

**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): January 10, 2022

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

CENTERPOINT ENERGY RESOURCES CORP.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-13265
(Commission
File Number)

76-0511406
(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:

Registrant
CenterPoint Energy, Inc.

Title of each class
Common Stock, \$0.01 par value

Trading
Symbol(s)
CNP

Name of each exchange
on which registered
**The New York Stock Exchange
Chicago Stock Exchange, Inc.**

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.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On January 10, 2022, CenterPoint Energy Resources Corp., a Delaware corporation (“Seller”) and a wholly owned subsidiary of CenterPoint Energy, Inc. (the “Company”), completed the previously announced sale of its Arkansas and Oklahoma regulated natural gas LDC businesses for approximately \$2.15 billion, including recovery of approximately \$425 million of storm-related incremental natural gas costs incurred in February 2021 and subject to certain adjustments, including adjustments based on net working capital, regulatory assets and liabilities and capital expenditures at closing (the “Transaction”), pursuant to the Asset Purchase Agreement (the “Purchase Agreement”) dated as of April 29, 2021, by and between Seller and Southern Col Midco, LLC, a Delaware limited liability company and an indirect, wholly-owned subsidiary of Summit Utilities, Inc. (“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 complete text of the Purchase Agreement, which was filed as Exhibit 2.4 to the Quarterly Report on Form 10-Q filed by Seller and the Company with the Securities and Exchange Commission on May 6, 2021, and the terms of which are incorporated herein by reference.

Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information of Seller as of and for the nine months ended September 30, 2021 and for the year ended December 31, 2020 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 January 10, 2022, 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 is 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 combined financial information of Seller as of and for the nine months ended September 30, 2021 and for the year ended December 31, 2020 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.

<u>EXHIBIT NUMBER</u>	<u>EXHIBIT DESCRIPTION</u>
99.1	Unaudited Pro Forma Condensed Combined Financial Information of CenterPoint Energy Resources Corp. as of and for the nine months ended September 30, 2021 and for the year ended December 31, 2020
99.2	Press Release issued by the Company on January 10, 2022
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.

Date: January 10, 2022

CENTERPOINT ENERGY, INC.

By: /s/ Monica Karuturi

Monica Karuturi
Executive Vice President and General Counsel

CENTERPOINT ENERGY RESOURCES CORP.

By: /s/ Monica Karuturi

Monica Karuturi
Executive Vice President and General Counsel

CENTERPOINT ENERGY RESOURCES CORP.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

On January 10, 2022, CenterPoint Energy Resources Corp., a Delaware corporation (the “Seller”) and a wholly-owned subsidiary of CenterPoint Energy, Inc. (the “Company”), completed the sale (the “Disposition”) contemplated by the Asset Purchase Agreement (the “Purchase Agreement”) dated April 29, 2021, by and between Seller and Southern Col Midco, LLC, a Delaware limited liability company and an affiliate of Summit Utilities, Inc. (“Buyer”), pursuant to which Seller agreed to sell its Arkansas and Oklahoma regulated natural gas businesses (the “Business”) to Buyer. The purchase price for the Business was \$2.150 billion, including recovery of \$425 million of storm-related incremental natural gas costs incurred in February 2021 and subject to adjustment as set forth in the Purchase Agreement, including adjustments based on net working capital, regulatory assets and liabilities and capital expenditures at closing. The Disposition was considered an asset sale for tax purposes requiring the net deferred tax liabilities of approximately \$129 million as of September 30, 2021 to be recognized in earnings at the closing of the Disposition; therefore, any deferred tax assets and liabilities within the Business were not included in the carrying amount of the assets and liabilities purchased by the Buyer.

The Disposition constitutes a significant disposition for the Seller for purposes of Item 2.01 of Current Report on Form 8-K. As a result, the following unaudited pro forma condensed combined statements of income for the nine months ended September 30, 2021 and unaudited pro forma condensed combined statements of income for the year ended December 31, 2020 are presented as if the Disposition and related events had occurred on January 1, 2020. The following unaudited pro forma condensed combined balance sheet as of September 30, 2021 is presented as if the Disposition and related events had occurred on September 30, 2021.

Although the Business met the held for sale criteria, the Disposition does not represent a strategic shift to the Seller as it will retain significant operations in, and will continue to invest in, its regulated natural gas businesses. Therefore, the assets and liabilities associated with the Disposition are not reflected as discontinued operations on the Seller’s Condensed Statements of Consolidated Income and the December 31, 2020 Condensed Consolidated Balance Sheet was not required to be recast for assets held for sale. Since the depreciation on the Business continued to be reflected in revenues through customer rates until the closing of the Disposition and is expected to be reflected in the carryover basis of the rate-regulated assets sold, the Seller continued to record depreciation on those assets through the closing of the Disposition.

The unaudited condensed combined pro forma financial statements are based on the historical financial statements prepared in accordance with U.S. generally accepted accounting principles and are presented based on information currently available. They are intended for informational purposes only and are not intended to represent the Seller’s financial position or results of operations had the Disposition and related events occurred on the dates indicated, or to project the Seller’s financial performance for any future period.

The unaudited pro forma consolidated financial statements have been prepared in accordance with Regulation S-X Article 11, *Pro Forma Financial Information*, as amended by the final rule, *Amendments to Financial Disclosures About Acquired and Disposed Businesses*, as adopted by the U.S. Securities and Exchange Commission on May 21, 2020, and should be read in conjunction with the following: (i) the accompanying notes to the unaudited pro forma condensed combined financial information; (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, 2020; and (iii) the unaudited consolidated financial statements and accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Quarterly Report on Form 10-Q for the nine months ended September 30, 2021.

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
September 30, 2021

	<u>CERC Historical</u>	<u>Transaction Accounting Adjustments</u> (in millions)	<u>CERC Pro Forma</u>
Current Assets:			
Cash and cash equivalents	\$ —	\$ 2,036 (a)	\$ 2,036
Accounts receivable, net	146	—	146
Accrued unbilled revenues, net	92	—	92
Accounts and notes receivable—affiliated companies	15	—	15
Materials and supplies	78	—	78
Natural gas inventory	162	—	162
Current taxes receivable	4	—	4
Current assets held for sale	1,970	(1,970) (b)	—
Prepaid expenses and other current assets	1,335	—	1,335
Total current assets	<u>3,802</u>	<u>66</u>	<u>3,868</u>
Property, Plant and Equipment:			
Property, plant and equipment	7,726	—	7,726
Less: accumulated depreciation and amortization	2,049	—	2,049
Property, plant and equipment, net	<u>5,677</u>	<u>—</u>	<u>5,677</u>
Other Assets:			
Goodwill	611	—	611
Regulatory assets	571	—	571
Other non-current assets	41	—	41
Total other assets	<u>1,223</u>	<u>—</u>	<u>1,223</u>
Total Assets	<u>\$10,702</u>	<u>\$ 66</u>	<u>\$ 10,768</u>

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET –
September 30, 2021 (continued)

	<u>CERC Historical</u>	<u>Transaction Accounting Adjustments</u> (in millions)	<u>CERC Pro Forma</u>
Current Liabilities:			
Short-term borrowings	\$ 7	\$ —	\$ 7
Accounts payable	281	—	281
Accounts and notes payable—affiliated companies	55	—	55
Taxes accrued	74	423 (c)	497
Interest accrued	30	—	30
Customer deposits	65	—	65
Current liabilities held for sale	512	(512) (b)	—
Other current liabilities	146	—	146
Total current liabilities	<u>1,170</u>	<u>(89)</u>	<u>1,081</u>
Other Liabilities:			
Deferred income taxes, net	625	(129) (d)	496
Benefit obligations	83	—	83
Regulatory liabilities	1,020	—	1,020
Other non-current liabilities	564	—	564
Total other liabilities	<u>2,292</u>	<u>(129)</u>	<u>2,163</u>
Long-Term Debt	<u>4,465</u>	<u>—</u>	<u>4,465</u>
Stockholder's Equity:			
Common stock	—	—	—
Additional paid-in capital	2,046	—	2,046
Retained earnings	719	284 (e)	1,003
Accumulated other comprehensive income	10	—	10
Total stockholder's equity	<u>2,775</u>	<u>284</u>	<u>3,059</u>
Total Liabilities and Stockholder's Equity	<u>\$ 10,702</u>	<u>\$ 66</u>	<u>\$ 10,768</u>

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
Nine Months Ended September 30, 2021

	<u>CERC Historical</u>	<u>Transaction Accounting Adjustments</u> (in millions)		<u>CERC Pro Forma</u>
Revenues:				
Utility revenues	\$ 2,189	\$ (324)	(f)	\$ 1,865
Non-utility revenues	49	—		49
Total	<u>2,238</u>	<u>(324)</u>		<u>1,914</u>
Expenses:				
Utility natural gas	962	(138)	(f)	824
Non-utility cost of revenues, including natural gas	16	—		16
Operation and maintenance	579	(99)	(f)	480
Depreciation and amortization	242	(49)	(f)	193
Taxes other than income taxes	141	(17)	(f)	124
Total	<u>1,940</u>	<u>(303)</u>		<u>1,637</u>
Operating Income	298	(21)		277
Other Expense:				
Interest expense and other finance charges	(73)	(2)	(f)	(75)
Interest income	5	—		5
Gain on disposition	11	—		11
Other income (expense), net	(8)	(1)	(f)	(9)
Total	<u>(65)</u>	<u>(3)</u>		<u>(68)</u>
Income From Continuing Operations Before Income Taxes	233	(24)		209
Income tax expense (benefit)	25	(5)	(j)	20
Income From Continuing Operations	<u>\$ 208</u>	<u>\$ (19)</u>		<u>\$ 189</u>

CENTERPOINT ENERGY RESOURCES CORP. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME
Year Ended December 31, 2020

	<u>CERC Historical</u>	<u>Transaction Accounting Adjustments</u> (in millions)		<u>CERC Pro Forma</u>
Revenues:				
Utility revenues	\$ 2,711	\$ (414)	(f)	\$ 2,297
Non-utility revenues	52	—		52
Total	<u>2,763</u>	<u>(414)</u>		<u>2,349</u>
Expenses:				
Utility natural gas	1,100	(155)	(f)	945
Non-utility cost of revenues, including natural gas	17	—		17
Operation and maintenance	798	(137)	(f)	724
		63	(g)	
Depreciation and amortization	304	(63)	(f)	241
Taxes other than income taxes	182	(23)	(f)	159
Total	<u>2,401</u>	<u>(315)</u>		<u>2,086</u>
Operating Income	<u>362</u>	<u>(99)</u>		<u>263</u>
Other Expense:				
Interest expense and other finance charges	(111)	—		(111)
Gain on disposition	—	578	(h)	578
Other expense, net	(7)	—		(7)
Total	<u>(118)</u>	<u>578</u>		<u>460</u>
Income From Continuing Operations Before Income Taxes	244	479		723
Income tax expense	97	294	(i)	366
		(25)	(j)	
Income From Continuing Operations	<u>\$ 147</u>	<u>\$ 210</u>		<u>\$ 357</u>

CENTERPOINT ENERGY RESOURCES CORP.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

(1) Basis of presentation

The unaudited pro forma condensed financial statements are based on the historical consolidated financial statements of the Seller as adjusted to give effect to the Disposition. The unaudited pro forma condensed combined statements of income for the nine months ended September 30, 2021 and the year ended December 31, 2020 give effect to the Disposition as if it were completed on January 1, 2020. The unaudited pro forma condensed combined balance sheet as of September 30, 2021 gives effect to the Disposition as if it were completed on September 30, 2021. The transaction accounting adjustments for the Disposition consist of those necessary to account for the Disposition.

(2) Pro Forma Adjustments

The transaction accounting adjustments for the Disposition are based upon available information and certain assumptions that management believes are reasonable.

- a. Reflects estimated cash proceeds from the Disposition of \$2,036 million, representing the gross sales price of \$2,150 million less estimated transaction costs of \$63 million, contractual adjustments of \$29 million and \$22 million paid to Buyer to be refunded to customers as part of the Arkansas Public Service Commission Docket 21-060-U.
- b. Reflects the assets and liabilities purchased by the Buyer in the Disposition.
- c. Reflects \$423 million of current tax payable due to the recognition of tax gain on the Disposition.
- d. Reflects deferred tax benefit of \$129 million due to the Disposition being recognized in earnings by Buyer as a result of the Disposition being treated as an asset sale for tax purposes.
- e. Reflects the adjustments to retained earnings as a result of the Disposition calculated as follows:

	(in millions)
Estimated proceeds of the Disposition, net of transaction costs (1)	\$ 2,036
Assets of the Businesses	(1,970)
Liabilities of the Businesses	512
Pre-tax gain of the Disposition	578
Current tax expense as a result of tax gain on the Disposition	(423)
Recognition of deferred tax benefit due to the Disposition	129
After-tax gain of the Disposition	\$ 284

- (1) Reflects the estimated net proceeds received, inclusive of working capital and other customary adjustments, as if the Disposition had closed on September 30, 2021.

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- f. Reflects the elimination of revenues and expenses representing the historical results of the Business as a result of the Disposition.
 - g. Reflects estimated transaction costs of \$63 million. These non-recurring costs are included in the 2020 pro forma results of operations.
 - h. Reflects the pre-tax gain on the Disposition of \$578 million. This non-recurring activity is included in the 2020 pro forma results of operations. See (e) for further information.
 - i. Reflects the tax expense of \$294 million on the gain on the Disposition, consisting of \$423 million current tax payable less \$129 million deferred tax benefit as if the Disposition occurred on January 1, 2020. This non-recurring activity is included in the 2020 pro forma results of operations.
 - j. Reflects the income tax expense on the transaction accounting adjustments calculated using the statutory income tax rate of 24.8% and 25% for the Seller for the nine months ended September 30, 2021 and the year ended December 31, 2020, respectively. The assumed statutory tax rates do not take into account any possible future tax events that may impact the Seller.



For Immediate Release

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**CenterPoint Energy completes sale of its Arkansas and Oklahoma
natural gas distribution businesses to Summit Utilities**

Houston – January 10, 2022 – CenterPoint Energy, Inc. (NYSE: CNP) today announced that it has successfully completed the previously announced sale of its natural gas distribution utilities in Arkansas and Oklahoma to Summit Utilities, Inc. The assets include approximately 17,000 miles of main pipeline in Arkansas, Oklahoma and Texarkana, serving more than 500,000 residential and business customers.

The transaction received all necessary federal and state regulatory approvals, including from the Arkansas Public Service Commission, Oklahoma Corporation Commission and Federal Energy Regulatory Commission. Summit will immediately assume responsibility for serving CenterPoint Energy's former customers in Arkansas, Oklahoma and Texarkana.

CenterPoint Energy Executive Vice President, Utility Operations Scott Doyle said, "We want to thank our employees and those of Summit for the successful completion of this transaction. We will be working together for a seamless transition for the benefit of the customers throughout the service territories."

CenterPoint Energy President and CEO Dave Lesar said "Completing the sale of these natural gas distribution businesses will help us achieve a number of our strategic goals including efficiently funding our long-term capital investment plans across our regulated utility businesses without issuing external equity, driving industry leading rate base growth, and allowing us to focus our efforts on executing our plan across fewer jurisdictions."

Lesar added, "At our recent Analyst Day, we outlined a pathway towards becoming a premium utility, including an updated five-year capital plan of more than \$18 billion, as well as a first-ever 10-year capital plan of more than \$40 billion to serve our growing customer base. These investments will be dedicated to safety, reliability, growth and enabling clean energy investments to benefit our customers and investors."

About CenterPoint Energy, Inc.

As the only investor-owned electric and gas utility based in Texas, CenterPoint Energy, Inc. (NYSE: CNP) is an energy delivery company with electric transmission and distribution, power generation and natural gas distribution operations that, after the closing of the Arkansas/Oklahoma transaction, serve nearly 7 million metered customers in Indiana, Louisiana, Minnesota, Mississippi, Ohio and Texas. As of September 30, 2021, the company owned approximately \$37 billion in assets. With approximately 9,000 total employees after the closing of the Arkansas/Oklahoma transaction, CenterPoint Energy and its predecessor companies have been in business for more than 150 years. For more information, visit CenterPointEnergy.com.



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For Immediate Release

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in this news 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. Any statements in this news release regarding future events, such as CenterPoint Energy’s capital investments, rate base growth and its ability to achieve it, financing plans (including future equity issuances), and future financial performance and results of operations and any other statements that are not historical facts are forward-looking statements. Each forward-looking statement contained in this news 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 impact of COVID-19; (2) financial market conditions; (3) general economic conditions; (4) the timing and impact of future regulatory and legislative decisions; (5) effects of competition; (6) weather variations; (7) changes in business plans; and (8) other factors, risks and uncertainties discussed in CenterPoint Energy’s Annual Report on Form 10-K for the fiscal year ended December 31, 2020, CenterPoint Energy’s Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021, June 30, 2021 and September 30, 2021 and other reports CenterPoint Energy or its subsidiaries may file from time to time with the Securities and Exchange Commission.

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