs or stock awards or restricted stock unit awards) in respect of any one calendar year having a value determined on the date of the grant of the award in excess of \$8,000,000.

Assignability and Transfer. Except as otherwise provided in the Long-term Incentive Plan, no award or any other benefit under this Long-term Incentive Plan shall be assignable or otherwise transferable except by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder. The Compensation Committee may prescribe other restrictions on transfer. Subject to approval by the Compensation Committee in its sole discretion, all or a portion of the awards granted to a participant under the Long-term Incentive Plan may be transferable by the Participant, to the extent and only to the extent specified in such approval, to (1) the participant's immediate family members, (2) a trust or trusts for the exclusive benefit of such immediate family members, or (3) a partnership or partnerships comprised of such immediate family members. An option granted under this Long-term Incentive Plan to an employee shall become transferable by such employee upon or after his or her termination of employment with CenterPoint Energy, to the extent the option is vested and exercisable at the time of such transfer, if (1) the former employee assumes an office or position with a federal, state or local government or agency or instrumentality thereof and (2) following written request to the Compensation Committee identifying the office or position and the basis for the requested determination, the Compensation Committee determines, in its sole discretion, that by reason of the former employee's holding of such office or position, the holding of such option, the exercise thereof or the acquisition, holding or voting of the common stock issuable upon exercise thereof is, or is likely to, (x) be prohibited or restricted by law, regulation or order, or (y) give rise to or result in an actual or potential conflict of interest, disqualification or similar impediment in or to the exercise of the duties and responsibilities or such office or position.

Amendment and Termination. Our board of directors may amend, modify, suspend or terminate the Long-term Incentive Plan for the purpose of addressing changes in legal requirements or for any other purpose permitted by law, except that (1) no amendment that would impair the rights of a participant with respect to any outstanding award may be made without the consent of the participant and (2) no amendment legally requiring shareholder approval will be effective until such approval has been obtained.

Federal Income Tax Consequences

The following summary is based upon current interpretations of existing federal income tax laws. The discussion below is not purported to be complete, and it does not discuss the tax consequences arising in the context of the participant's death or the income tax laws of any local, state or foreign country in which the participant's income or gain may be taxable.

Nonqualified Stock Options; Stock Appreciation Rights; Incentive Stock Options. Participants will not realize taxable income upon the grant of a non-qualified stock option (NQSO) or SAR. Upon the exercise of an NQSO or SAR, the participant will recognize ordinary income (subject, in the case of employees, to withholding by CenterPoint Energy) in an amount equal to the excess of (i) the fair market value on the date of exercise of the common stock received over (ii) the exercise price (if any) he or she paid for the stock. The participant will generally have a tax basis in any shares of common stock received pursuant to the exercise of a SAR, or pursuant to the cash exercise of a NQSO, that

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equals the fair market value of such shares on the date of exercise. Subject to the discussion under Certain Tax Code Limitations on Deductibility below, we will be entitled to a deduction for U.S. federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by the participant under the foregoing rules.

Employees will not have taxable income upon the grant of an incentive stock option (ISO). Upon the exercise of an ISO, the employee will not have taxable income, although the excess of the fair market value of the shares of common stock received upon exercise of the ISO (ISO Stock) over the exercise price is an item of tax preference that may require payment of an alternative minimum tax. The payment of any alternative minimum tax attributable to the exercise of an ISO would be allowed as a credit against the employee's regular tax liability in a later year to the extent the employee's regular tax liability is in excess of the alternative minimum tax for that year.

Upon the disposition of ISO Stock that has been held for the requisite holding period (generally, at least two years from the date of grant and one year from the date of exercise of the ISO), the employee will generally recognize capital gain (or loss) equal to the difference between the amount received in the disposition and the exercise price paid by the employee for the ISO Stock. However, if an employee disposes of ISO Stock that has not been held for the requisite holding period (a disqualifying disposition), the employee will recognize ordinary income in the year of the disqualifying disposition to the extent that the fair market value of the ISO Stock at the time of exercise of the ISO (or, if less, the amount realized in the case of an arm's-length disqualifying disposition to an unrelated party) exceeds the exercise price paid by the employee for such ISO Stock. The employee would also recognize capital gain (or, depending on the holding period, additional ordinary income) to the extent the amount realized in the disqualifying disposition exceeds the fair market value of the ISO Stock on the exercise date. If the exercise price paid for the ISO Stock exceeds the amount realized in the disqualifying disposition (in the case of an arm's-length disposition to an unrelated party), such excess would ordinarily constitute a capital loss.

We will generally not be entitled to any federal income tax deduction upon the grant or exercise of an ISO, unless the employee makes a disqualifying disposition of the ISO Stock. If an employee makes such a disqualifying disposition, we will then, subject to the discussion below under Certain Tax Code Limitations on Deductibility, be entitled to a tax deduction that corresponds as to timing and amount with the compensation income recognized by the employee under the rules described in the preceding paragraph.

Under current rulings, if a participant transfers previously held shares of common stock (other than ISO Stock that has not been held for the requisite holding period) in satisfaction of part or all of the exercise price of an NQSO or ISO, the participant will recognize income with respect to the common stock received in the manner described above, but no additional gain will be recognized as a result of the transfer of such previously held shares in satisfaction of the NQSO or ISO exercise price. Moreover, that number of shares of common stock received upon exercise which equals the number of shares of previously held common stock surrendered therefor in satisfaction of the NQSO or ISO exercise price will have a tax basis that equals, and a holding period that includes, the tax basis and holding period of the previously held shares of common stock surrendered in satisfaction of the NQSO or ISO exercise price. Any additional shares of common stock received upon exercise will have a tax basis that equals the amount of cash (if any)

paid by the participant, plus, in the case of a NQSO, the amount of ordinary income recognized by the participant with respect to the common stock received.

Cash Awards; Restricted Stock Unit Awards; Stock Awards. A participant will recognize ordinary compensation income upon receipt of cash pursuant to a cash award or, if earlier, at the time such cash is otherwise made available for the participant to draw upon it. A participant will not have taxable income upon the grant of a restricted stock unit award but rather will generally recognize ordinary compensation income at the time the participant receives common stock or cash in satisfaction of such restricted stock unit award in an amount equal to the fair market value of the common stock or cash received. In general, a participant will recognize ordinary compensation income as a result of the receipt of common stock pursuant to a stock award in an amount equal to the fair market value of the common stock when such stock is received; *provided*, however, that if the stock is not transferable and is subject to a substantial risk of

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*Item 4: Reapproval of the Material Terms of Performance Goals Under the 2009 Long-term Incentive Plan
(continued)*

forfeiture when received, the participant will recognize ordinary compensation income in an amount equal to the fair market value of the common stock when it first becomes transferable or is no longer subject to a substantial risk of forfeiture, unless the participant makes an election to be taxed on the fair market value of the common stock when such stock is received.

A participant will be subject to withholding for federal, and generally for state and local, income taxes at the time the participant recognizes income under the rules described above with respect to common stock or cash received pursuant to a cash award, stock award or restricted stock unit award. Dividend equivalents that are received by a participant prior to the time that the common stock is taxed to the participant under the rules described in the preceding paragraph are taxed as additional compensation, not as dividend income. The tax basis of a participant in the common stock received will equal the amount recognized by the participant as compensation income under the rules described in the preceding paragraph, and the participant's holding period in such shares will commence on the date income is so recognized.

Subject to the discussion under **Certain Tax Code Limitations on Deductibility** below, we will be entitled to a deduction for U.S. federal income tax purposes that corresponds as to timing and amount with the compensation income recognized by the participant under the foregoing rules.

Certain Tax Code Limitations on Deductibility. For us to deduct the amounts described above, such amounts must constitute reasonable compensation for services rendered or to be rendered and must be ordinary and necessary business expenses. Our ability to obtain a deduction for future payments under the Long-term Incentive Plan could also be limited by Section 280G of the Code, which provides that certain excess parachute payments made in connection with a change in control of an employer are not deductible. As noted above, our ability to obtain a deduction for amounts paid under the Long-term Incentive Plan could also be affected by Section 162(m) of the Code, which limits the deductibility, for U.S. federal income tax purposes, of compensation paid to our executives who are covered employees as defined under Section 162(m) to \$1 million during any taxable year. However, certain exceptions apply to this limitation in the case of performance-based compensation. It is intended that the reapproval of the material terms of the performance goals under the Long-term Incentive Plan by our shareholders will satisfy one of the requirements for the performance-based exception, and we will be able to comply with the requirements of the Code and Treasury Regulation Section 1.162-27 with respect to the grant and payment of certain performance-based awards (including certain options and SARs) under the Long-term Incentive Plan so as to be eligible for the performance-based exception. However, it may not be possible in all cases to satisfy all of the requirements for the exception and we may, in our sole discretion, determine that in one or more cases it is in our best interests to not satisfy the requirements for the performance-based exception.

Section 409A. Section 409A of the Code generally provides that any deferred compensation arrangement which does not meet specific requirements regarding (i) timing of payouts, (ii) advance election of deferrals and (iii) restrictions on acceleration of payouts results in immediate taxation of any amounts deferred that are earned or vested after 2004,

to the extent not subject to a substantial risk of forfeiture, with interest, and a 20% additive income tax. Section 409A may be applicable to certain awards under the Long-term Incentive Plan. To the extent applicable, we intend that the Long-term Incentive Plan and awards satisfy the requirements of Section 409A.

New Plan Benefits

Awards to our officers and other employees under the Long-term Incentive Plan are determined by the Compensation Committee in its discretion. As a result, it is not possible to determine the benefits and amounts that will be received by any individual participant or group of participants in the future. However, in February 2015, the Compensation Committee approved performance share awards to certain of senior executives (including each our named executive officers except Mr. Standish), subject to shareholder reapproval at our 2015 annual meeting of the performance goals under our Long-Term Incentive Plan. If the shareholders do not reapprove the performance goals under our 2009 Long-Term Incentive Plan, these performance share awards will immediately be forfeited and cancelled after the

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Item 4: Reapproval of the Material Terms of Performance Goals Under the 2009 Long-term Incentive Plan (continued)

2015 annual meeting. If shareholder approval is obtained, these awards would remain outstanding and would be earned to the extent the applicable performance and service conditions are satisfied. The Company has not recognized compensation expense for these grants, because a grant date as defined in FASB ASC Topic 718 has not occurred, as the grants are contingent upon shareholder approval, which cannot be assured. The performance awards that are subject to shareholder approval are as follows:

Name	Target Annual Incentive	Applicable Performance
	As a percentage of Base salary earned in 2015	Goals for 2015 (same for all officers listed below)
Scott Prochazka	300%	Performance Shares (70%)
Gary Whitlock	140%	40% Based on Total Shareholder Return vs. Peer Companies
Tracy Bridge	160%	30% Based on Achieving Cumulative Operating Income Goal
Milton Carroll	200%	Restricted Stock Units (30%)
Joseph McGoldrick	160%	Three-year Service-based Vesting
All other senior executives	65% to 140%	
Vote Required and Board Recommendation		

The vote required for the approval of the material terms of the performance goals under the Long-term Incentive Plan is the affirmative vote of a majority of the shares of common stock entitled to vote and voted for or against this item. Abstentions and broker non-votes will not affect the outcome of the vote on this item.

The Board of Directors recommends a vote FOR the reapproval of the material terms of performance goals under the 2009 Long-term Incentive Plan.

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ITEM 5: REAPPROVAL OF THE MATERIAL TERMS OF PERFORMANCE GOALS UNDER THE SHORT-TERM INCENTIVE PLAN

Description of the Proposal

CenterPoint Energy has established and maintains a short-term incentive plan (Short-term Incentive Plan) to encourage a high level of corporate performance through the establishment of predetermined corporate, subsidiary or business unit goals. You are being asked to reapprove the material terms of the performance-based goals under the Short-term Incentive Plan so that awards made to certain of our officers that are intended to qualify as performance-based compensation deductible under Section 162(m) of the Internal Revenue Code (Code) may so qualify. We are not proposing any amendments to the terms of the Short-term Incentive Plan in connection with the reapproval of the material terms of the performance-based goals.

As discussed above, Section 162(m) of the Code limits our ability to deduct for federal income tax purposes certain compensation in excess of \$1 million paid to our Chief Executive Officer and our three other most highly compensated officers other than the Chief Financial Officer, unless it is qualified performance-based compensation. Pursuant to the requirements of the Section 162(m) regulations, the material terms of the performance goals of the Short-term Incentive Plan are being submitted for approval by our shareholders. For purposes of Section 162(m) of the Code, the material terms of the performance goals include (i) the employees eligible to receive compensation under the Short-term Incentive Plan, (ii) a description of the business criteria on which the performance goal may be based, and (iii) the maximum amount of compensation that can be paid to a participant under the performance goal, and are specifically described below.

Shareholder reapproval of the material terms of performance goals under the Short-term Incentive Plan will permit us to grant awards intended to qualify as performance-based compensation deductible under Section 162(m) of the Code until our 2020 annual meeting. If shareholder reapproval is not obtained, our ability to grant awards intended to qualify as performance-based compensation will expire following the 2016 annual meeting.

The following is a summary of the principal features of the Short-term Incentive Plan, a copy of which is attached to this Proxy Statement as Appendix B, including the material terms on which performance-based awards under Section 162(m) of the Code may be based. This summary is qualified in its entirety by express reference to the complete text of the Short-term Incentive Plan.

Description of the Short-term Incentive Plan

Plan Administration and Eligibility. The Compensation Committee of the Board of Directors administers the Short-term Incentive Plan. The Compensation Committee may delegate its duties under the plan to the Chief

Executive Officer and to other senior officers of the company. Employees of CenterPoint Energy or any of its subsidiaries who (a) are regular or part-time employees, (b) regularly work at least 20 hours per week, and (c) are employed at least 90 calendar days during the plan year are eligible to participate in the Short-term Incentive Plan.

Awards. The Compensation Committee determines the terms and conditions of awards and designates the recipients. Generally, awards are based on a percentage of actual base salary or gross wages paid to the participant during the plan year, including vacation, holiday and sick time. For any participant covered by a collective bargaining agreement, compensation is calculated in the manner specified in the collective bargaining agreement. All or part of an award may be subject to conditions established by the Compensation Committee, which may include continuous service, achievement of specific individual and/or business objectives and other measures of performance.

Performance Goals. Under the Short-term Incentive Plan, the Compensation Committee establishes objective goals within the first 90 days of the performance period or within the first 25% of the performance period, whichever is earlier, and in any event, while the outcome is substantially uncertain. A performance goal is objective if a third party

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Item 5: Reapproval of the Material Terms of Performance Goals Under the Short-term Incentive Plan (continued)

having knowledge of the relevant facts could determine whether the goal has been met. A performance goal may be based on one or more business criteria that apply to the individual, one or more of our business units, or our company as a whole. Performance goals are based on one or more of the following financial or operational factors, as applied to CenterPoint Energy or a business unit, as applicable:

earnings per share;	net cash flow;
earnings per share growth;	operating income;
total shareholder return;	earnings before interest and taxes;
economic value added;	cash flow;
cash return on capitalization;	cash flow from operations;
increased revenue;	cost reductions;
revenue ratios (per employee or per customer);	cost ratios (per employee or per customer);
net income;	proceeds from dispositions;
stock price;	project completion time and budget goals;
market share;	net cash flow before financing activities;
return on equity;	customer growth;
return on assets;	total market value;
return on capital;	customer satisfaction; or
return on capital compared to cost of capital;	employee safety.
shareholder value;	

Performance goals need not be based on an increased or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses. Performance goals may also be based on performance relative to companies in the S&P 500 Electric Utilities Index or other designated peer group. The Committee may decrease the amount payable pursuant to a performance award, but in no event may the Committee increase such amount other than as provided in Section 162(m). No participant may be granted performance awards that would result in the payment of more than \$3,500,000 per plan year.

Certification of Goals and Payment of Awards. Before paying any performance award, the Compensation Committee must certify in writing that the applicable performance goals were satisfied. Awards are paid in cash as soon as practicable after the close of the plan year but in no event later than March 15 of the year following the close of the plan year. A participant must generally be an employee on the payment date to receive payment of an award. However, if prior to the payment date, a participant dies or terminates employment due to being disabled as defined in

our long-term disability plan, the participant will receive, as soon as practicable after the death or termination, an award payment at the target level of achievement prorated to reflect the participant's earnings in the plan year up to the date of termination. In addition, if a participant terminates employment due to retirement, which is defined as a termination on or after the date the participant attains age 55 with five years of service, the participant will receive an award payment, if any, based on the actual achievement of the applicable performance objectives, prorated to reflect the participant's earnings in the plan year up to the date of termination, and payment of any such award will be made at the same time payment of awards are made to active participants in the Short-term Incentive Plan. If a participant is an employee on the last day of the plan year but is not an employee on the payment date, then the participant may receive, at the discretion of the Compensation Committee, an award payment. Award payments under the Short-term Incentive Plan are considered compensation under our retirement plan, benefit restoration plan, savings plan and savings restoration plan.

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Item 5: Reapproval of the Material Terms of Performance Goals Under the Short-term Incentive Plan (continued)

Amendment and Termination of Plan. The Short-term Incentive Plan may be amended, modified, suspended, or terminated by the Board of Directors to address any changes in legal requirements or for any other purpose permitted by law, except that no amendment that would adversely affect the rights of any participant under any award previously granted may be made without the consent of the participant, and no amendment may be effective prior to its approval by our shareholders, if such approval is required by law.

Plan Benefits

Awards to our officers and other employees under the Short-term Incentive Plan are determined by the Compensation Committee in its discretion. As a result, it is not possible to determine the benefits and amounts that will be received by any individual participant or group of participants in the future. However, in February 2015, the Compensation Committee approved the performance objectives for our short-term incentive plan for fiscal 2015. The performance goals approved for 2015 consist of (i) a core operating income goal, with a weight of 55%, (ii) an operational performance goal, consisting of a minimum threshold that requires that core operating income for 2015 equal or exceed \$650 million and then specific payout goals of an overall operations and maintenance expenditures goal with a weight of 25% and a customer satisfaction goal with a weight of 10%, and (iii) a safety goal with a weight of 10%. We expect that the Committee will structure the short-term incentive plan for 2015 for our named executive officers as an umbrella plan. Under this umbrella design, bonus amounts will initially be determined based on achievement of one or more performance goals to be established by the Committee on or before March 31, 2015. The Committee may then exercise its negative discretion to determine the actual bonuses payable to our named executive officers, in each case considering our actual performance with respect to the performance goals approved by the Committee in February 2015. We believe that this design will better enable us to make bonus awards intended to qualify as performance-based compensation within the meaning of Section 162(m) such that, if so qualified, payouts under the short-term incentive plan would be deductible for federal income tax purposes.

For the 2015 plan year, the target annual incentive (as a percentage of base salary earned in 2015) for Mr. Prochazka, Mr. Whitlock, Mr. Bridge and Mr. McGoldrick is 100%, 75%, 75%, and 75%, respectively. Actual performance-based payouts for the 2015 plan year may vary from 0% to 190% of target for Messrs. Prochazka, Whitlock, Bridge and McGoldrick depending on the level of achievement of the performance goals. Mr. Carroll does not participate in the Short-term Incentive Plan.

Vote Required and Board Recommendation

The vote required for the approval of the material terms of the performance goals under the Short-term Incentive Plan is the affirmative vote of a majority of the shares of common stock entitled to vote and voted for or against this item.

Abstentions and broker non-votes will not affect the outcome of the vote on this item.

The Board of Directors recommends a vote FOR the reapproval of the material terms of the performance goals of the Short-term Incentive Plan.

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ITEM 6: SHAREHOLDER PROPOSAL REGARDING PREPARATION OF AN ANNUAL REPORT ON LOBBYING

This proposal was submitted by Zevin Asset Management, LLC, on behalf of Robert Brooke Zevin Associate Defined Benefit Plan, 11 Beacon Street, Boston, MA 02108, the beneficial holder of 1,700 shares.

Whereas, corporate lobbying exposes our company to risks that could adversely affect the company's stated goals, objectives, and ultimately shareholder value, and

Whereas, we rely on the information provided by our company to evaluate goals and objectives, and we, therefore, have a strong interest in full disclosure of our company's lobbying to assess whether our company's lobbying is consistent with its expressed goals and in the best interests of shareholders and long-term value.

Resolved, the shareholders of CenterPoint Energy, Inc. (CenterPoint) request the Board authorize the preparation of a report, updated annually, disclosing:

1. Company policy and procedures governing lobbying, both direct and indirect, and grassroots lobbying communications.
2. Payments by CenterPoint used for (a) direct or indirect lobbying or (b) grassroots lobbying communications, in each case including the amount of the payment and the recipient.
3. CenterPoint's membership in and payments to any tax-exempt organization that writes and endorses model legislation.
4. Description of the decision making process and oversight by management and the Board for making payments described in section 2 and 3 above.

For purposes of this proposal, a grassroots lobbying communication is a communication directed to the general public that (a) refers to specific legislation or regulation, (b) reflects a view on the legislation or regulation and (c) encourages the recipient of the communication to take action with respect to the legislation or regulation. Indirect lobbying is lobbying engaged in by a trade association or other organization of which CenterPoint is a member.

Both direct and indirect lobbying and grassroots lobbying communications include efforts at the local, state and federal levels.

The report shall be presented to the Audit Committee or other relevant oversight committees and posted on the company's website.

Supporting Statement

As shareholders, we encourage transparency and accountability in the use of staff time and corporate funds to influence legislation and regulation both directly and indirectly. CenterPoint is listed as a member of the Edison Electric Institute, which spent over \$23 million lobbying in 2012 and 2013. CenterPoint does not comprehensively disclose its memberships in, or payments to, trade associations, or the portions of such amounts used for lobbying. Absent a system of accountability, company assets could be used for objectives contrary to CenterPoint's long-term interests.

CenterPoint spent approximately \$3.87 million in 2012 and 2013 on direct federal lobbying activities (opensecrets.org). CenterPoint's lobbying on power plant carbon pollution standards has drawn media attention (More Than 110 Companies, Advocates Report Lobbying on Power Plant Rules, Bloomberg BNA, April 25, 2014). These figures do not include lobbying expenditures to influence legislation in states, where CenterPoint also lobbies. For example, in Texas for 2013, CenterPoint had 26 contracts with lobbyists worth a total of from \$910,000 to \$1,885,000 (Texas Ethics Commission).

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2015 Proxy Statement

Item 6: Shareholder Proposal Regarding Preparation of an Annual Report on Lobbying (continued)

The Board recommends you vote AGAINST this proposal for the following reasons:

The Board believes that the Company's participation in the political, legislative and regulatory processes at all levels of government promotes good corporate citizenship and enhances shareholder value.

While the proponent claims that corporate lobbying exposes our company to risks, the Company believes that the failure to engage in critical public policy developments, including communications with elected officials, would represent a far greater risk to shareholders' interests. CenterPoint Energy, like many U.S. companies, labor unions, and other entities, engages in lobbying in the United States at the federal, state and local levels to effectively explain or advocate the Company's position when necessary. Furthermore, when it is in the Company's best interest, the Company has a responsibility to its shareholders to be an active participant in the political process to inform policy and decision makers of its views on issues and to develop and maintain strong working relationships with governmental decision makers.

The extensive policies and procedures the Company has already put into place are designed to ensure that all lobbying activities conducted by the Company and our employees comply with applicable laws.

The Company has adopted a formal written policy setting forth various procedural requirements and limitations under which the Company may engage in certain types of lobbying activities. The Company has an established practice for determining which public policy issues are important to CenterPoint Energy that includes gathering input from affected business lines and functional departments such as Legal and Government Affairs. These key issues and lobbying activities are reviewed at least annually by senior management. The Company is a member of several trade associations that lobby with respect to issues that are important to the Company and its shareholders. Lobbying expenses and trade association dues are also evaluated at least annually by senior management and are included in the Company's annual budget, which is reviewed and approved by the Board. The Company's policies and procedures governing its political and lobbying activities are subject to robust internal controls and oversight. The Company believes that detailed disclosures concerning internal deliberations on public policy issues could be competitively harmful, and would be of questionable utility to shareholders.

Pursuant to applicable laws, the Company provides significant disclosure regarding lobbying activities.

CenterPoint Energy fully complies with all state and federal requirements concerning lobbying activity and related disclosures. When required to do so by the federal Lobby Disclosure Act, CenterPoint Energy publicly reports to Congress, on a quarterly basis, its lobbying expenses, including the portion of trade association dues used for lobbying purposes and the specific issues lobbied. This information is accessible to the general public on the U.S. Senate's website at senate.gov. In addition, the Company files extensive lobbying disclosure reports as required by state and local law that are also available to the general public.

The Board believes that the information currently made available strikes the appropriate balance between transparency and excessive burden and cost, and that additional disclosures with respect to lobbying activities would not provide any meaningful benefit to shareholders.

The Board believes the rigor of these federal and state disclosure requirements provides ample transparency and accountability of our lobbying activities to our shareholders and the general public. The implementation of the proposal's additional requirements would result in the unproductive consumption of valuable time and corporate resources tracking activities without materially enhancing existing available information. For example, the Company may participate in and contribute to tax-exempt industry organizations and trade associations, including those that engage in lobbying activity and/or write or endorse model legislation, for a variety of reasons, including monitoring industry policies and trends, developing business, technical or industry standard-setting expertise, and civic participation. Lobbying may or may not be a primary focus of such organizations and associations, and even where portions of the dues the Company and other members pay are used for lobbying activities, the Company may not direct how such funds are used or agree with all positions taken. For these reasons, additional disclosures regarding contributions to such organizations and associations would not provide helpful information to shareholders, but would impose a significant data collection burden on the Company.

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Item 6: Shareholder Proposal Regarding Preparation of an Annual Report on Lobbying (continued)

The Board also opposes the proposal because many aspects of it are vague or unworkable and may create confusion.

The definition of lobbying, and the payments that would be considered lobbying-related, vary across jurisdictions and could include employee salaries, office rent, charitable contributions and employee travel expenses. As a result, the disclosures regarding lobbying-related payments required by the proposal may be inconsistent and confusing, as a particular payment may be considered lobbying-related in one jurisdiction but not in another.

Based on the foregoing, the Board believes that adopting the shareholder proposal would not be in the best interests of the Company and its shareholders.

Vote Required and Board Recommendation

The vote required for the approval of the shareholder proposal regarding a report on lobbying is the affirmative vote of a majority of the shares of common stock entitled to vote. Broker non-votes and abstentions will have the same effect as a vote against this item.

The Board of Directors recommends a vote AGAINST the shareholder proposal.

GENERAL INFORMATION

We began mailing this proxy statement and the accompanying proxy card to shareholders on or about March 13, 2015. The proxy statement and proxy card are being furnished at the direction of the Board of Directors. We will pay all solicitation costs, including the fee of Morrow & Co., LLC, 470 West Ave., Stamford, CT 06902 who will help us solicit proxies, of \$13,000 plus expenses. We will reimburse brokerage firms, nominees, fiduciaries, custodians, and other agents for their expenses in distributing proxy material to the beneficial owners of our common stock. In addition, certain of our directors, officers and employees may solicit proxies by telephone and personal contact.

The Board of Directors does not intend to bring any other matters before the meeting and has not been informed that any other matters are to be properly presented to the meeting by others. If other business is properly raised, your proxy card authorizes the people named as proxies to vote as they think best.

Shareholder Proposals for 2016 Annual Meeting

Any shareholder who intends to present a proposal at the 2016 annual meeting of shareholders and who requests inclusion of the proposal in CenterPoint Energy's proxy statement and form of proxy in accordance with applicable rules of the Securities and Exchange Commission must file such proposal with us by November 14, 2015.

Our bylaws also require advance notice of other proposals by shareholders to be presented for action at an annual meeting. In the case of the 2016 annual meeting, the required notice must be received by our Corporate Secretary between October 26, 2015 and January 24, 2016. The bylaws require that the proposal must constitute a proper subject to be brought before the meeting and that the notice must contain prescribed information, including a description of the proposal and the reasons for bringing it before the meeting, proof of the proponent's status as a shareholder and the number of shares held, the names and addresses of the proponent, a description of all arrangements and understandings between the proponent and anyone else in connection with the proposal and any material interest of the proponent in the proposal, as well as other procedural requirements. If any of the foregoing information changes or requires supplementation, the proponent must update the information at the times provided in our bylaws. If the proposal is for an amendment of the bylaws, the notice must also include the text of the proposal and be accompanied by an opinion of counsel to the effect the proposal would not conflict with our Restated Articles of Incorporation or Texas law. A copy of the bylaws describing the requirements for notice of shareholder proposals may be obtained on our website at <http://investors.centerpointenergy.com/governance.cfm>.

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2015 Proxy Statement

Director Nominations for 2016 Annual Meeting

Our bylaws provide that a shareholder may nominate a director for election if the shareholder sends a notice to our Corporate Secretary, which must be received at our principal executive offices between October 26, 2015 and January 24, 2016. The bylaws require that the notice must contain prescribed information, including the name and address of the shareholder, the number of shares owned beneficially by the shareholder, the name and address of each of the persons with whom the shareholder is acting in concert, the number of shares of capital stock beneficially owned by each such person with whom the shareholder is acting in concert, and a description of all arrangements or understandings between the shareholder and each nominee and any other persons with whom the shareholder is acting in concert pursuant to which the nomination or nominations are made. The shareholder must also provide the documentation and information about the nominee required by our bylaws, including information about the nominee that would be required to be disclosed in the proxy statement. If any of the foregoing information changes or requires supplementation, the proponent must update the information at the times provided in our bylaws. CenterPoint Energy is not required to include any shareholder proposed nominee in the proxy statement. You may obtain a copy of the bylaws describing the requirements for nomination of director candidates by shareholders on our website at <http://investors.centerpointenergy.com/governance.cfm>.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers, and holders of more than ten percent of our common stock to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of our common stock. Except for one transaction on Form 4 for Ms. O'Brien that was filed late and an omission of shares on Ms. Colvin's Form 3, which was subsequently corrected by filing a Form 3/A, we believe that during the fiscal year ended December 31, 2014, all of our officers and directors complied with these filing requirements.

Householding of Annual Meeting Materials

In accordance with notices previously sent to many shareholders who hold their shares through a bank, broker or other holder of record (street-name shareholders) and share a single address, only one annual report and proxy statement is being delivered to that address unless contrary instructions from any shareholder at that address were received. This practice, known as householding, is intended to reduce our printing and postage costs. However, any such street-name shareholder residing at the same address who wishes to receive a separate copy of this proxy statement or the accompanying annual report to shareholders may request a copy by contacting the bank, broker or other holder of record or by contacting us by telephone at (888) 468-3020. Street-name shareholders who are currently receiving

householded materials may revoke their consent, and street-name shareholders who are not currently receiving householded materials may request householding of our future materials, by contacting Broadridge Financial Services, Inc., either by calling toll free at (800) 542-1061 or by writing to Broadridge, Household Department, 51 Mercedes Way, Edgewood, New York 11717. If you revoke your consent you will be removed from the householding program within 30 days of Broadridge's receipt of your revocation, and each shareholder at your address will receive individual copies of our future materials.

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2015 Proxy Statement

Annual Report to Shareholders

The Annual Report to Shareholders, which includes a copy of our annual report on Form 10-K containing our consolidated financial statements for the year ended December 31, 2014, accompanies the proxy material being mailed to all shareholders. The Annual Report is not part of the proxy solicitation material.

By Order of the Board of Directors,

Milton Carroll

Executive Chairman of the Board
March 13, 2015

Scott M. Prochazka

President and Chief Executive Officer

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CENTERPOINT ENERGY, INC.

C/O INVESTOR SERVICES

P.O. BOX 4505

HOUSTON, TX 77210-4505

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M81996-P58667

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY
THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

**CENTERPOINT
ENERGY, INC.**

The Board of Directors recommends you vote FOR the following:

1. Election of Directors **For Against Abstain**

Nominees:

1a. Milton Carroll " " "

1b. Michael P. Johnson " " "

1c. Janiece M. Longoria " " "

1d. Scott J. McLean " " "

**The Board of Directors For Against Abstain
recommends you vote
FOR proposals 2, 3, 4 and
5:**

2. Ratify the appointment of Deloitte & Touche LLP as independent auditors for 2015. " " "

3. Approve the advisory resolution on executive " " "

				compensation.				
1e.	Theodore F. Pound	..	..	..	4. Reapproval of the material terms of performance goals under the 2009 Long-term Incentive Plan.	..	..	..
1f.	Scott M. Prochazka	..	..	..	5. Reapproval of the material terms of performance goals under the Short-term Incentive Plan.	..	..	..
1g.	Susan O. Rheney	..	..	..	The Board of Directors recommends you vote AGAINST the following proposal:	For	Against	Abstain
1h.	Phillip R. Smith	..	..	..	6. Shareholder proposal regarding the preparation of an annual report on lobbying.	..	..	..
1i.	Peter S. Wareing	..	..	..	

Yes No

Please indicate if you plan to attend this meeting.

.. ..

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Signature (Joint Owners) Date

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ADMISSION TICKET

CENTERPOINT ENERGY, INC.
2015 ANNUAL MEETING OF SHAREHOLDERS
Thursday, April 23, 2015

9:00 a.m. Central Time

Auditorium

1111 Louisiana Street

Houston, Texas 77002

This admission ticket admits only the named shareholder.

Note: If you plan on attending the Annual Meeting in person, please bring, in addition to this Admission Ticket, valid picture identification. The use of video or still photography at the Annual Meeting is not permitted. For the safety of attendees, all bags, packages and briefcases are subject to inspection. Your compliance is appreciated.

**Important Notice Regarding the Availability of Proxy Materials
for the Annual Shareholder Meeting to be Held April 23, 2015.**

**The Notice & Proxy Statement and Annual Report are
available at: <http://materials.proxyvote.com/15189T>**

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:

The Notice and Proxy Statement and Annual Report are available at www.proxyvote.com.

M81997-P58667

CENTERPOINT ENERGY, INC.

2015 Annual Meeting of Shareholders

Proxy-Common Stock

This proxy is solicited on behalf of the Board of Directors

The undersigned hereby appoints Dana C. O'Brien and Vincent A. Mercaldi, or either of them as proxies, with full power of substitution, to vote as designated on the reverse side, all shares of common stock held by the undersigned at the Annual Meeting of Shareholders of CenterPoint Energy, Inc. to be held on Thursday, April 23rd 2015 at 9:00 a.m. in the Auditorium of 1111 Louisiana Street, Houston, Texas and any adjournments thereof, revoking any proxy heretofore given and with discretionary authority to vote on all other matters that may properly come before the meeting.

If you wish to vote in accordance with the recommendations of the Board of Directors, you may just sign and date the reverse side and mail in the postage-paid envelope provided, or direct your vote by Internet or telephone as described on the reverse side. Specific choices may be made on the reverse side. **In absence of instructions to the contrary, the shares represented will be voted in accordance with the Board's recommendation.**

The terms for directors will expire in 2016. The Board of Directors recommends a vote FOR the nominees for directors, FOR the appointment of Deloitte & Touche LLP as independent auditors for 2015, FOR the advisory resolution on executive compensation, FOR the reapproval of material terms under the 2009 Long-term Incentive Plan and the Short-term Incentive Plan and AGAINST the shareholder proposal regarding the preparation of an annual report on lobbying.

Continued and to be signed on reverse side

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CENTERPOINT ENERGY, INC.

C/O INVESTOR SERVICES

P.O. BOX 4505

HOUSTON, TX 77210-4505

VOTE BY INTERNET - www.proxyvote.com

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

M81998-P58667 KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY
THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

**CENTERPOINT
ENERGY, INC.**

The Board of Directors recommends you vote FOR the following:

1. Election of Directors **For Against Abstain**

Nominees:

1a. Milton Carroll " " "

1b. Michael P. Johnson " " "

The Board of Directors recommends you vote FOR proposals 2, 3, 4 and 5:

1c. Janiece M. Longoria " " "

2. Ratify the appointment of Deloitte & Touche LLP as independent auditors for 2015. " " "

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1d.	Scott J. McLean	3. Approve the advisory resolution on executive compensation.
1e.	Theodore F. Pound	..	..	..	4. Reapproval of the material terms of performance goals under the 2009 Long-term Incentive Plan.	..	..	..
1f.	Scott M. Prochazka	..	..	..	5. Reapproval of the material terms of performance goals under the Short-term Incentive Plan.	..	..	..
1g.	Susan O. Rheney	..	..	..	The Board of Directors recommends you vote AGAINST the following proposal:	For	Against	Abstain
1h.	Phillip R. Smith	..	..	..	6. Shareholder proposal regarding the preparation of an annual report on lobbying.	..	..	..
1i.	Peter S. Wareing	..	..	..	

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such.

Signature [PLEASE SIGN WITHIN BOX]

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**Important Notice Regarding the Availability of Proxy Materials
for the Annual Shareholder Meeting to be Held April 23, 2015.**

The Notice & Proxy Statement and Annual Report are

available at: <http://materials.proxyvote.com/15189T>

This proxy covers all shares in the CenterPoint Energy, Inc. stock fund under the CenterPoint Energy Savings Plan (Plan) for which the undersigned has the right to give confidential voting instructions to The Northern Trust Company, Trustee of the Plan. Under the Plan, participants are named fiduciaries as defined under ERISA to the extent of their authority to direct the voting of shares held in their accounts and their proportionate share of allocated shares for which no direction is received and unallocated shares, if any (together, Undirected Shares). This proxy, when properly executed, will be voted by the Trustee as directed by the undersigned. If no direction is given to the Trustee by 11:59 p.m. Eastern Time on April 20, 2015, The Northern Trust Company, as Trustee, will vote the undirected shares in the same proportion as the shares for which directions are received, except as otherwise provided in accordance with ERISA.

M81999-P58667

CENTERPOINT ENERGY, INC.

2015 Annual Meeting of Shareholders

**Voting Directions to Trustee - Common Stock
This proxy is solicited on behalf of the Board of Directors**

The undersigned hereby appoints The Northern Trust Company to vote as designated on the reverse side, all shares of common stock held by the undersigned at the Annual Meeting of Shareholders of CenterPoint Energy, Inc. to be held on Thursday, April 23rd, 2015 at 9:00 a.m. in the of Auditorium of 1111 Louisiana Street, Houston, Texas and any adjournments thereof, revoking any proxy heretofore given and with discretionary authority to vote on all other matters that may properly come before the meeting.

If you wish to vote in accordance with the recommendations of the Board of Directors, you may just sign and date the reverse side and mail in the postage-paid envelope provided, or direct your vote by Internet or telephone as described on the reverse side. Specific choices may be made on the reverse side. **In absence of instructions to the contrary, the shares represented will be voted in accordance with the Board s**

recommendation.

The terms for directors will expire in 2016. The Board of Directors recommends a vote FOR the nominees for directors, FOR the appointment of Deloitte & Touche LLP as independent auditors for 2015, FOR the advisory resolution on executive compensation, FOR the reapproval of material terms under the 2009 Long-term Incentive Plan and the Short-term Incentive Plan and AGAINST the shareholder proposal regarding the preparation of an annual report on lobbying.

Continued and to be signed on reverse side