Attachment D

Credit Agency Reports/10Q

Printed By: Delia White
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Live Report : CENTERPOINT ENERGY SERVICES, INC.

D-U-N-S® Number: 83-861-1739
Trade Names: (SUBSIDIARY OF CENTERPOINT ENERGY RESOURCES CORP., HOUSTON, TX) - CENTERPOINT ENERGY SERVICES
Endorsement/Billing Reference: D. White

D&B Address

Address 1111 Louisiana St
Houston, TX - 77002
Phone 713 207-1111
Fax

Location Type Headquarters (Subsidiary)
Web www.reliantresources.com

Endorsement : D. White

Company Summary

Currency: Shown in USD unless otherwise indicated

Score Bar

History Indicator	CLEAR
Suit Found	Y
Out of Business Indicator	N
Credit Limit - D&B Aggressive	1,000,000.00
Employees	252
Judgment Found	Y
Bankruptcy Found	N
SIC Code	4924
Financial Stress Score National Percentile	31
Commercial Credit Score Percentile	97
PAYDEX®	74
Credit Limit - D&B Conservative	600,000.00
D&B Rating	1R3

D&B 3-month PAYDEX®

3-month D&B PAYDEX®: 64
Lowest Risk:100;Highest Risk :1
When weighted by amount, Payments to suppliers average 19 Days Beyond Terms

D&B Company Overview

This is a headquarters (subsidiary) location
Branch(es) or Division(s) exist Y

D&B PAYDEX®

D&B PAYDEX® 74
Lowest Risk:100;Highest Risk :1
When weighted by amount, Payments to suppliers average 9 days beyond terms

Public Filings

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	1	11/14/07
Liens	1	06/06/06
Suits	1	03/25/09
UCCs	11	05/10/11

The public record items contained herein may have been paid, terminated, vacated or released prior to todays date.

Financial Stress Score Class

Financial Stress Score Class: 4
Lowest Risk:1;Highest Risk :5

Mailing Address	PO Box 4567 Houston,TX77210
Chief Executive	DAVID M MCCLANAHAN, PRES
Year Started	1996
Employees	252 (176 Here)
Financing	SECURED
SIC	4924
Line of business	Natural gas distribution
NAICS	221210
History Status	CLEAR

Commercial Credit Score Class

Commercial Credit Score Class: 1

Lowest Risk:1;Highest Risk :5

Corporate Linkage

Domestic Ultimate

Company	City , State	D-U-N-S® NUMBER
CENTERPOINT ENERGY, INC.	HOUSTON , Texas	10-459-0802

Parent

Company	City , State	D-U-N-S® NUMBER
CENTERPOINT ENERGY RESOURCES CORP.	HOUSTON , Texas	00-694-8210

Branches (Domestic)

Company	City , State	D-U-N-S® NUMBER
CENTERPOINT ENERGY SERVICES, INC.	DOWNERS GROVE , Illinois	01-317-4631
CENTERPOINT ENERGY SERVICES, INC.	MINNEAPOLIS , Minnesota	11-684-3595

Affiliates (Domestic)

Company	City , State	D-U-N-S® NUMBER
CENTERPOINT ENERGY - MISSISSIPPI RIVER TRANSMISSION CORPORATION	SAINT LOUIS , Missouri	00-696-6077
CENTERPOINT ENERGY INVESTMENT MANAGEMENT, INC.	HOUSTON , Texas	11-775-6954
CENTERPOINT ENERGY FIELD SERVICES, INC.	SHREVEPORT , Louisiana	83-588-7930
CENTERPOINT ENERGY GAS TRANSMISSION COMPANY	HOUSTON , Texas	87-267-0161
CENTERPOINT ENERGY SERVICES, INC.	SAINT LOUIS , Missouri	87-905-7420

Predictive Scores

Currency: Shown in USD unless otherwise indicated

Credit Capacity Summary

This credit rating was assigned because of D&Bs assessment of the companys creditworthiness. For more information, see the D&B Rating Key

D&B Rating : 1R3

Number of employees: 1R indicates 10 or more employees
Composite credit appraisal: 3 is fair

The Rating was changed on April 22, 2013 because of D & B's overall assessment of the company's financial, payment and history information.

The 1R and 2R ratings categories reflect company size based on the total number of employees for the business. They are assigned to business files that do not contain a current financial statement. In 1R and 2R Ratings, the 2, 3, or 4 creditworthiness indicator is based on analysis by D&B of public filings, trade payments, business age and other important factors. 2 is the highest Composite Credit Appraisal a company not supplying D&B with current financial information can receive.

Below is an overview of the companys rating history since 07-20-1999

D&B Rating	Date Applied
1R3	04-22-2013
--	05-30-2002
1R3	08-27-2001
--	09-07-2000
1R3	07-20-1999

Number of Employees Total:	252 (176 here)

Payment Activity:	(based on 52 experiences)
Average High Credit:	39,083
Highest Credit:	600,000
Total Highest Credit:	1,096,100

D&B Credit Limit Recommendation

Conservative credit Limit	600,000
Aggressive credit Limit:	1,000,000
Risk category for this business :	LOW

The Credit Limit Recommendation (CLR) is intended to serve as a directional benchmark for all businesses within the same line of business or industry, and is not calculated based on any individual business. Thus, the CLR is intended to help guide the credit limit decision, and must be balanced in combination with other elements which reflect the individual company's size, financial strength, payment history, and credit worthiness, all of which can be derived from D&B reports.
Risk is assessed using D&Bs scoring methodology and is one factor used to create the recommended limits. See Help for details.

Financial Stress Class Summary

The Financial Stress Score predicts the likelihood of a firm ceasing business without paying all creditors in full, or reorganization or obtaining relief from creditors under state/federal law over the next 12 months. Scores were calculated using a statistically valid model derived from D&Bs extensive data files.
The Financial Stress Class of 4 for this company shows that firms with this class had a failure rate of 0.84% (84 per 10,000), which is 1.75 times higher than the average of businesses in D & B's database.

Financial Stress Class : 4

(Lowest Risk:1; Highest Risk:5)

Moderate to high risk of severe financial stress, such as a bankruptcy, over the next 12 months.

Probability of Failure:

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Credit Opinion: CenterPoint Energy Resources Corp.

Global Credit Research - 30 Jun 2011

Houston, Texas, United States

Ratings

Category	Moody's Rating
Outlook	Stable
Sr Unsec Bank Credit Facility	Baa2
Senior Unsecured	Baa2
Commercial Paper	P-2
Parent: CenterPoint Energy, Inc.	
Outlook	Stable
Issuer Rating	Baa3
Sr Unsec Bank Credit Facility	Baa3
Senior Unsecured	Baa3
Subordinate	Ba1
Pref. Shelf	(P)Ba2
Commercial Paper	P-3
ST Issuer Rating	P-3

Contacts

Analyst	Phone
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William L. Hess/New York	212.553.3837

Key Indicators

[1]CenterPoint Energy Resources Corp.

	LTM (3/11)	2010	2009	2008	2007
(CFO Pre-WC + Interest) / Interest	4.8x	4.2x	4.2x	3.6x	3.7x
(CFO Pre-WC) / Debt	23.4%	18.7%	20.4%	14.0%	16.3%
(CFO Pre-WC - Dividends) / Debt	23.4%	18.7%	17.7%	11.6%	13.5%
Debt / Book Capitalization	42.4%	45.0%	44.9%	50.3%	47.8%

[1] All ratios calculated in accordance with the Regulated Electric and Gas Utilities Rating Methodology using Moody's standard adjustments

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

Opinion

Rating Drivers

- Stability from rate-regulation

- Business risk rising as midstream segments grow

- Improving credit metrics

Houston based CenterPoint Energy Resources Corp. (CERC, Baa2 senior unsecured) is a subsidiary of CenterPoint Energy, Inc. (CNP, Baa3 senior unsecured), which also owns CenterPoint Energy Houston Electric, LLC (CEHE, Baa2 senior unsecured), an electric transmission and distribution utility. CERC has natural gas local distribution divisions (LDCs, 36% of 2010 operating income) serving approximately 3 million customers in the states of Texas, Minnesota, Arkansas, Louisiana, Mississippi, and Oklahoma; and subsidiaries engaged in interstate natural gas transmission (pipelines, 42% of operating income), field services (20%), and gas marketing (2%).

SUMMARY RATING RATIONALE

CERC's Baa2 ratings reflect the stability and low business risk of its mostly regulated operations and improving credit metrics. Historically, the business was primarily LDCs (its lowest return segment) that were well integrated with the other segments that supported them. CERC is more a midstream company now after the construction of two greenfield pipelines over the last few years, and more recently with the Encana/Shell field services agreements. Business risk is increasing, because field services is unregulated and riskier than the regulated LDC and pipeline businesses. However, the Encana/Shell contracts appear to have been well structured and CERC's credit metrics sufficiently improved so as to mitigate this incremental risk. Debt at the CNP parent level is declining and imposes less of an implicit burden than before on CERC.

DETAILED RATING CONSIDERATIONS

STABILITY FROM RATE REGULATION

CERC is still predominantly regulated, with LDCs and interstate pipelines comprising 70% to 80% of operating income. The economic regulation of these businesses makes CERC's financial performance stable. The geographic and regulatory diversity of CERC's businesses also reduces its exposure to any one regulatory regime, weather pattern, or local economic condition. CERC's roughly $3.8 billion of rate base is about equally divided between the LDC and pipeline segments. Its most significant LDC jurisdictions in terms of rate base are in Texas, Minnesota, and Arkansas. Louisiana, followed by Mississippi, and Oklahoma are much smaller.

CERC's LDCs map to a Baa both under the "regulatory framework" and "cost recovery and returns" factors under Moody's Regulated Utilities methodology. The company has pursued an ongoing round of mostly small rate cases across their jurisdictions, resulting in incremental rate increases over time. In some of its smaller jurisdictions (Louisiana and in parts of Texas), it has annual rate adjustment mechanisms that increase rates annually outside of a rate case. It also has annual recovery mechanisms for various types of capital investment in Arkansas and in parts of Texas. The Oklahoma division has performance base rates which allow the company to earn above its allowed return on equity, with sharing with customers above a certain level.

CERC has sought alternative rate designs that are becoming more commonplace in the LDC industry to combat the effects of declining gas consumption and warmer-than-normal weather. It has been granted decoupling in Minnesota and Arkansas to recoup revenues lost from customer conservation. The company has weather normalization clauses in parts of Texas, Arkansas, Louisiana, and Oklahoma and has weather hedges to cover most of the rest.

CERC's pipeline segment is consistently more profitable than the LDCs and a reliable free cash flow generator. Rates are overseen by the Federal Energy Regulatory Commission, which Moody's assesses as a strong A quality regulatory environment for CERC's pipelines. Its pipelines generate very stable revenues under their contracts. The vast majority of the revenues comes from demand charges which are fixed and paid regardless of the volumes shipped. Many shippers are customers of longstanding, including CERC's affiliates and Laclede Gas (Baa1 senior unsecured).

The above assessment of CERC's regulatory environment is tempered by the remaining 20% to 30% of operating income generated from its unregulated businesses, mostly field services. For CERC, field services entails mostly gas gathering, which is highly competitive and is typically subject to volume and price risk. Although we apply the regulated utilities rating methodology to CERC, the higher business risk of gas gathering compared to utilities is indicated by most gas gatherers mapping to "Ba" under the "business risk" factor in the midstream rating methodology (see next section).

BUSINESS RISK RISING AS MIDSTREAM SEGMENTS GROW

Since 2009, CERC has spent roughly $800 million to develop gas gathering systems in the Haynesville shale area for Encana and Shell. This is the first time that CERC has undertaken a field services project of this magnitude and represents a major capital commitment to what has been a minor business until fairly recently. As with CERC's legacy field services operations, commodity price risk is low. The business involves mostly gas gathering, minimal processing, and no keep-whole processing contracts.

A typical gas gatherer faces a number of risks, such as E&P customers reducing drilling activity, thereby lowering the gatherer's volume-based fees, or gas prices falling, which reduces revenues for the gas that the gatherer retains and sells. The Encana/Shell agreements have been structured to mitigate a number of such risks. For example, the gathering service is for a fixed fee for 15 years, with minimum throughput commitments for 10 years, and some set returns for incremental investments. Encana (rated Baa2) and Shell (Aa2) are both highly creditworthy, which improves the counterparty risk under these long-term agreements.

IMPROVING CREDIT METRICS

CERC's credit metrics have improved gradually over the last several years, mostly through organic means. Cash flow has risen from the expansions in its pipeline and field services businesses and rate increases at its LDCs. These growth activities have been financed in a balanced manner. Cash flow from operations before working capital changes (CFO pre-WC) plus interest/interest ratio thus rose from 3.6 times in 2005 to 4.2 times in 2010. CFO pre-WC/debt improved from 17.9% in 2005 to 21.7% in 2010. Moody's expects these metrics to spike in 2011 from bonus depreciation, but anticipates modest underlying growth to be sustained even as the effect of bonus depreciation wanes in 2012 and 2013.

CERC's historical credit metrics map to A/Baa under Moody's regulated utilities methodology, but CERC's higher business risk related to its unregulated operations necessitates better metrics than the average pure utility with the same rating. CERC's ratings also consider the implicit burden of CNP parent debt, although that has been declining.

Liquidity Position

CERC appears to have good liquidity over the near term. The company has a Prime-2 rated commercial paper program, fully backstopped by a $915 million bank facility that expires in June 2012. We expect that the company will renew its facility in the second half of 2011. The current agreement contains a single financial covenant of 65% maximum debt/capitalization. CERC remains comfortably in compliance with this covenant. The credit agreement does not require the company to represent and warrant under a material adverse change clause after closing, which enhances its value as liquidity insurance.

The company has a receivables facility, which it has renewed annually for many years. The availability is currently at $375 million but will step down gradually to $160 million when it terminates on September 14, 2011.

CERC's next significant long-term debt maturity is $365 million due in April 2013.

Rating Outlook

The stable rating outlook anticipates CERC maintaining CFO pre-WC/debt in the low 20% range. We note that CNP may be more prone to M&A event risk after receiving the $1.8 billion in proceeds from issuing securitization debt late this year. Potential transactions would include a utility acquisition, which would be opportunistic and lengthy, or a midstream investment.

The trend in CERC's credit profile, however, is clearly more positively than negatively biased. We may revisit CERC's ratings and outlook over the next 12 to 18 months if this trend continues, and once we have some clarity on how CNP uses the securitization proceeds.

What Could Change the Rating - Up

CERC could be upgraded after CNP applies the securitization proceeds in a way that sustains the positive momentum in CERC's credit metrics, including CFO pre-WC/debt in the mid 20% range.

What Could Change the Rating - Down

A downgrade of CNP, a leveraging transaction, or a sustained weakening in its credit metrics, including CFO pre-WC/debt in the mid to high teens.

Other Considerations

GRID IMPLIED RATING

CERC's grid-implied rating is Baa1, a notch above its actual rating, which reflects a temporary boost from bonus depreciation.

Rating Factors

CenterPoint Energy Resources Corp.

Regulated Electric and Gas Utilities Industry [1][2]	Current LTM 3/31/2011		Moody's 12-18 month Forward View* As of June 28, 2011	
Factor 1: Regulatory Framework (25%)	**Measure**	**Score**	**Measure**	**Score**
a) Regulatory Framework		Baa		Baa
Factor 2: Ability To Recover Costs And Earn Returns (25%)				
a) Ability To Recover Costs And Earn Returns		Baa		Baa
Factor 3: Diversification (10%)				
a) Market Position (5%)		Baa		Baa
b) Generation and Fuel Diversity (5%)				
Factor 4: Financial Strength, Liquidity And Key Financial Metrics (40%)				
a) Liquidity (10%)		Baa		A
b) CFO pre-WC + Interest/ Interest (7.5%)	4.1x	A	4.2 - 5.7x	A
c) CFO pre-WC / Debt (7.5%)	20.2%	A	20 - 25%	Baa
d) CFO pre-WC - Dividends / Debt (7.5%)	18.4%	A	18 - 25%	A
e) Debt/Capitalization (7.5%)	43.4%	A	40 -43%	A
Rating:				
a) Indicated Rating from Grid		Baa1		Baa1
b) Actual Rating Assigned		Baa2		Baa2

* THIS REPRESENTS MOODY'S FORWARD VIEW; NOT THE VIEW OF THE ISSUER; AND UNLESS NOTED IN THE TEXT DOES NOT INCORPORATE SIGNIFICANT ACQUISITIONS OR DIVESTITURES

[1] All ratios are calculated using Moody's Standard Adjustments. [2] As of 3/31/2011(L); Source: Moody's Financial Metrics

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