
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **April 9, 2020**

CENTERPOINT ENERGY, INC.

(Exact name of registrant as specified in its charter)

Texas (State or other jurisdiction of incorporation)	1-31447 (Commission File Number)	74-0694415 (IRS Employer Identification No.)
1111 Louisiana Houston Texas (Address of principal executive offices)		77002 (Zip Code)

Registrant's telephone number, including area code: **(713) 207-1111**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	CNP	The New York Stock Exchange Chicago Stock Exchange, Inc.
Depository Shares for 1/20 of 7.00% Series B Mandatory Convertible Preferred Stock, \$0.01 par value	CNP/PB	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Item 2.01. Completion of Acquisition or Disposition of Assets.

On April 9, 2020, Vectren Utility Services, Inc., an Indiana corporation and a wholly-owned subsidiary of CenterPoint Energy, Inc. (the “Company”), completed the sale of all of the outstanding equity interests of MMN Infrastructure Services, LLC (f/k/a Vectren Infrastructure Services Corporation), an Indiana limited liability company and a subsidiary of the Company (the “Transaction”) to PowerTeam Services, LLC, a Delaware limited liability company (the “Buyer”), for approximately \$850 million in cash (subject to customary adjustments), pursuant to the Securities Purchase Agreement (the “Purchase Agreement”) dated February 3, 2020, by and among the Company, the Buyer, and, solely for purposes of Section 10.17 of the Purchase Agreement, Vectren Corporation, an Indiana corporation, pursuant to which the Company sold its infrastructure services reportable segment to the Buyer.

The foregoing description of the Purchase Agreement and the transactions contemplated thereby does not purport to be complete and is subject to and qualified in its entirety by reference to the Purchase Agreement, which was filed as Exhibit 2.1 to the Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on February 3, 2020 and the terms of which are incorporated by reference herein.

Unaudited Pro Forma Condensed Consolidated Financial Information

The unaudited pro forma condensed consolidated financial information of the Company as of and for the year ended December 31, 2019 giving effect to the Transaction, including such information required by Article 11 of Regulation S-X, is set forth in Exhibit 99.1 hereto and incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On April 9, 2020, the Company issued a press release announcing, among other things, the completion of the Transaction. A copy of this press release is furnished as Exhibit 99.2 hereto and is incorporated herein by reference.

The information furnished in Item 7.01 and Exhibit 99.2 are not deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is not subject to the liabilities of that section and is not deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed consolidated financial information of the Company as of and for the year ended December 31, 2019 giving effect to the Transaction, including such information required by Article 11 of Regulation S-X, is set forth in Exhibit 99.1 hereto and incorporated herein by reference.

(d) Exhibits.

EXHIBIT NUMBER	EXHIBIT DESCRIPTION
99.1	Unaudited Pro Forma Condensed Consolidated Financial Information of the Company as of and for the year ended December 31, 2019
99.2	Press Release issued by the Company on April 9, 2020
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CENTERPOINT ENERGY, INC.

Date: April 9, 2020

By: /s/ Jason M. Ryan

Jason M. Ryan

Senior Vice President and General Counsel

CENTERPOINT ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On April 9, 2020, Vectren Utility Services, Inc., an Indiana corporation (the “Seller”) and wholly-owned subsidiary of CenterPoint Energy, Inc. (the “Company”), completed the sale (the “Disposition”) contemplated by the Securities Purchase Agreement (the “Purchase Agreement”) dated as of February 3, 2020, by and among the Company, PowerTeam Services, LLC, a Delaware limited liability company (the “Buyer”), and, solely for purposes of Section 10.17 of the Purchase Agreement, Vectren Corporation (“Vectren”), an Indiana Corporation, pursuant to which the Company sold all of the membership interests in Vectren Infrastructure Services Corp. (“VISCO”), consisting of its infrastructure services reportable segment (the “Businesses”) to the Buyer for \$850 million, subject to customary adjustments set forth in the Purchase Agreement, including adjustments based on net working capital at closing, indebtedness, cash and cash equivalents and transaction expenses. In accordance with the Purchase Agreement, VISCO was converted from a corporation to a limited liability company that was disregarded for federal income tax purposes immediately prior to the closing. The Disposition was considered an asset sale for tax purposes requiring the net deferred tax liabilities of approximately \$123 million as of December 31, 2019 to be recognized; therefore, any deferred tax assets and liabilities within VISCO were not included in the carrying amount of the assets and liabilities purchased by the Buyer.

The Disposition constitutes a significant disposition for purposes of Item 2.01 of Current Report on Form 8-K. The Company acquired the Businesses on February 1, 2019 as part of its acquisition of Vectren. As a result, the following unaudited pro forma consolidated statement of operations for the year ended December 31, 2019 is presented as if the Disposition and related events had occurred on January 1, 2019. The following unaudited pro forma consolidated balance sheet as of December 31, 2019 is presented as if the Disposition and related events had occurred on December 31, 2019. The Disposition represents a strategic shift that will have a major effect on the Company’s operations and financial results. Accordingly, the Company expects to apply the discontinued operations treatment for the Disposition in the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

The unaudited consolidated pro forma financial statements have been derived from historical financial statements prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”) and are presented based on information currently available. They are intended for informational purposes only and are not intended to represent the Company’s financial position or results of operations had the Disposition and related events occurred on the dates indicated, or to project the Company’s financial performance for any future period. Pro forma adjustments have been made for events that are directly attributable to the Disposition, factually supportable and, with respect to the unaudited pro forma consolidated statements of operations, expected to have a continuing impact on the Company’s consolidated operating results.

The unaudited pro forma consolidated financial statements have been prepared in accordance with Article 11 of Regulation S-X and should be read in conjunction with the following: (i) the accompanying notes to the unaudited pro forma consolidated financial statements; and (ii) the audited consolidated financial statements and accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

CENTERPOINT ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
December 31, 2019

	CenterPoint Energy Historical	Pro Forma Adjustments		CenterPoint Energy Pro Forma
	(In Millions)			
Current Assets:				
Cash and cash equivalents	\$ 241	\$ 883	a	\$ 1,124
Investment in marketable securities	822	—		822
Accounts receivable, net	1,249	(192)	b	1,057
Accrued unbilled revenues	586	(109)	b	477
Natural gas and fuel inventory	277	—		277
Materials and supplies	269	(6)	b	263
Non-trading derivative assets	136	—		136
Taxes receivable	106	—		106
Prepaid expenses and other current assets	161	(4)	b	157
Total current assets	3,847	572		4,419
Property, Plant and Equipment, net	20,945	(295)		20,650
Other Assets:				
Goodwill	5,164	(220)	b	4,944
Regulatory assets	2,117	—		2,117
Non-trading derivative assets	58	—		58
Investment in unconsolidated affiliate	2,408	—		2,408
Preferred units – unconsolidated affiliate	363	—		363
Intangible assets	321	(207)	b	114
Other	216	(26)	b	190
Total other assets	10,647	(453)		10,194
Total Assets	\$ 35,439	(176)		35,263

CENTERPOINT ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET — (continued)
December 31, 2019

	CenterPoint Energy Historical	Pro Forma Adjustments	CenterPoint Energy Pro Forma
(In Millions)			
Current Liabilities:			
Current portion of VIE Securitization Bonds long-term debt	\$ 231	\$ —	\$ 231
Indexed debt, net	19	—	19
Current portion of other long-term debt	618	—	618
Indexed debt securities derivative	893	—	893
Accounts payable	1,138	(45) b	1,093
Taxes accrued	241	(2) b	397
		158 c	
Interest accrued	158	—	158
Non-trading derivative liabilities	125	—	125
Due to ZENS note holders	51	—	51
Other	414	(40) b	374
Total current liabilities	3,888	71	3,959
Other Liabilities:			
Deferred income taxes, net	3,928	(123) d	3,805
Non-trading derivative liabilities	29	—	29
Benefit obligations	754	—	754
Regulatory liabilities	3,474	—	3,474
Other	763	(16) b	747
Total other liabilities	8,948	(139)	8,809
Long-term Debt:			
VIE Securitization Bonds, net	746	—	746
Other long-term debt, net	13,498	—	13,498
Total long-term debt, net	14,244	—	14,244
Shareholders' Equity:			
Cumulative preferred stock	1,740	—	1,740
Common stock	5	—	5
Additional paid-in-capital	6,080	—	6,080
Retained earnings	632	(108) e	524
Accumulated other comprehensive loss	(98)	—	(98)
Total shareholders' equity	8,359	(108)	8,251
Total Liabilities and Shareholders' Equity	\$ 35,439	\$ (176)	\$ 35,263

CENTERPOINT ENERGY, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
For the Year Ended December 31, 2019

	CenterPoint Energy Historical	Pro Forma Adjustments	CenterPoint Energy Pro Forma
(In Millions, Except Per Common Share Amounts)			
Revenues:			
Utility revenues	\$ 7,162	\$ —	\$ 7,162
Non-utility revenues	5,139	(1,190) f	3,949
Total	12,301	(1,190)	11,111
Expenses:			
Utility natural gas, fuel and purchased power	1,683	—	1,683
Non-utility cost of revenues, including natural gas	4,029	(309) f	3,720
Operation and maintenance	3,550	(714) f	2,836
Depreciation and amortization	1,287	(50) f	1,237
Taxes other than income taxes	478	(2) f	476
Goodwill impairment	48	—	48
Total	11,075	(1,075)	10,000
Operating Income	1,226	(115)	1,111
Other Income (Expense):			
Gain on marketable securities	282	—	282
Loss on indexed debt securities	(292)	—	(292)
Interest and other finance charges	(528)	—	(528)
Interest on Securitization Bonds	(39)	—	(39)
Equity in earnings of unconsolidated affiliates, net	230	—	230
Other, net	50	(1) f	49
Total	(297)	(1)	(298)
Income Before Income Taxes	929	(116)	813
Income tax expense	138	(29) g	109
Net Income	791	(87)	704
Preferred stock dividend requirement	117	—	117
Income available to common shareholders	\$ 674	\$ (87)	\$ 587
Basic Earnings Per Common Share			
	\$ 1.34		\$ 1.17
Diluted Earnings Per Common Share			
	\$ 1.33		\$ 1.16
Weighted Average Common Shares Outstanding, Basic			
	502		502
Weighted Average Common Shares Outstanding, Diluted			
	505		505

CENTERPOINT ENERGY, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

(1) Basis of presentation

The pro forma statements of income for the year ended December 31, 2019, give effect to the Disposition as if it were completed on January 1, 2019. The pro forma balance sheet as of December 31, 2019, gives effect to the Disposition as if it were completed on December 31, 2019.

The pro forma financial statements have been derived from the historical consolidated financial statements of the Company. The historical consolidated financial statements have been adjusted in the pro forma financial statements to give effect to pro forma events that are (i) directly attributable to the Disposition, (ii) factually supportable and (iii) with respect to the pro forma statements of income, expected to have a continuing impact on the Company's consolidated operating results.

(2) Pro Forma Adjustments

The pro forma adjustments are based upon available information and certain assumptions that management believes are reasonable.

- (a) Reflects estimated cash proceeds from the Disposition of \$883 million, representing the gross sales price of \$850 million, plus \$48 million proceeds from working capital, less estimated transaction costs of \$15 million. These transactions costs have not been reflected on the pro forma statements of income as they will not have an ongoing impact on the Company.
- (b) Reflects the assets and liabilities purchased by the Buyer in the Disposition.
- (c) Reflects \$158 million of current tax expense due to the recognition of tax gain on the Disposition.
- (d) Reflects deferred tax benefit of \$123 million due to the Disposition being treated as an asset sale for tax purposes.
- (e) Reflects the estimated after-tax loss on the Disposition of \$108 million, which was calculated as follows:

	(in millions)
Estimated proceeds of the Disposition, net of transaction costs (1)	\$ 883
Assets of the Businesses	(1,059)
Liabilities of the Businesses	103
Pre-tax loss of the Disposition	(73)
Current tax expense as a result of tax gain on the Disposition	(158)
Recognition of deferred tax benefit due to the Disposition	123
After-tax loss of the Disposition	<u>\$ (108)</u>

(1) Reflects the estimated net proceeds received, inclusive of working capital and other customary adjustments, as if the transaction had closed on December 31, 2019.

- (f) Reflects the elimination of revenues and expenses representing the historical results of the Businesses as a result of the Disposition.
- (g) Reflects the income tax expense calculated using the statutory income tax rate of 25% for the Company for the year ended December 31, 2019. The assumed statutory tax rates do not take into account any possible future tax events that may impact the Company.



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For Immediate Release

CenterPoint Energy completes sale of Miller Pipeline and Minnesota Limited to PowerTeam Services

Sale streamlines CenterPoint Energy's operations and allows for increased focus on growing core utility earnings contribution

Houston – April 9, 2020 – CenterPoint Energy, Inc. (NYSE: CNP) today announced the close of its previously announced sale of Miller Pipeline and Minnesota Limited to PowerTeam Services, LLC for \$850 million in cash, subject to customary purchase price adjustments. The net proceeds of the sale will be used to repay a portion of outstanding CenterPoint Energy debt.

“The close of this transaction is a significant step in streamlining CenterPoint Energy’s operations and driving our strategy of growing our core utility operations,” said John W. Somerhalder II, interim president and CEO.

After the close of the sale, CenterPoint Energy consists of approximately 9,900 employees who continue to operate its utility businesses serving more than 7 million metered customers in Arkansas, Indiana, Louisiana, Minnesota, Mississippi, Ohio, Oklahoma and Texas as well as its competitive energy businesses in more than 30 states.

Headquartered in Houston, Texas, CenterPoint Energy, Inc. (NYSE: CNP) is an energy delivery company with regulated utility businesses in eight states and a competitive energy businesses footprint in more than 30 states. Through its electric transmission & distribution, power generation and natural gas distribution businesses, the company serves more than 7 million metered customers in Arkansas, Indiana, Louisiana, Minnesota, Mississippi, Ohio, Oklahoma and Texas. CenterPoint Energy's competitive energy businesses include natural gas marketing and energy-related services; energy efficiency and sustainability solutions; and owning and operating intrastate natural gas pipeline systems. As of December 31, 2019, the company owns nearly \$35 billion in assets and also owns 53.7 percent of the common units representing limited partner interests in Enable Midstream Partners, LP, a publicly traded master limited partnership that owns, operates and develops strategically located natural gas and crude

oil infrastructure assets. With approximately 9,900 employees, CenterPoint Energy and its predecessor companies have been in business for more than 150 years. For more information, visit CenterPointEnergy.com.

Forward-Looking Statement

The statements in this press release contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements other than statements of historical fact included in this press release are forward-looking statements made in good faith by us and are intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. When used in this press release, the words "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "goal," "intend," "may," "objective," "plan," "potential," "predict," "projection," "should," "target," "will" or other similar words are intended to identify forward-looking statements. These forward-looking statements are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual events and results may differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements include, but are not limited to, statements relating to benefits of the sale, use of proceeds, future strategies and future growth. Each forward-looking statement contained in this press release speaks only as of the date of this release. Important factors that could cause actual results to differ materially from those indicated by the provided forward-looking information include risks and uncertainties relating to: (1) the outcome of any legal proceedings, regulatory proceedings or enforcement matters that may be instituted relating to the transactions, (2) disruption from the transactions making it more difficult to maintain relationships with customers, employees, regulators or suppliers, (3) other factors discussed in CenterPoint Energy's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 and other reports CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.

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