

CENTERPOINT ENERGY INC

Form 424B2

September 27, 2018

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**Filed Pursuant to Rule 424(b)(2)**  
**Registration No. 333-215833**

### CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed maximum aggregate offering price	Amount of registration fee(1)
Depository Shares Each Representing a 1/20th Interest in a Share of 7.00% Series B Mandatory Convertible Preferred Stock	19,550,000 (2)	\$977,500,000	\$121,698.75
7.00% Series B Mandatory Convertible Preferred Stock, par value \$0.01 per share	977,500 (3)		(3)
Common Stock, par value \$0.01 per share	56,797,810 (4)		(5)

- (1) Pursuant to Rule 457(r) under the Securities Act of 1933, as amended (the Securities Act ).
- (2) Includes 2,550,000 depository shares issuable upon exercise of the underwriters' option to purchase additional depository shares.
- (3) Each depository share represents a 1/20th interest in a share of 7.00% Series B Mandatory Convertible Preferred Stock ( mandatory convertible preferred stock ). Because no separate consideration will be received by the registrant for the mandatory convertible preferred stock, no registration fee is required with respect to these securities.
- (4) The number of shares of our common stock to be registered is based on the maximum number of shares of our common stock into which 977,500 shares of the mandatory convertible preferred stock can be converted, which is 36.6980 shares of our common stock per share of the mandatory convertible preferred stock as described in this prospectus supplement, or a maximum total of 35,872,295 shares of our common stock plus the maximum number of shares of our common stock issuable in respect of dividend payments on the mandatory convertible preferred stock, which is 20,925,515 shares of our common stock. Pursuant to Rule 416 under the Securities Act, the number of shares of our common stock registered includes an indeterminate number of additional shares of our common stock that may be issued from time to time upon conversion of the mandatory convertible preferred stock as a result of the anti-dilution provisions thereof.
- (5) Pursuant to Rule 457(i) under the Securities Act, there is no additional registration fee payable with respect to the shares of our common stock issuable upon conversion of or payment of dividends on the mandatory convertible preferred stock because no additional consideration will be received in connection with the exercise of the conversion privilege or the payment of dividends.

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**PROSPECTUS SUPPLEMENT**

**(To Prospectus Dated September 24, 2018)**

**17,000,000 Depositary Shares**

**Each Representing a 1/20th Interest in a Share of**

**Series B Mandatory Convertible Preferred Stock**

**CenterPoint Energy, Inc.**

**7.00% Series B Mandatory Convertible Preferred Stock**

We are offering 17,000,000 depositary shares, each of which represents a 1/20th interest in a share of our 7.00% Series B Mandatory Convertible Preferred Stock, \$0.01 par value per share, which we refer to in this prospectus supplement as our Series B Preferred Stock. The shares of our Series B Preferred Stock will be deposited with Broadridge Corporate Issuer Solutions, Inc., as depositary, pursuant to a deposit agreement. Holders of our depositary shares will be entitled to a proportional fractional interest in the rights and preferences of our Series B Preferred Stock, including conversion, dividend, liquidation and voting rights, subject to the provisions of such deposit agreement.

Dividends on our Series B Preferred Stock will be payable on a cumulative basis when, as and if declared by our board of directors, or an authorized committee of our board of directors, at an annual rate of 7.00% on the liquidation preference of \$1,000 per share. We may pay declared dividends in cash or, subject to certain limitations, in shares of our common stock, par value \$0.01 per share, or in any combination of cash and shares of our common stock on March 1, June 1, September 1 and December 1 of each year, commencing on December 1, 2018 and ending on, and including, September 1, 2021.

Each share of our Series B Preferred Stock has a liquidation preference of \$1,000 (and, correspondingly, each depositary share represents a liquidation preference of \$50). Unless previously converted or redeemed, each share of our Series B Preferred Stock will automatically convert on the second business day immediately following the last trading day of the final averaging period into between 30.5820 and 36.6980 shares of our common stock, subject to anti-dilution adjustments. The number of shares of our common stock issuable on conversion will be determined based on the average VWAP (as defined herein) of our common stock over the 20 trading day period beginning on, and including, the 21<sup>st</sup> scheduled trading day prior to September 1, 2021, which we refer to herein as the final averaging period. At any time prior to September 1, 2021, a holder of 20 depositary shares may cause the depositary to convert one share of our Series B Preferred Stock, on such holder's behalf, into a number of shares of our common stock equal to the minimum conversion rate of 30.5820, subject to anti-dilution adjustments. If a holder of 20

depository shares causes the depository to convert one share of our Series B Preferred Stock, on such holder's behalf, during a specified period beginning on the effective date of a fundamental change (as described herein), the conversion rate will be adjusted under certain circumstances, and such holder will also be entitled to a make-whole dividend amount (as described herein).

Concurrently with this offering, we are offering (the Concurrent Offering), by means of a separate prospectus supplement, 60,550,459 shares of our common stock (or an additional 9,082,568 shares if the underwriters in the Concurrent Offering exercise their option to purchase additional shares of our common stock to cover over-allotments, if any, in full), at a public offering price of \$27.25 per share of our common stock. Completion of this offering of our depository shares is not contingent upon the completion of the Concurrent Offering and the completion of the Concurrent Offering is not contingent upon the completion of this offering.

Prior to this offering, there has been no public market for our depository shares. We intend to apply to list our depository shares on The New York Stock Exchange under the symbol CNPPRB. Our common stock is listed on The New York Stock Exchange and The Chicago Stock Exchange, in each case, under the symbol CNP.

**Investing in our depository shares involves risks. See Risk Factors beginning on page S-19 of this prospectus supplement and on page 3 of the accompanying prospectus.**

	<b>Per Share</b>	<b>Total</b>
Public Offering Price	\$ 50.00	\$ 850,000,000
Underwriting Discount	\$ 1.375	\$ 23,375,000
Proceeds, before expenses, to CenterPoint Energy, Inc.	\$ 48.625	\$ 826,625,000

We have granted the underwriters an option to purchase, exercisable within 30 days from the date of this prospectus supplement, up to an additional 2,550,000 depository shares to cover over-allotments, if any, at the public offering price, less the underwriting discount.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The underwriters expect to deliver our depository shares to investors on or about October 1, 2018.

*Joint Book-Running Managers*

**Morgan Stanley**  
**Citigroup**

**Goldman Sachs & Co. LLC**  
**Wells Fargo Securities**

**Barclays**

**Credit Suisse**

**Deutsche Bank Securities**  
*Senior Co-Managers*

**J.P. Morgan**

**Mizuho Securities**

**MUFG**  
*Co-Managers*

**RBC Capital Markets**

**BNY Mellon Capital Markets, LLC**  
**R. Seelaus & Co., Inc.**  
**US Bancorp**

**Comerica Securities**  
**Ramirez & Co., Inc.**  
**The Williams Capital Group, L.P.**

**Evercore ISI**  
**Regions Securities LLC**

**PNC Capital Ma**  
**TD**  
**Wolfe Capital Markets an**

**Prospectus Supplement dated September 25, 2018**

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This document consists of two parts, which should be read together. The first part is this prospectus supplement, which describes the specific terms of our depositary shares and our Series B Preferred Stock, the specific terms of this offering and supplements and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, provides more general information about our depositary shares, preferred stock and other securities that may be offered from time to time using such prospectus, some of which general information does not apply to this offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. You should read this prospectus supplement and the accompanying prospectus together with any written communication prepared by us or on our behalf in connection with this offering together with the additional information described in this prospectus supplement under the headings **Where You Can Find More Information** and **Incorporation By Reference**.

We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any written communication prepared by us or on our behalf. We and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell our depositary shares or our Series B Preferred Stock and are not soliciting an offer to buy our depositary shares or our Series B Preferred Stock in any jurisdiction where the offer or sale is not permitted. The information we have included in this prospectus supplement or the accompanying prospectus is accurate only as of the date of this prospectus supplement or the accompanying prospectus, as the case may be, and any information we have incorporated by reference into this prospectus supplement or the accompanying prospectus is accurate only as of the date of the document incorporated by reference. Our businesses, financial condition, results of operations and prospects may have changed since these respective dates.

Any information contained in this prospectus supplement or the accompanying prospectus or in a document incorporated by reference in this prospectus supplement or the accompanying prospectus will be deemed to be modified or superseded to the extent that a statement contained in this prospectus supplement or in any other subsequently filed document that is also incorporated by reference in this prospectus supplement modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. See **Incorporation By Reference** in this prospectus supplement.

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**Prospectus**

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We expect that delivery of our depositary shares offered hereby will be made against payment therefor on or about October 1, 2018, which will be the third business day following the date of pricing of our depositary shares (this settlement cycle being referred to as T+3 ). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to a trade expressly agree otherwise. Accordingly, purchasers who wish to trade our depositary shares on the initial pricing date of our depositary shares or the next succeeding business day will be required, by virtue of the fact that our depositary shares initially will settle in T+3, to specify alternative settlement arrangements at the time of any such trade to prevent a failed settlement and should consult their own advisors.

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**SUMMARY**

*This summary highlights information from this prospectus supplement and the accompanying prospectus. It is not complete and may not contain all of the information that you should consider before investing in our depositary shares. We encourage you to read this prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein or therein in their entirety before making an investment decision, including the information set forth under the heading Risk Factors. The terms CenterPoint Energy, we, our, and us refer to CenterPoint Energy, Inc. and its subsidiaries, unless the context indicates otherwise.*

**CENTERPOINT ENERGY, INC.**

We are a public utility holding company. Our operating subsidiaries own and operate electric transmission and distribution and natural gas distribution facilities, supply natural gas to commercial and industrial customers and electric and natural gas utilities as described below. As of the date of this prospectus supplement, our indirect, wholly-owned subsidiaries include:

CenterPoint Energy Houston Electric, LLC, which engages in the electric transmission and distribution business in the Texas Gulf Coast area that includes the city of Houston; and

CenterPoint Energy Resources Corp., which (i) owns and operates natural gas distribution systems in six states and (ii) obtains and offers competitive variable and fixed-price physical natural gas supplies and services primarily to commercial and industrial customers and electric and natural gas utilities in 33 states through its wholly-owned subsidiary, CenterPoint Energy Services, Inc.

As of the date of this prospectus supplement, we also owned an aggregate of 14,520,000 10% Series A Fixed-to-Floating Non-Cumulative Redeemable Perpetual Preferred Units ( ENBL Series A Preferred Units ), representing limited partner interests in Enable Midstream Partners, LP ( Enable ), which owns, operates and develops natural gas and crude oil infrastructure assets. As of the date of this prospectus supplement, CenterPoint Energy Midstream, Inc., our direct wholly-owned subsidiary, owned approximately 54.0% of the common units representing limited partner interests in Enable and also owned a 50% management interest and 40% economic interest in Enable's general partner, Enable GP, LLC.

Our principal executive offices are located at 1111 Louisiana, Houston, Texas 77002 (telephone number: 713-207-1111).

**RECENT DEVELOPMENTS**

**Proposed Merger with Vectren**

On April 21, 2018, CenterPoint Energy entered into an Agreement and Plan of Merger (the Merger Agreement ), by and among CenterPoint Energy, Vectren Corporation, an Indiana corporation ( Vectren ), and Pacer Merger Sub, Inc., an Indiana corporation and wholly owned subsidiary of CenterPoint Energy ( Merger Sub ). Pursuant to the Merger Agreement, on and subject to the terms and conditions set forth therein, Merger Sub will merge with and into Vectren (the Vectren Merger ), with Vectren continuing as the surviving corporation in the Vectren Merger and becoming a wholly owned subsidiary of CenterPoint Energy.



On and subject to the terms and conditions set forth in the Merger Agreement, at the effective time of the Vectren Merger (the Effective Time ), each share of common stock, no par value, of Vectren ( Vectren common stock ) issued and outstanding immediately prior to the Effective Time shall be cancelled and converted

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into the right to receive \$72.00 in cash, without interest (the Merger Consideration ). At the Effective Time, each stock unit payable in Vectren common stock or whose value is determined with reference to the value of Vectren common stock, whether vested or unvested, will be cancelled at the Effective Time with cash consideration paid therefor in accordance with the terms of the Merger Agreement. No dissenters' rights of appraisal in connection with the Vectren Merger are available to holders of Vectren common stock pursuant to the Indiana Business Corporation Law.

Vectren, CenterPoint Energy and Merger Sub each have made various representations, warranties and covenants in the Merger Agreement. Among other things, Vectren has agreed, subject to certain exceptions, to conduct its businesses in the ordinary course, consistent with past practice, from the date of the Merger Agreement until the Effective Time, and not to take certain actions prior to the closing of the Vectren Merger without the approval of CenterPoint Energy. Vectren has made certain additional customary covenants, including, subject to certain exceptions: (1) to cause a meeting of Vectren's shareholders to be held to consider approval of the Merger Agreement, (2) not to solicit proposals relating to alternative business combination transactions and not to participate in discussions concerning, or furnish information in connection with, alternative business combination transactions and (3) not to withdraw its recommendation to Vectren's shareholders regarding the Vectren Merger. In addition, subject to the terms of the Merger Agreement, Vectren, CenterPoint Energy and Merger Sub are required to use reasonable best efforts to obtain all required regulatory approvals, which will include clearance under federal antitrust laws and certain approvals by federal and state regulatory bodies, subject to certain exceptions, including that such efforts not result in a Burdensome Condition (as defined in the Merger Agreement). Furthermore, CenterPoint Energy has agreed to use its reasonable best efforts to obtain the financing contemplated by the commitment letter relating to the Bridge Facility (as defined below), as described in Vectren Merger Financing.

Consummation of the Vectren Merger is subject to various conditions, including: (1) approval of the shareholders of Vectren, (2) expiration or termination of the applicable Hart-Scott-Rodino Act waiting period, (3) receipt of all required regulatory and statutory approvals without the imposition of a Burdensome Condition, (4) absence of any law or order prohibiting the consummation of the Vectren Merger and (5) other customary closing conditions, including (a) subject to materiality qualifiers, the accuracy of each party's representations and warranties, (b) each party's compliance in all material respects with its obligations and covenants under the Merger Agreement and (c) the absence of a material adverse effect with respect to Vectren and its subsidiaries.

On August 28, 2018, shareholders of Vectren, during a special shareholders' meeting, approved the Merger Agreement and the transactions contemplated thereby, including the Vectren Merger, as well as a nonbinding, advisory proposal on compensation that will or may become payable by Vectren to its named executive officers in connection with the Vectren Merger.

On June 15, 2018, CenterPoint Energy and Vectren submitted their filings with the Federal Energy Regulatory Commission and initiated informational proceedings with regulators in Indiana and Ohio. The filing with the Federal Energy Regulatory Commission remains pending and no parties have intervened in the proceeding as of the date of this prospectus supplement. A hearing with regulators in Indiana is scheduled to be held on October 17, 2018. A hearing before the Public Utilities Commission of Ohio is not expected. On June 18, 2018, CenterPoint Energy and Vectren filed notification and report forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission (FTC) as required by the Hart-Scott-Rodino Act. On June 20, 2018, CenterPoint Energy and Vectren submitted their filings with the Federal Communications Commission (FCC). On June 26, 2018, CenterPoint Energy and Vectren received notice from the FTC granting early termination of the waiting period under the Hart-Scott-Rodino Act in connection with the Vectren Merger. On July 24, 2018, CenterPoint Energy and Vectren learned that the FCC had completed their review and approved the proposed transfer of certain licenses in connection with the Vectren Merger.

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The Merger Agreement contains certain termination rights for both CenterPoint Energy and Vectren, including if the Vectren Merger is not consummated by April 21, 2019 (subject to extension for an additional six months if all of the conditions to closing, other than the conditions related to obtaining regulatory approvals, have been satisfied). The Merger Agreement also provides for certain termination rights for each of CenterPoint Energy and Vectren, and provides that, upon termination of the Merger Agreement under certain specified circumstances, CenterPoint Energy would be required to pay a termination fee of \$210 million to Vectren, and under other specified circumstances Vectren would be required to pay CenterPoint Energy a termination fee of \$150 million.

## **Strategic Rationale of the Vectren Merger**

*Growth.* We believe that the Vectren Merger will result in (1) more rate-regulated investment, (2) more customers for existing products and services, and (3) additional products and services for existing customers.

*Complementary Capabilities.* We believe that combining CenterPoint's and Vectren's utilities through the Vectren Merger positions us as a customer-centric, technology-focused, energy delivery company of the future.

*Reduces Business Risk.* We believe that the Vectren Merger will increase scale and geographic and business diversity in attractive jurisdictions and economies and create opportunities for operating efficiencies and potentially lower cost of capital. We also believe that the Vectren Merger will result in an increased percentage of utility earnings and provide for enhanced certainty of consolidated earnings and cash flows.

## **Bridge Facility Commitment Letter and Revolving Credit Facility**

On April 21, 2018, and in connection with the Merger Agreement, we entered into a commitment letter (the "Commitment Letter") with Goldman Sachs Bank USA ( "Goldman Sachs") and Morgan Stanley Senior Funding, Inc. (together with Goldman Sachs, the "Initial Lenders"). Pursuant to the Commitment Letter and subject to the conditions set forth therein, the Initial Lenders (together with a syndicate of lenders) have committed to provide a 364-day senior unsecured bridge term loan facility in an aggregate principal amount of \$5.0 billion (the "Bridge Facility") to provide flexibility for the timing of the long-term acquisition financing and to fund, in part, amounts payable by us in connection with the Vectren Merger. The public offering and issuance of \$800 million of our Series A Preferred Stock (as defined below), completed on August 22, 2018, reduced the commitments under the Bridge Facility to approximately \$4.2 billion. The Bridge Facility bears interest at an annual rate equal to LIBOR plus a margin ranging from 1.0% to 2.0%, depending on our credit rating, subject to an increase of 0.25% for each 90 days that elapse after the closing of the Vectren Merger. It is anticipated that some or all of the remaining commitments under the Bridge Facility will be replaced or repaid by us through the issuance by us of one or a combination of the following: common stock (see "Concurrent Common Stock Offering"), mandatory convertible equity securities (including our Series B Preferred Stock represented by our depositary shares offered hereby), debt securities and commercial paper.

In May 2018, we entered into an amendment to our CenterPoint Energy, Inc. revolving credit facility that will increase the aggregate commitments from \$1.7 billion to \$3.3 billion, effective upon the earlier of (i) the termination of all commitments by certain lenders to provide the Bridge Facility and (ii) the payment in full of all obligations (other than contingent obligations) under the Bridge Facility and termination of all commitments to advance additional credit thereunder, and in each case, so long as the Merger Agreement has not been terminated pursuant to the terms thereof without consummation of the Vectren Merger (the "Revolving Credit Facility").

## **Vectren Merger Financing**

The Merger Consideration, as well as associated transaction costs, are expected to be approximately \$6.0 billion. We intend to finance the Merger Consideration with net proceeds from the Series A Preferred Stock

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Offering (as defined below) and expected net proceeds from the sale of our depositary shares offered hereby, the Concurrent Offering (as defined below), and a combination of other future issuances by us of debt securities and commercial paper (the Merger Debt Financings), as well as cash on hand. We do not intend to sell Enable common units to finance the Merger Consideration.

*Series A Preferred Stock Offering.* On August 22, 2018, we closed a public offering (the Series A Preferred Stock Offering) of 800,000 shares of our Series A Fixed-to-Floating Rate Cumulative Redeemable Perpetual Preferred Stock, par value \$0.01 per share (the Series A Preferred Stock), at a price to the public of \$1,000 per share. The net proceeds from the Series A Preferred Stock Offering were approximately \$790 million, after deducting issuance costs and discounts.

*Concurrent Common Stock Offering.* Concurrently with this offering, we are offering (the Concurrent Offering), by means of a separate prospectus supplement, 60,550,459 shares of our common stock (or an additional 9,082,568 shares if the underwriters in the Concurrent Offering exercise their option to purchase additional shares of our common stock to cover over-allotments, if any, in full), at a public offering price of \$27.25 per share of our common stock. We estimate that the net proceeds from the Concurrent Offering, after deducting issuance costs and discounts, will be approximately \$1,604 million (or \$1,844 million if the underwriters in the Concurrent Offering exercise their option to purchase additional shares of our common stock to cover over-allotments, if any, in full). There can be no assurance that the Concurrent Offering will be completed. Completion of this offering of our depositary shares is not contingent upon the completion of the Vectren Merger, the Concurrent Offering or upon the consummation of the Merger Debt Financings and the completion of the Concurrent Offering is not contingent upon the completion of the Vectren Merger, this offering or upon the consummation of the Merger Debt Financings. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any shares of our common stock being offered in the Concurrent Offering.

*Merger Debt Financings.* Subsequent to this offering and, if completed, the Concurrent Offering, we intend to finance the remaining portion of the Merger Consideration and associated transaction costs with the net proceeds from the Merger Debt Financings, as well as cash on hand. There can be no assurance that the Merger Debt Financings will be completed.

Because the Merger Debt Financings are contemplated to take place in the future, the pro forma financial statements were prepared in accordance with the accounting rules assuming that the Merger Consideration will be financed from drawings under the Bridge Facility and under the Revolving Credit Facility, through the proceeds from the Series A Preferred Stock Offering and the Concurrent Offering, and through the proceeds from the issuance of our depositary shares offered hereby. See Unaudited Pro Forma Condensed Combined Financial Information. However, we do not intend to draw on the Bridge Facility or the Revolving Credit Facility but rather intend to fund the Merger Consideration with proceeds received from the Merger Debt Financings, as well as cash on hand, in addition to the proceeds from the Series A Preferred Stock Offering, the Concurrent Offering, and the issuance of our depositary shares offered hereby, although there is no guarantee that we will be able to consummate the Concurrent Offering or the Merger Debt Financings as planned or at all. As a result, purchasers of our depositary shares offered hereby should not place undue reliance on the pro forma information included and incorporated by reference in this prospectus supplement and the accompanying prospectus. See Sources and Uses.

*Transactions Not Contingent.* Completion of this offering of our depositary shares is not contingent upon the completion of the Vectren Merger, the Concurrent Offering or upon the consummation of the Merger Debt Financings. Accordingly, our depositary shares sold in this offering may remain outstanding despite a failure to consummate the Vectren Merger, the Concurrent Offering or any of the Merger Debt Financings if we do not exercise our option to redeem them. If the Vectren Merger has not closed at or prior to 5:00 p.m., New York City time, on

April 21, 2019 or if an acquisition termination event (as defined under Description of Our Series B

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Preferred Stock Acquisition Termination Redemption ) occurs, we will be entitled, but not required, to redeem our Series B Preferred Stock, in whole but not in part, at a redemption price equal to \$1,000 per share of our Series B Preferred Stock (equivalent to \$50 per depositary share), *plus* accumulated and unpaid dividends to, but excluding, the date of redemption or, in certain circumstances, at a redemption price that includes a make-whole adjustment as described under Description of Our Series B Preferred Stock Acquisition Termination Redemption. If we redeem shares of our Series B Preferred Stock held by the depositary, the depositary will redeem, on the same acquisition termination redemption date, the number of our depositary shares representing the shares of our Series B Preferred Stock so redeemed as described under Description of Our Depositary Shares Redemption.

**Sources and Uses**

The following table sets forth the anticipated sources and uses of funds to pay the Merger Consideration and related fees and expenses and is based on our intention to fund the Merger Consideration with proceeds from our depositary shares offered hereby, the Concurrent Offering, the Series A Preferred Stock Offering and the Merger Debt Financings, as well as cash on hand. The table assumes that the Vectren Merger, this offering, the Concurrent Offering, the Series A Preferred Stock Offering and the Merger Debt Financings are completed simultaneously, although the Series A Preferred Stock Offering has closed and this offering, the Concurrent Offering, and the Merger Debt Financings are expected to occur at different times before the closing of the Vectren Merger.

We intend to use the net proceeds from this offering, the Series A Preferred Stock Offering and, if completed, the Concurrent Offering and the Merger Debt Financings, as well as cash on hand, to finance the Merger Consideration and to pay related fees and expenses. However, if the Concurrent Offering or any of the Merger Debt Financings are not completed or the aggregate proceeds from the Concurrent Offering or any of the Merger Debt Financings are less than the amount we have assumed for purposes of the following table, we may be required to obtain additional financing, which we may not be able to obtain on terms that are acceptable to us, or at all.

The amount of proceeds from the Series A Preferred Stock Offering appearing in the following table reflects the actual amount of gross proceeds received from such offering before deducting issuance costs and discounts. All of the other amounts in the following table are assumed and are presented for illustrative and informational purposes only. The information in the following table is based on numerous assumptions and estimates and is subject to other uncertainties, and our actual sources and uses of financing may differ, perhaps substantially, from those reflected in the following table. In addition, the actual amount of proceeds we receive from this offering, the Concurrent Offering and the Merger Debt Financings, the actual amount of fees and expenses (including discounts) payable in connection with this offering, the Concurrent Offering and the Merger Debt Financings, and the relative mix of common stock and mandatory convertible preferred stock and debt securities and commercial paper, issued by us in this offering, the Concurrent Offering and the Merger Debt Financings may differ, perhaps substantially, from the amounts reflected in the following table and elsewhere in this prospectus supplement. The information below also assumes that we are able to consummate this offering, the Concurrent Offering and the Merger Debt Financings upon favorable terms and, thus, we do not draw on the Bridge Facility or the Revolving Credit Facility. The following table reflects the assumptions of our management and therefore does not purport to reflect the actual size and terms of the Merger Debt Financings, if obtained, or the relative mix of debt securities and commercial paper issued by us in the Merger Debt Financings. Accordingly, holders of our depositary shares should not place undue reliance on the information in the following table.



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Sources of Funds (1)	(Dollars in millions)		Uses of funds(6)
Assumption of Vectren debt(2)	\$ 2,500	Assumption of Vectren debt(2)	\$ 2,500
Series A Preferred Stock	800	Acquisition of Vectren common shares outstanding	5,982
Series B Preferred Stock(3)	850		
Common Stock(3)	1,650		
Debt(4) and cash on hand	2,682		
Bridge Facility and Revolving Credit Facility(5)			
<b>Total sources of funds</b>	<b>\$ 8,482</b>	<b>Total uses of funds</b>	<b>\$ 8,482</b>

- (1) All dollar amounts in this column are calculated before deducting estimated underwriting discounts and other offering fees or expenses.
- (2) We anticipate that Vectren and its subsidiaries will have approximately \$2.5 billion of outstanding short-term and long-term debt as of December 31, 2018.
- (3) Estimated gross proceeds assumes no exercise by the underwriters in this offering of their option to purchase additional depositary shares to cover over-allotments, if any, and no exercise by the underwriters in the Concurrent Offering of their option to purchase additional shares of our common stock to cover over-allotments, if any.
- (4) We intend to issue a combination of debt securities and/or commercial paper in the Merger Debt Financings.
- (5) Because the Merger Debt Financings are contemplated to take place in the future, the pro forma financial statements were prepared in accordance with the accounting rules assuming that the Merger Consideration will be financed from drawings under the Bridge Facility and under the Revolving Credit Facility, through the proceeds from the Series A Preferred Stock Offering and the Concurrent Offering, and through the proceeds from the issuance of our depositary shares offered hereby. See Unaudited Pro Forma Condensed Combined Financial Information. However, we do not intend to draw on the Bridge Facility or the Revolving Credit Facility but rather intend to fund the Merger Consideration with proceeds received through the Merger Debt Financings, as well as cash on hand, in addition to the proceeds from the Series A Preferred Stock Offering and the Concurrent Offering, and the issuance of our depositary shares offered hereby, although there is no guarantee that we will be able to consummate the Concurrent Offering or the Merger Debt Financings as planned or at all. As a result, purchasers of our depositary shares offered hereby should not place undue reliance on the pro forma information included and incorporated by reference in this prospectus supplement and the accompanying prospectus.
- (6) Excludes estimated fees and expenses, including underwriting discounts, commitment fees, legal, accounting and other fees and expenses associated with the completion of the Vectren Merger and the financing transactions.

Table of Contents**THE OFFERING**

*The summary below contains basic information about this offering and describes the principal terms of our depositary shares and our Series B Preferred Stock. Certain of the terms and conditions described below are subject to important limitations and exceptions. You should read the entire prospectus supplement and accompanying prospectus and the information included or incorporated and deemed to be incorporated by reference herein and therein before making an investment decision. In particular, refer to the sections of the accompanying prospectus entitled *Description of Our Depositary Shares* and *Description of Our Capital Stock Preferred Stock*, as supplemented by the *Description of Our Depositary Shares* and *Description of Our Series B Preferred Stock* sections of this prospectus supplement, for a more detailed description of the terms of our depositary shares and our Series B Preferred Stock. As used in this section, the terms *CenterPoint Energy*, *us*, *we*, or *our* refer to *CenterPoint Energy, Inc.* and not any of its subsidiaries.*

Issuer	CenterPoint Energy, Inc.
Securities offered	17,000,000 depositary shares, each of which represents a 1/20th interest in a share of our 7.00% Series B Mandatory Convertible Preferred Stock, \$0.01 par value per share, which we refer to in this prospectus supplement as our Series B Preferred Stock. Each depositary share entitles the holder of such depositary share, through the depositary, to a proportional fractional interest in the rights and preferences of such share of our Series B Preferred Stock, including conversion, dividend, liquidation and voting rights, subject to the terms of the deposit agreement.
Underwriters' option	We have granted the underwriters a 30-day option to purchase up to 2,550,000 additional depositary shares to cover over-allotments, if any, at the public offering price, less the underwriting discount.
Public offering price	\$50 per depositary share.
Liquidation preference	\$1,000 per share of our Series B Preferred Stock (equivalent to \$50 per depositary share).
	In the event of any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, the holders of our Series B Preferred Stock will be entitled to receive out of our assets available for distribution to shareholders, after satisfaction of liabilities to creditors, if any, and subject to the rights of holders of Senior Stock (as defined below) and Parity Stock (as defined below) in respect of distributions upon liquidation, dissolution or winding up of CenterPoint Energy, Inc.,

and before any distribution of assets is made to holders of Junior Stock (as defined below), a liquidation preference of \$1,000 per share. Any accumulated and unpaid dividends on our Series B Preferred Stock and Parity Stock will be paid prior to any distributions in liquidation, dissolution or winding up of our affairs. If, upon any liquidation, dissolution or winding up of our affairs, whether voluntary or involuntary, the amounts payable with respect to the liquidation preference or an amount equal to accumulated and unpaid dividends of our Series B Preferred Stock and all Parity Stock, as the case may be, are not paid in full, the

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holders of our Series B Preferred Stock and any Parity Stock will share equally and ratably in any distribution of our assets in proportion to the respective liquidation preferences or amounts equal to accumulated and unpaid dividends, as applicable, to which they are entitled.

See Description of Our Series B Preferred Stock Liquidation Rights.

## Dividends

7.00% of the liquidation preference of \$1,000 per share of our Series B Preferred Stock per year. Dividends will accumulate from the initial issue date (as defined below) and, to the extent that we are legally permitted to pay dividends and our board of directors, or an authorized committee thereof, declares a dividend payable with respect to our Series B Preferred Stock, we will pay such dividends in cash or, subject to certain limitations, by delivery of shares of our common stock or through any combination of cash and shares of our common stock, as determined by us in our sole discretion; *provided* that any unpaid dividends will continue to accumulate. Dividends that are declared will be payable on the dividend payment dates (as described below) to holders of record on the February 15, May 15, August 15 or November 15, as the case may be, immediately preceding the relevant dividend payment date (each, a record date), whether or not such holders convert their depositary shares, or such depositary shares are automatically converted, after a record date and on or prior to the immediately succeeding dividend payment date. The expected dividend payable on the first dividend payment date is approximately \$11.6667 per share of our Series B Preferred Stock (equivalent to approximately \$0.5833 per depositary share). Each subsequent dividend is expected to be \$17.50 per share of our Series B Preferred Stock (equivalent to \$0.8750 per depositary share). See Description of Our Series B Preferred Stock Dividends.

If we elect to make any payment of a declared dividend, or any portion thereof, by delivering shares of our common stock, such shares shall be valued for such purpose at the average VWAP per share (as defined under Description of Our Series B Preferred Stock Definitions) of our common stock over the five consecutive trading day period ending on, and including, the second trading day immediately preceding the applicable dividend payment date (the five-day average price), *multiplied by 97%*. Notwithstanding the foregoing, in no event will the number of shares of our common stock delivered in respect of any declared dividend exceed a number equal to the portion of the dividend payment to be paid in shares of our common stock, *divided by* \$9.5373, which amount represents approximately 35% of the initial price (as defined below), subject to adjustment in a manner inversely proportional to any adjustment to each fixed conversion rate (such dollar amount, as adjusted, the floor price). To the extent that the amount of the declared

dividend as to which we have elected to deliver shares of our common stock in lieu

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of paying cash exceeds the product of the number of shares of our common stock delivered in connection with such declared dividend and 97% of the five-day average price, we will, if we are legally able to do so, notwithstanding any notice by us to the contrary, pay such excess amount in cash (computed to the nearest cent).

The initial price equals \$1,000, *divided by* the maximum conversion rate (as defined below), rounded to the nearest \$0.0001, and is approximately equal to the per share public offering price of our common stock in the Concurrent Offering.

Dividend payment dates

March 1, June 1, September 1 and December 1 of each year, commencing on December 1, 2018 and ending on, and including, September 1, 2021.

Restrictions on dividends

We will not declare or pay, or set aside for payment, full dividends on our Series B Preferred Stock or any Parity Stock for any dividend period unless full cumulative dividends have been paid or provided for on our Series B Preferred Stock and any Parity Stock through the most recently completed dividend period for each such security. To the extent dividends will not be paid in full on our Series B Preferred Stock, we will take appropriate action to ensure that all dividends declared and paid upon our Series B Preferred Stock and any Parity Stock will be reduced, declared and paid on a pro rata basis on their respective liquidation preferences.

We will not declare or pay, or set aside for payment, dividends on any Junior Stock (other than a dividend payable solely in Junior Stock) unless full cumulative dividends have been or contemporaneously are being paid on all outstanding shares of our Series B Preferred Stock and any Parity Stock through the most recently completed respective dividend periods.

Acquisition termination redemption

If the Vectren Merger has not closed at or prior to 5:00 p.m., New York City time, on April 21, 2019 or if an acquisition termination event (as defined under *Description of Our Series B Preferred Stock Acquisition Termination Redemption* ) occurs, we may, at our option, give notice of an acquisition termination redemption to the holders of our Series B Preferred Stock. If we provide such notice, then, on the acquisition termination redemption date (as defined under *Description of Our Series B Preferred Stock Acquisition Termination Redemption* ), we will be required to redeem our Series B Preferred Stock, in whole but not in part, at a redemption amount per share of our Series B Preferred Stock equal

to the acquisition termination redemption amount (as defined under Description of Our Series B Preferred Stock Acquisition Termination Redemption ). We will pay the acquisition termination redemption amount in cash unless the acquisition termination share price (as defined under Description of Our Series B Preferred Stock Acquisition

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Termination Redemption ) is greater than the initial price, in which case we will instead pay the acquisition termination redemption amount by delivering shares of our common stock and cash; *provided*, that we may elect, subject to certain limitations, to pay cash or deliver shares of our common stock in lieu of these amounts. If we redeem shares of our Series B Preferred Stock held by the depositary, the depositary will redeem, on the same acquisition termination redemption date, the number of our depositary shares representing the shares of our Series B Preferred Stock so redeemed. See Description of Our Series B Preferred Stock Acquisition Termination Redemption and Description of Our Depositary Shares Redemption.

Other than pursuant to the acquisition termination redemption provisions described in this prospectus supplement, the shares of our Series B Preferred Stock and our depositary shares will not be redeemable by us. See Description of Our Series B Preferred Stock Acquisition Termination Redemption and Description of Our Depositary Shares Redemption.

Mandatory conversion date

The second business day immediately following the last trading day of the final averaging period (as defined below). The mandatory conversion date is expected to be September 1, 2021.

Mandatory conversion

On the mandatory conversion date, each outstanding share of our Series B Preferred Stock, unless previously converted or redeemed, will automatically convert into a number of shares of our common stock equal to the conversion rate as described below, and each depositary share will automatically convert into a number of shares of our common stock equal to a proportionate fractional interest in such shares of our common stock.

If we declare a dividend for the dividend period ending on September 1, 2021, we will pay such dividend to the holders of record on the applicable record date, as described above. If, on or prior to August 15, 2021, we have not declared all or any portion of the accumulated and unpaid dividends on our Series B Preferred Stock, the conversion rate will be adjusted so that holders receive an additional number of shares of our common stock equal to the amount of accumulated and unpaid dividends that have not been declared (the additional conversion amount), *divided by* the greater of (i) the floor price and (ii) 97% of the five-day average price. To the extent that the additional conversion amount exceeds the product of such number of additional shares and 97% of the five-day average price, we will, if we are legally able to do so, pay such excess amount in cash (computed to the nearest cent).

Conversion rate

Upon conversion on the mandatory conversion date, the conversion rate for each share of our Series B Preferred Stock will be not more than 36.6980 shares of our common stock and not less than 30.5820

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shares of our common stock (respectively, the maximum conversion rate and the minimum conversion rate ), depending on the applicable market value of our common stock, as described below and subject to certain anti-dilution adjustments. Correspondingly, the conversion rate per depositary share will be not more than 1.8349 shares of our common stock and not less than 1.5291 shares of our common stock.

The applicable market value of our common stock is the average VWAP per share of our common stock over the final averaging period. The final averaging period is the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately preceding September 1, 2021. The conversion rate will be calculated as described under Description of Our Series B Preferred Stock Mandatory Conversion. The following table illustrates the conversion rate per share of our Series B Preferred Stock, subject to certain anti-dilution adjustments.

<b>Applicable market value of our common stock</b>	<b>Conversion rate per share of our Series B Preferred Stock</b>
Greater than the threshold appreciation price	30.5820 shares of our common stock
Equal to or less than the threshold appreciation price but greater than or equal to the initial price	Between 30.5820 and 36.6980 shares of our common stock, determined by dividing \$1,000 by the applicable market value
Less than the initial price	36.6980 shares of our common stock

The following table illustrates the conversion rate per depositary share, subject to certain anti-dilution adjustments:

<b>Applicable market value of our common stock</b>	<b>Conversion rate per depositary share</b>
Greater than the threshold appreciation price	1.5291 shares of our common stock
Equal to or less than the threshold appreciation price but greater than or equal to the initial price	Between 1.5291 and 1.8349 shares of our common stock, determined by dividing \$50 by the applicable market value

Less than the initial price 1.8349 shares of our common stock

The threshold appreciation price equals \$1,000, *divided by* the minimum conversion rate, rounded to the nearest \$0.0001, and represents an approximately 20.0% appreciation over the initial price.

Conversion at the option of the holder Other than during a fundamental change conversion period (as defined below), and unless we have redeemed our Series B Preferred

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Stock, a holder of our Series B Preferred Stock may, at any time prior to September 1, 2021, elect to convert such holder's shares of our Series B Preferred Stock, in whole or in part, at the minimum conversion rate of 30.5820 shares of our common stock per share of our Series B Preferred Stock (equivalent to 1.5291 shares of our common stock per depositary share) as described under Description of Our Series B Preferred Stock Conversion at the Option of the Holder. This minimum conversion rate is subject to certain anti-dilution and other adjustments. Because each depositary share represents a 1/20th fractional interest in a share of our Series B Preferred Stock, a holder of our depositary shares may convert its depositary shares only in lots of 20 depositary shares.

If, as of the effective date of any early conversion (the early conversion date), we have not declared all or any portion of the accumulated and unpaid dividends for all full dividend periods ending on the dividend payment date prior to such early conversion date, the conversion rate will be adjusted so that converting holders receive an additional number of shares of our common stock equal to such amount of accumulated and unpaid dividends that have not been declared for such full dividend periods (the early conversion additional conversion amount), *divided by* the greater of (i) the floor price and (ii) the average VWAP per share of our common stock over the 20 consecutive trading day period ending on, and including, the trading day immediately preceding the early conversion date (the early conversion average price). To the extent that the early conversion additional conversion amount exceeds the product of such number of additional shares and the early conversion average price, we will not have any obligation to pay the shortfall in cash.