

CENTERPOINT ENERGY INC

Form 424B5

September 24, 2018

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Filed Pursuant to Rule 424(b)(5)  
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**The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.**

**SUBJECT TO COMPLETION, DATED SEPTEMBER 24, 2018**

**PRELIMINARY PROSPECTUS SUPPLEMENT**

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

**15,000,000 Depositary Shares**

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

**Series B Mandatory Convertible Preferred Stock**

**CenterPoint Energy, Inc.**

**% Series B Mandatory Convertible Preferred Stock**

We are offering 15,000,000 depositary shares, each of which represents a 1/20th interest in a share of our % 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 % 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 \_\_\_\_\_ and \_\_\_\_\_ 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 \_\_\_\_\_, subject to anti-dilution adjustments. If a holder of 20 depositary shares causes the depositary 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, \$1,500,000,000 of shares of our common stock (or an additional \$225,000,000 of 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 \$ \_\_\_\_\_ per share of our common stock. Completion of this offering of our depositary 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 depositary shares. We intend to apply to list our depositary 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 depositary 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	\$ 750,000,000
Underwriting Discount	\$	\$
Proceeds, before expenses, to CenterPoint Energy, Inc.	\$	\$

We have granted the underwriters an option to purchase, exercisable within 30 days from the date of this prospectus supplement, up to an additional 2,250,000 depositary 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 depositary shares to investors on or about \_\_\_\_\_, 2018.

*Joint Book-Running Managers*

**Morgan Stanley  
Citigroup**

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

**Prospectus Supplement dated September \_\_\_\_\_, 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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We expect that delivery of our depositary shares offered hereby will be made against payment therefor on or about , 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, \$1,500,000,000 of shares of our common stock (or an additional \$225,000,000 of 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 \$ 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 \$ (or \$ 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)(7)	(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)	750		
Common Stock(3)	1,500		
Debt(4) and cash on hand	2,932		
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.
- (7) To the extent that the gross proceeds that we receive from this offering and the Concurrent Offering are less than or more than the amounts assumed in the table above, the shortfall or excess will be financed by a corresponding increase or decrease in the gross proceeds from the Merger Debt Financings or cash on hand.

**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	15,000,000 depositary shares, each of which represents a 1/20th interest in a share of our % 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 2,250,000 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

% 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 \$ per share of our Series B Preferred Stock (equivalent to \$ per depositary share). Each subsequent dividend is expected to be approximately \$ per share of our Series B Preferred Stock (equivalent to \$ 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* \$ , 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 (or, if the Concurrent Offering does not price, the closing price of our common stock on September 1, 2018).

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 \_\_\_\_\_ shares of our common stock and not less than \_\_\_\_\_

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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 shares of our common stock and not less than 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	shares of our common stock
Equal to or less than the threshold appreciation price but greater than or equal to the initial price	Between and shares of our common stock, determined by dividing \$1,000 by the applicable market value
Less than the initial price	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	shares of our common stock
Equal to or less than the threshold appreciation price but greater than or equal to the initial price	Between and shares of our common stock, determined by dividing \$50 by the applicable market value

Less than the initial price \_\_\_\_\_ 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 % 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 \_\_\_\_\_ shares of our common stock per share of our Series B Preferred Stock (equivalent to \_\_\_\_\_ 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.

Conversion at the option of the holder upon a fundamental change; fundamental change dividend make-whole amount

If a fundamental change (as defined under Description of Our Series B Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount) occurs on or prior to September 1, 2021, holders of our Series B Preferred Stock will have the right to convert their shares of our Series B Preferred Stock, in whole or in part, into shares of our common stock at the fundamental change conversion rate during the period beginning on, and including, the effective date of such fundamental change and ending on, and including, the date that is 20 calendar days after such effective date (or, if later, the date that is 20 calendar days after holders receive notice of such fundamental change, but in no event later than September 1, 2021). The fundamental change conversion rate will be determined based on the effective date of the fundamental change and the price paid (or deemed paid) per share of our common stock in such fundamental change. Holders who convert shares of our Series B Preferred Stock during that period will also receive (1) a fundamental change

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dividend make-whole amount equal to the present value (calculated using a discount rate of % per annum) of all dividend payments on such shares (excluding any accumulated and unpaid dividends for any dividend period prior to the effective date of the fundamental change, including for the partial dividend period, if any, from, and including, the dividend payment date immediately preceding the effective date to, but excluding, the effective date (collectively, the accumulated dividend amount )) for all the remaining full dividend periods and for the partial dividend period from, and including, the effective date to, but excluding, the next dividend payment date, and (2) to the extent that there is any accumulated dividend amount, the accumulated dividend amount (clauses (1) and (2), together, the make-whole dividend amount ), in the case of clauses (1) and (2), subject to our right to deliver shares of our common stock in lieu of all or part of such make-whole dividend amount; *provided* that if the effective date or the conversion date falls after the record date for a declared dividend and prior to the next dividend payment date, such dividend will be paid on such dividend payment date to the holders as of such record date, such dividend will not be included in the accumulated dividend amount, and the fundamental change dividend make-whole amount will not include the present value of the payment of such dividend. 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 upon a fundamental change only in lots of 20 depositary shares.

If we elect to make any payment of the make-whole dividend amount, or any portion thereof, by delivering shares of our common stock, such shares shall be valued for such purpose at 97% of the price paid (or deemed paid) per share of our common stock in the fundamental change. Notwithstanding the foregoing, in no event will the number of shares of our common stock that we deliver in lieu of paying all or any portion of the make-whole dividend amount in cash exceed a number equal to the portion of the make-whole dividend amount to be paid by the delivery of our common stock, *divided by* the greater of (i) the floor price and (ii) 97% of the price paid (or deemed paid) per share of our common stock in the fundamental change. To the extent that the portion of the make-whole dividend amount as to which we have elected to deliver shares of our common stock in lieu of paying cash exceeds the product of the number of shares of our common stock delivered in respect of such portion of the make-whole dividend amount and 97% of the price paid (or deemed paid) per share of our common stock in the fundamental change, 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).

In addition, if we are prohibited from paying or delivering, as the case may be, the make-whole dividend amount (whether in cash or in shares

of our common stock), in whole or in part, due to limitations of applicable Texas law, the fundamental change conversion rate will

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instead be increased by a number of shares of our common stock equal to the cash amount of the aggregate unpaid and undelivered make-whole dividend amount, *divided by* the greater of (i) the floor price and (ii) 97% of the price paid (or deemed paid) per share of our common stock in the fundamental change. To the extent that the cash amount of the aggregate unpaid and undelivered make-whole dividend amount exceeds the product of such number of additional shares and 97% of the price paid (or deemed paid) per share of our common stock in the fundamental change, we will not have any obligation to pay the shortfall in cash.

See Description of Our Series B Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount.

Anti-dilution adjustments

The conversion rate may be adjusted in the event of, among other things: (1) stock dividends or distributions; (2) certain distributions to holders of our common stock of rights, options or warrants to purchase our common stock; (3) subdivisions or combinations of our common stock; (4) certain distributions to holders of our common stock of evidences of our indebtedness, shares of capital stock, securities, rights, options or warrants to acquire our capital stock, cash or other assets; (5) distributions to holders of our common stock of cash other than regular, quarterly cash dividends that do not exceed the initial dividend threshold (as defined under Description of Mandatory Convertible Preferred Stock Anti-Dilution Adjustments ); and (6) certain tender or exchange offers by us or one of our subsidiaries for our common stock, in each case subject to certain exceptions. See Description of Our Series B Preferred Stock Anti-Dilution Adjustments.

Voting rights

Holders of our Series B Preferred Stock generally will not have voting rights.

Whenever dividends on shares of our Series B Preferred Stock have not been declared and paid for six or more dividend periods (including, for the avoidance of doubt, the dividend period beginning on, and including, the initial issue date and ending on, but excluding, December 1, 2018), whether or not consecutive, the holders of such shares of Series B Preferred Stock, voting together as a single class with holders of any and all other series of voting preferred stock (as defined under Description of Our Series B Preferred Stock Voting Rights ) then outstanding, will be entitled at our next annual or special meeting of shareholders to vote for the election of a total of two additional members of our board of directors, subject to certain limitations.



Unless we have received the affirmative vote or consent of holders of at least two-thirds of the outstanding shares of our Series B Preferred Stock, voting as a single class, we may not amend our restated articles of incorporation ( articles of incorporation ) or the Statement of

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Resolution (as defined herein) in a way that would have an adverse effect on the existing powers, preferences, rights, qualifications, limitations and restrictions of our Series B Preferred Stock. For purposes of this voting requirement, any amendment to our articles of incorporation or to the Statement of Resolution (i) relating to the issuance or any increase in authorization of additional shares of preferred stock (subject to the voting rights regarding the issuance of Senior Stock discussed below) and (ii) in connection with a merger or another transaction in which either (x) we are the surviving entity and our Series B Preferred Stock remains outstanding or (y) our Series B Preferred Stock is exchanged for a series of preferred stock of the surviving entity, in either case, with the terms thereof unchanged in any respect materially adverse to the holders of our Series B Preferred Stock, will be deemed not to adversely affect the powers, preferences, rights, qualifications, limitations and restrictions of our Series B Preferred Stock.

In addition, unless we have received the affirmative vote or consent of the holders of at least two-thirds of the outstanding shares of our Series B Preferred Stock, voting together as a single class with holders of any and all other series of voting preferred stock then outstanding, we may not create or issue any Senior Stock (as defined below).

See Description of Our Series B Preferred Stock Voting Rights and Description of Our Depositary Shares Voting Our Series B Preferred Stock.

Ranking

Our Series B Preferred Stock will, with respect to dividends and distributions upon the liquidation, dissolution or winding up of our affairs, rank:

senior to our common stock and to each other class or series of our capital stock established after the original issue date of our Series B Preferred Stock (which we refer to as the initial issue date) that is expressly made subordinated to our Series B Preferred Stock as to the payment of dividends or amounts payable on a liquidation, dissolution or winding up of our affairs (the Junior Stock);

on a parity with our Series A Preferred Stock and any class or series of our capital stock established after the initial issue date that is not expressly made senior or subordinated to our Series B Preferred Stock as to the payment of dividends and amounts payable on a liquidation, dissolution or winding up of our affairs (the Parity Stock);

junior to any class or series of our capital stock established after the initial issue date that is expressly made senior to our Series B Preferred Stock as to the payment of dividends or amounts payable on a liquidation, dissolution or winding up of our affairs (the Senior Stock );

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junior to all of our existing and future indebtedness (including indebtedness outstanding under our credit facilities, our senior notes and our commercial paper) and other liabilities with respect to assets available to satisfy claims against us; and

structurally subordinated to any existing and future indebtedness and other liabilities of our subsidiaries and capital stock of our subsidiaries held by third parties.

As of June 30, 2018, we, on a consolidated basis, and excluding subsidiaries issuing transition and system restoration bonds, had approximately \$7.5 billion aggregate principal amount of indebtedness outstanding. As of June 30, 2018, we have also entered into the Commitment Letter with a syndicate of lenders providing, subject to customary conditions, for a \$5.0 billion, 364-day senior unsecured Bridge Facility to backstop a portion of our obligation to pay the Merger Consideration. 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. On August 22, 2018, we issued 800,000 shares of our Series A Preferred Stock, and as of that date, \$800 million aggregate liquidation preference of our Series A Preferred Stock was outstanding. The issuance of our Series A Preferred Stock reduced the commitments by the syndicate of lenders under the Bridge Facility to approximately \$4.2 billion.

Use of proceeds

We estimate that the net proceeds to us from this offering, after deducting issuance costs and discounts, will be approximately \$ (or approximately \$ if the underwriters exercise their option to purchase additional depositary shares to cover over-allotments, if any, in full). We estimate that the net proceeds to us from the Concurrent Offering, after deducting issuance costs and discounts, will be approximately \$ (or approximately \$ 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). 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 fund the Merger Consideration and to pay related fees and expenses. See Use of Proceeds.

This offering is not contingent on completion of the Vectren Merger, the Concurrent Offering or the Merger Debt Financings. If the Vectren Merger does not occur, we expect to use the net proceeds from this offering, together with the net proceeds from the Concurrent Offering, for general corporate purposes, which may include, in our sole discretion,

exercising our option to redeem our Series B Preferred Stock and our corresponding depository shares for cash, debt repayment, including repayment of commercial paper, capital expenditures, investments and repurchases of our common stock at the discretion of our board of directors. Pending application of the net

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proceeds of this offering for the foregoing purposes, we expect to use the net proceeds to repay commercial paper and other short-term indebtedness that were issued or incurred for general corporate and working capital purposes or invest such net proceeds in various instruments which may include, but would not be limited to, short- and intermediate-term, interest-bearing obligations, including bank deposits and certificates of deposit with financial institutions having investment-grade ratings, U.S. government obligations or money market funds primarily invested in securities issued by the U.S. government or its agencies. See Recent Developments Vectren Merger Financing and Use of Proceeds.

Tax consequences

See Material U.S. Federal Income Tax Consequences.

Listing

We intend to apply to list our depositary shares on The New York Stock Exchange under the symbol CNPPRB. No assurance can be given that our depositary shares will be listed or that any such application for listing will be approved. Our common stock is listed on The New York Stock Exchange and The Chicago Stock Exchange, in each case, under the symbol CNP.

Concurrent offering of common stock

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, \$1,500,000,000 of shares of our common stock (or an additional \$225,000,000 of 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 \$ per share of our common stock. 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. See Concurrent Offering of Our Common Stock.

Transfer agent, registrar, dividend disbursing agent and depositary

Broadridge Corporate Issuer Solutions, Inc. is the transfer agent, registrar and dividend disbursing agent for our Series B Preferred Stock and our common stock. Broadridge Corporate Issuer Solutions, Inc. is also the depositary for our depositary shares.

Risk factors

You should consider carefully all the information set forth and incorporated by reference in this prospectus supplement and the accompanying prospectus and, in particular, you should evaluate the

specific factors set forth under Risk Factors beginning on page S-19 of this prospectus supplement before deciding whether to invest in our depositary shares.

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As of September 19, 2018, 431,555,853 shares of our common stock were outstanding, which excludes any shares of our common stock issuable under our equity compensation plans, up to \_\_\_\_\_ shares of our common stock issuable upon conversion of our Series B Preferred Stock (or \_\_\_\_\_ shares of our common stock issuable upon conversion of our Series B Preferred Stock if the underwriters of this offering exercise their option to purchase additional depositary shares to cover over-allotments, if any, in respect of this offering in full), in each case, subject to anti-dilution, make-whole and other adjustments and assuming we pay all dividends on our Series B Preferred Stock in cash, and up to \_\_\_\_\_ shares of our common stock that we may issue in the Concurrent Offering (or \_\_\_\_\_ shares of our common stock issuable if the underwriters of the Concurrent Offering exercise their option to purchase additional shares of our common stock to cover over-allotments, if any, in respect of such offering in full).



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**RISK FACTORS**

*In addition to the following information about risks, you should consider carefully the risk factors and risks identified or referenced in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (the 2017 Form 10-K ) and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2018 and June 30, 2018 (the 2nd Quarter 2018 Form 10-Q ), which are incorporated by reference in this prospectus supplement and the accompanying prospectus, as they may be amended, supplemented or superseded from time to time by other reports that we subsequently file with the Securities and Exchange Commission (the SEC ), together with the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment in our depositary shares.*

**Risks Related to Our Depositary Shares and Our Series B Preferred Stock**

*You are making an investment decision in our depositary shares as well as in our Series B Preferred Stock.*

As described in this prospectus supplement, you are investing in our depositary shares that represent fractional interests in our Series B Preferred Stock. The depositary will rely solely on the dividend payments and other distributions on our Series B Preferred Stock it receives from us to fund all dividend payments and other distributions on our depositary shares.

*You will bear the risk of a decline in the market price of our common stock between the pricing date for our depositary shares and the mandatory conversion date.*

The number of shares of our common stock that you would receive upon mandatory conversion of our Series B Preferred Stock (and the related conversion of our depositary shares) is not fixed, but instead will depend on the applicable market value, which is the average VWAP per share of our common stock over the final averaging period, which is the 20 consecutive trading day period beginning on, and including, the 21st scheduled trading day immediately preceding September 1, 2021. The aggregate market value of the shares of our common stock that you would receive upon mandatory conversion may be less than the aggregate liquidation preference of our Series B Preferred Stock represented by your depositary shares. Specifically, if the applicable market value of our common stock is less than the initial price of \$ (which is approximately equal to the per share public offering price of our common stock in the Concurrent Offering (or, if the Concurrent Offering does not price, the closing price of our common stock on September , 2018)), subject to certain anti-dilution adjustments, the market value of the shares of our common stock that you would receive upon mandatory conversion of each share of our Series B Preferred Stock will be less than the \$1,000 liquidation preference per share of our Series B Preferred Stock (and, accordingly the market value of shares of our common stock that you would receive upon mandatory conversion of each depositary share will be less than the \$50 liquidation preference per depositary share), and an investment in our depositary shares would result in a loss. Accordingly, you will bear the entire risk of a decline in the market price of our common stock. Any such decline could be substantial.

In addition, because the number of shares delivered to you upon mandatory conversion will be based upon the applicable market value, which is the average VWAP per share of our common stock over the final averaging period, the shares of our common stock you receive upon mandatory conversion may be worth less than the shares of our common stock you would have received had the applicable market value been equal to the VWAP per share of our common stock on the mandatory conversion date or the average VWAP of our common stock over a different period of days.

***Purchasers of our depositary shares may not realize any or all of the benefit of an increase in the market price of shares of our common stock.***

The aggregate market value of the shares of our common stock that you will receive upon mandatory conversion of each share of our Series B Preferred Stock (and the related conversion of our depositary shares) on

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the mandatory conversion date will only exceed the liquidation preference of \$1,000 per share of our Series B Preferred Stock (and the liquidation preference of \$50 per depositary share) if the applicable market value of our common stock exceeds the threshold appreciation price of \$ , subject to certain anti-dilution adjustments. The threshold appreciation price represents an appreciation of approximately % over the initial price. If the applicable market value of our common stock exceeds the threshold appreciation price, you will receive on the mandatory conversion date approximately % (which percentage is approximately equal to the initial price, *divided by* the threshold appreciation price) of the value of our common stock that you would have received if you had made a direct investment in our common stock on the date of this prospectus supplement. This means that the opportunity for equity appreciation provided by an investment in our depositary shares (and our underlying Series B Preferred Stock) is less than that provided by a direct investment in shares of our common stock.

In addition, if the market value of our common stock appreciates and the applicable market value of our common stock is equal to or greater than the initial price but less than or equal to the threshold appreciation price, the aggregate market value of the shares of our common stock that you would receive upon mandatory conversion will only be equal to the aggregate liquidation preference of our Series B Preferred Stock (and, correspondingly, the aggregate market value of our common stock that you would receive upon the related mandatory conversion of our depositary shares will only be equal to the aggregate liquidation preference of our depositary shares), and you will realize no equity appreciation on our common stock.

***The market price of our common stock, which may fluctuate significantly, will directly affect the market price for our depositary shares.***

We expect that, generally, the market price of our common stock will affect the market price of our depositary shares more than any other single factor. This may result in greater volatility in the market price of our depositary shares than would be expected for nonconvertible preferred stock or depositary shares representing nonconvertible preferred stock. The market price of our common stock will likely fluctuate in response to a number of factors, including our financial condition, operating results and prospects, as well as economic, financial and other factors, such as prevailing interest rates, interest rate volatility, reports by industry analysts, investor perceptions or negative announcements by our customers, competitors or suppliers regarding their own performance, or changes in our industry and competitors and government regulations, many of which are beyond our control. For more information regarding such factors, see the section of this prospectus supplement below entitled Risks Related to Ownership of Our Common Stock.

In addition, we expect that the market price of our depositary shares will be influenced by the volatility of our common stock, yield and interest rates in the capital markets, the time remaining to the mandatory conversion date, our creditworthiness and the occurrence of certain events affecting us that do not require an adjustment to the fixed conversion rates. Fluctuations in the volatility of our common stock and/or yield rates in particular may give rise to arbitrage opportunities based upon changes in the relative values of our depositary shares and our common stock. Any such arbitrage could, in turn, affect the market prices of our common stock and our depositary shares. The market price of our common stock could also be affected by possible sales of our common stock by investors who view our depositary shares as a more attractive means of equity participation in us and by hedging or arbitrage trading activity that we expect to develop involving our common stock. This trading activity could, in turn, affect the market price of our depositary shares.

***Regulatory actions may adversely affect the trading price and liquidity of our depositary shares.***

We expect that many investors in, and potential purchasers of, our depositary shares will employ, or seek to employ, a convertible arbitrage strategy with respect to our depositary shares. Investors would typically implement such a

strategy by selling short the common stock underlying the convertible securities and dynamically adjusting their short position while continuing to hold the securities. Investors may also implement this type of strategy by entering into swaps on our common stock in lieu of or in addition to short selling our common stock.

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The SEC and other regulatory and self-regulatory authorities have implemented various rules and taken certain actions, and may in the future adopt additional rules and take other actions, that may impact those engaging in short selling activity involving equity securities (including our common stock). Such rules and actions include Rule 201 of SEC Regulation SHO, the adoption by the Financial Industry Regulatory Authority, Inc. and the national securities exchanges of a Limit Up-Limit Down program, the imposition of market-wide circuit breakers that halt trading of securities for certain periods following specific market declines, and the implementation of certain regulatory reforms required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Any governmental or regulatory action that restricts the ability of investors in, or potential purchasers of, our depositary shares to effect short sales of our common stock, borrow our common stock or enter into swaps on our common stock could adversely affect the trading price and the liquidity of our depositary shares.

***You will not have any right to require us to redeem our Series B Preferred Stock in the event that an acquisition termination event occurs or if the Vectren Merger is not completed on or prior to April 21, 2019.***

You will not have any right to require us to redeem our Series B Preferred Stock if an acquisition termination event (as defined under Description of Our Series B Preferred Stock Acquisition Termination Redemption ) occurs or if the Vectren Merger is not completed at or prior to 5:00 p.m., New York City time, on April 21, 2019. Further, you will not have any right to require us to redeem our Series B Preferred Stock if, subsequent to the completion of this offering, we or Vectren experience any changes in our business or financial condition or if the terms of the Vectren Merger or the financing thereof change. Even if we redeem our Series B Preferred Stock (and, accordingly, the depositary redeems our depositary shares), you may not obtain your expected return and may not be able to reinvest the proceeds from such redemption in an investment that results in a comparable return.

***Our Series B Preferred Stock is subject to redemption at our option upon the occurrence of an acquisition termination event or if the Vectren Merger is not completed on or prior to April 21, 2019.***

If an acquisition termination event occurs or if the Vectren Merger is not completed at or prior to 5:00 p.m., New York City time, on April 21, 2019, 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. Although the redemption price is designed to compensate you for the lost option value of your depositary shares and lost dividends as a result of the acquisition termination redemption, it is only an approximation of such lost value and may not adequately compensate you for your actual loss.

The proceeds of this offering will not be deposited into an escrow account in favor of holders of our Series B Preferred Stock pending any acquisition termination redemption of our Series B Preferred Stock. Our ability to pay the redemption price to holders of our Series B Preferred Stock in connection with an acquisition termination redemption (and, accordingly, the depositary's ability to pay the redemption price to holders of our depositary shares) may be limited by our then existing financial resources, and sufficient funds may not be available when necessary to make any required purchases of our Series B Preferred Stock (and, accordingly, our depositary shares) following our election to redeem our Series B Preferred Stock.



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If a fundamental change (as defined under Description of Our Series B Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount ) occurs on or prior to September 1, 2021, the fundamental change conversion rate will apply to any shares of our Series B Preferred Stock (and, accordingly, our depositary shares) converted during the fundamental change conversion period (as defined under Description of Our Series B Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount ) unless the stock price of our common stock is less than \$ or above \$ (in each case, subject to adjustment) and, with respect to those shares of our Series B Preferred Stock (and, accordingly, those depositary shares) converted, you will also receive, among other consideration, a fundamental change dividend make-whole amount, subject to our right to deliver shares of our common stock in lieu of all or part of such amount and subject to Description of Our Series B Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount. The number of shares of our common stock to be issued upon conversion in connection with a fundamental change will be determined as described under Description of Our Series B Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount. Although the fundamental change conversion rate and the payment of the fundamental change dividend make-whole amount are generally designed to compensate you for the lost option value that you would suffer and lost dividends as a result of converting your depositary shares representing our Series B Preferred Stock upon a fundamental change, the fundamental change conversion rate is also designed to compensate us for the lost option value that we would suffer as a result of any such conversion. As a result, in many cases the fundamental change conversion rate will be less than the conversion rate that would apply upon mandatory conversion. The fundamental change conversion rate and fundamental change dividend make-whole amount are generally only an approximation of such lost option value and lost dividends and may not adequately compensate you for your actual loss. Furthermore, our obligation to deliver a number of shares of our common stock, per share of our Series B Preferred Stock (and your corresponding right to receive a proportionate number of shares of our common stock per depositary share), equal to the fundamental change conversion rate and pay the fundamental change dividend make-whole amount (whether paid or delivered, as the case may be, in cash or shares of our common stock) upon a conversion during the fundamental change conversion period could be considered a penalty under state law, in which case the enforceability thereof would be subject to general principles of reasonableness of economic remedies.

***The fixed conversion rates of our Series B Preferred Stock and, in turn, our depositary shares may not be adjusted for all dilutive events that may adversely affect the market price of our depositary shares or our common stock issuable upon conversion of our Series B Preferred Stock.***

The fixed conversion rates of our Series B Preferred Stock and, in turn, our depositary shares are subject to adjustment only for share subdivisions and combinations, share dividends and specified other transactions. See Description of Our Series B Preferred Stock Anti-Dilution Adjustments for further discussion of anti-dilution adjustments. However, other events, such as employee stock option grants, offerings of our common stock or securities convertible into our common stock (other than those set forth under Description of Our Series B Preferred Stock Anti-Dilution Adjustments ) for cash or in connection with acquisitions, regular, quarterly cash dividends that do not exceed the initial dividend threshold (as defined under Description of Mandatory Convertible Preferred Stock Anti-Dilution Adjustments ) or third-party tender or exchange offers, which may adversely affect the market price of our common stock, may not result in any adjustment. Further, if any of these other events adversely affects the market price of our common stock, it may also adversely affect the market price of our depositary shares. In addition, the terms of our Series B Preferred Stock and our depositary shares do not restrict our ability to offer our common stock or securities convertible into our common stock in the future or to engage in other transactions that could dilute our common stock.

We have no obligation to consider the specific interests of the holders of our Series B Preferred Stock or our depositary shares in engaging in any such offering or transaction.

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***Purchasers of our depositary shares may be adversely affected upon the issuance of a new series of preferred stock ranking equally with our Series B Preferred Stock represented by our depositary shares sold in this offering.***

The terms of our Series B Preferred Stock will not restrict our ability to offer a new series of preferred stock in the future that, like our Series A Preferred Stock, ranks equally with our Series B Preferred Stock as to dividend payments and liquidation preference. We have no obligation to consider the specific interests of the holders of our Series B Preferred Stock or our depositary shares in engaging in any such offering or transaction.

***The Concurrent Offering of our common stock, and the possibility of the sale of our common stock in the future, could reduce the market price of our common stock and, in turn, our depositary shares.***

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, \$1,500,000,000 of shares of our common stock (or an additional \$225,000,000 of 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 \$ \_\_\_\_\_ per share of our common stock. Completion of this offering of our depositary 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. In the future, we may sell additional shares of our common stock to raise capital or acquire interests in other companies by using a combination of cash and our common stock or just our common stock. Any of these events may dilute your ownership interest in us and have an adverse impact on the price of our common stock and, in turn, our depositary shares. In addition, a substantial number of shares of our common stock is reserved for issuance upon conversion of our Series B Preferred Stock. Furthermore, sales of a substantial amount of our common stock in the public market, or the perception that these sales may occur, could reduce the market price of our common stock and, in turn, our depositary shares. This could also impair our ability to raise additional capital through the sale of our securities.

***You will have no rights with respect to our common stock until the conversion of your depositary shares, but you may be adversely affected by certain changes made with respect to our common stock.***

You will have no rights with respect to our common stock, including voting rights, rights to respond to common stock tender offers, if any, and rights to receive dividends or other distributions on our common stock, if any, prior to the conversion date with respect to a conversion of your depositary shares, but your investment in our depositary shares may be negatively affected by these events. Upon conversion, you will be entitled to exercise the rights of a holder of our common stock only as to matters for which the record date occurs on or after the conversion date. For example, in the event that an amendment is proposed to our articles of incorporation or our bylaws requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the conversion date, you will not be entitled to vote on the amendment, unless it would adversely affect the special rights, preferences, privileges and voting powers of our Series B Preferred Stock, although you will nevertheless be subject to any changes in the powers, preferences or special rights of our common stock.

***You will have no voting rights except under limited circumstances, and you will need to act through the depositary to exercise voting rights with respect to our Series B Preferred Stock.***

You do not have voting rights, except with respect to certain amendments to the terms of our Series B Preferred Stock, in the case of certain dividend arrearages, in certain other limited circumstances and except as specifically required by Texas law. You will have no right to vote for any members of our board of directors except in the case of certain dividend arrearages. If dividends on any shares of our Series B Preferred Stock have not been declared and paid for the equivalent of six or more dividend periods (including, for the avoidance of doubt, the dividend period beginning on, and including, the initial issue date (as defined below) and ending on, but excluding, December 1, 2018), whether

or not for consecutive dividend periods, the holders of shares of our

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Series B Preferred Stock, voting together as a single class with holders of any and all other series of voting preferred stock will be entitled to vote for the election of a total of two additional members of our board of directors, subject to the terms and limitations described under Description of Our Series B Preferred Stock Voting Rights. Holders of our depositary shares must act through the depositary to exercise any voting rights in respect of our Series B Preferred Stock.

***Our Series B Preferred Stock will rank junior to all of our and our subsidiaries liabilities, as well as the capital stock of our subsidiaries held by third parties, in the event of a liquidation, dissolution or winding-up of our or our subsidiaries assets.***

In the event of a liquidation, dissolution or winding-up of our affairs, our assets will be available to make payments to holders of our Series B Preferred Stock only after all of our liabilities have been paid. In addition, our Series B Preferred Stock will rank structurally junior to all existing and future liabilities of our subsidiaries, as well as the capital stock of our subsidiaries held by third parties. Your rights to participate in the assets of our subsidiaries upon any liquidation or reorganization of any subsidiary will rank junior to the prior claims of that subsidiary's creditors and third party equity holders. In the event of a liquidation, dissolution or winding-up of our affairs, there may not be sufficient assets remaining, after paying our and our subsidiaries' liabilities, to pay any amounts to the holders of our Series B Preferred Stock then outstanding. As of June 30, 2018, we, on an unconsolidated basis, had approximately \$0.6 billion aggregate principal amount of indebtedness outstanding, \$0.5 billion of which was unsecured, excluding principal amounts under our 2.0% Zero-Premium Exchangeable Subordinated Notes due 2029. Excluding subsidiaries issuing transition and system restoration bonds, as of June 30, 2018, our subsidiaries had approximately \$6.1 billion aggregate principal amount of third-party indebtedness outstanding, of which approximately \$3.3 billion was secured, as well as other liabilities. In addition, we had the ability to borrow an additional \$2.3 billion under our credit facilities and commercial paper program, collectively, subject to certain limitations. As of June 30, 2018, we have also entered into the Commitment Letter with a syndicate of lenders providing, subject to customary conditions, for a \$5.0 billion, 364-day senior unsecured Bridge Facility to backstop a portion of our obligation to pay the Merger Consideration. The issuance of \$800 million of our Series A Preferred Stock on August 22, 2018 reduced the commitments by the syndicate of lenders under the Bridge Facility to approximately \$4.2 billion.

The terms of our Series B Preferred Stock do not limit our ability to incur additional indebtedness. In connection with our financing of the Merger Consideration, we expect to issue debt securities and/or commercial paper, as part of the Merger Debt Financings, which, along with our other outstanding indebtedness, will be senior to our Series B Preferred Stock. If we complete any such debt offerings, we expect that we will use the net proceeds from such offerings to partially finance the Merger Consideration. There can be no assurance that we will consummate any Merger Debt Financings.

The payment of principal and interest on our debt reduces the cash available for payment of dividends on our capital stock, including our Series B Preferred Stock.

***Our ability to pay dividends on our Series B Preferred Stock may be limited.***

Our payment of dividends on our Series B Preferred Stock in the future will be determined by our board of directors (or an authorized committee thereof) in its sole discretion and will depend on business conditions, our financial condition, earnings and liquidity, and other factors.

The agreements governing any future indebtedness of ours may limit our ability to pay cash dividends on our capital stock, including our Series B Preferred Stock. In the event that the agreements governing any such indebtedness restrict our ability to pay dividends in cash on our Series B Preferred Stock, we may be unable to pay dividends in

cash on our Series B Preferred Stock unless we can refinance the amounts outstanding under such agreements.

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In addition, under Texas law, our board of directors (or an authorized committee thereof) may authorize a dividend, and we may make a dividend, so long as (i) the dividend does not violate our articles of incorporation, (ii) we are not insolvent after the dividend and (iii) the dividend does not exceed our surplus (the amount by which our net assets exceed our stated capital). Further, even if we are permitted under our contractual obligations and Texas law to pay cash dividends on our Series B Preferred Stock, we may not have sufficient cash to pay dividends in cash on our Series B Preferred Stock (and, in turn, on our depositary shares).

If upon mandatory conversion or an early conversion at the option of a holder (other than during a fundamental change conversion period, except in limited circumstances) we have not declared all or any portion of the accumulated and unpaid dividends payable on our Series B Preferred Stock for specified periods, the applicable conversion rate will be adjusted so that converting holders receive an additional number of shares of our common stock having a market value generally equal to the amount of such accumulated and unpaid dividends, subject to the limitations described under [Description of Our Series B Preferred Stock Mandatory Conversion](#) and [Description of Our Series B Preferred Stock Conversion at the Option of the Holder](#). If upon an early conversion during the fundamental change conversion period we have not declared all or any portion of the accumulated and unpaid dividends payable on our Series B Preferred Stock for specified periods, we will pay the amount of such accumulated and unpaid dividends in cash, shares of our common stock or any combination thereof, in our sole discretion (or, in certain circumstances, make a corresponding adjustment to the conversion rate), subject in each case to the limitations described under [Description of Our Series B Preferred Stock Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount](#). In the case of mandatory conversion or conversion upon a fundamental change, if these limits to the adjustment of the conversion rate or the amount of such dividends payable in shares, as applicable, are reached, we will pay the shortfall in cash if we are legally permitted to do so. We will not have an obligation to pay the shortfall in cash if these limits to the adjustment of the conversion rate are reached in the case of an early conversion at the option of the holder.

***You may be subject to tax upon an adjustment to the conversion rate of our Series B Preferred Stock and our depositary shares, or upon a distribution of our common stock, even though you do not receive a corresponding cash distribution.***

The conversion rate of our Series B Preferred Stock and our depositary shares is subject to adjustment in certain circumstances. Refer to [Description of Our Series B Preferred Stock Anti-Dilution Adjustments](#). If, as a result of an adjustment (or failure to make an adjustment), your proportionate interest in our assets or earnings and profits is increased, you may be deemed to have received for U.S. federal income tax purposes a taxable distribution, taxable as a dividend to the extent of our current or accumulated earnings and profits, without the receipt of any cash or property. If you are a non-U.S. holder (as defined under [Material U.S. Federal Income Tax Consequences](#)), such deemed dividend generally will be subject to U.S. federal withholding tax (currently at a 30% rate, or such lower rate as may be specified by an applicable treaty), which may be withheld from subsequent payments on our depositary shares. In addition, we may make distributions to the beneficial owners of our depositary shares that are paid in our common stock. Any such distribution could be taxable to the same extent as a cash distribution of the same amount. In these circumstances and possibly others, a beneficial owner of our depositary shares may be subject to tax even though it has received no cash with which to pay that tax, thus giving rise to an out-of-pocket expense. Further, on April 12, 2016, the Internal Revenue Service proposed regulations addressing the amount and timing of certain deemed distributions and certain obligations of withholding agents and filing and notice obligations of issuers with respect thereto, which if adopted could affect the U.S. federal income tax treatment of a beneficial owner of our depositary shares deemed to receive such a distribution, including as a result of an adjustment to the conversion rates of our Series B Preferred Stock and the depositary shares. Refer to [Material U.S. Federal Income Tax Consequences](#) for a further discussion of U.S. federal tax implications for U.S. holders and non-U.S. holders (each as defined therein).

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***An active trading market for our depositary shares does not exist and may not develop.***

Our depositary shares are a new issue of securities with no established trading market. We intend to apply to list our depositary shares on The New York Stock Exchange under the symbol CNPPRB. Even if our depositary shares are approved for listing on The New York Stock Exchange, such listing does not guarantee that a trading market for our depositary shares will develop or, if a trading market for our depositary shares does develop, the depth or liquidity of that market or the ability of the holders to sell our depositary shares, or to sell our depositary shares at a favorable price.

***Our ability to issue additional shares of our Series B Preferred Stock and Parity Stock in the future could adversely affect the rights of holders of our Series B Preferred Stock.***

We are allowed to issue additional shares of our Series B Preferred Stock or Parity Stock without any vote of the holders of our Series B Preferred Stock. The issuance of any Parity Stock (including additional shares of our Series B Preferred Stock) would have the effect of reducing the amount of funds available to the holders of shares of our Series B Preferred Stock upon our liquidation, dissolution or winding up of our affairs if we do not have sufficient funds to pay all liquidation preferences of our Series B Preferred Stock and Parity Stock in full. It also would reduce amounts available to pay dividends on shares of our Series B Preferred Stock if we do not have sufficient funds to pay dividends on all our outstanding Series B Preferred Stock and Parity Stock. See Description of Our Series B Preferred Stock Dividends herein. In addition, future issuances and sales of Parity Stock (including additional shares of our Series B Preferred Stock), or the perception that such issuances and sales could occur, may cause prevailing market prices for our Series B Preferred Stock to decline and may adversely affect our ability to raise additional capital in the financial markets at times and prices favorable to us.

***We are a holding company with no operations or operating assets of our own. As a result, we depend on distributions from our subsidiaries and from Enable to meet our payment obligations and for the ability to pay dividends on our Series B Preferred Stock, and provisions of applicable law or contractual restrictions could limit the amount of those distributions.***

We derive all of our operating income from, and hold all of our assets through, our subsidiaries, including our interests in Enable. As a result, we depend on distributions from our subsidiaries and Enable to meet our payment obligations and for our ability to declare and pay dividends, including dividends on our Series B Preferred Stock. In general, our subsidiaries are separate and distinct legal entities and have no obligation to provide us with funds for our payment obligations, whether by dividends, distributions, loans or otherwise. In addition, provisions of applicable law, such as those limiting the legal sources of dividends, limit our subsidiaries and Enable's ability to make payments or other distributions to us, and our subsidiaries or Enable could agree to contractual restrictions on their ability to make distributions.

Our right to receive any assets of any subsidiary, and therefore the right of our holders of our Series B Preferred Stock to participate in those assets, will be structurally subordinated to the claims of that subsidiary's creditors, including trade creditors. In addition, even if we were a creditor of any subsidiary, our rights as a creditor would be effectively subordinated to any security interest in the assets of that subsidiary and any indebtedness of the subsidiary senior to that held by us.

***Dividends are payable on our Series B Preferred Stock only when, as and if declared and only out of our surplus (the amount by which our net assets exceed our stated capital).***

Unlike indebtedness, where principal and interest would customarily be payable on specified due dates, dividends on our Series B Preferred Stock are payable when, as and if declared by our board of directors (or a duly authorized committee thereof), and only out of our surplus (the amount by which our net assets exceed our stated capital). In addition, we may become subject to contractual restrictions on our ability to pay dividends in the future, whether under indebtedness or otherwise. Therefore, although dividends are cumulative on our Series B Preferred Stock, you cannot be certain that dividends will be paid on our Series B Preferred Stock on the dividend payment dates described herein, or at all.

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Our Series B Preferred Stock will be junior as to payment of dividends and preferences to any class or series of our preferred stock that may be issued (with the requisite consent of the holders of our Series B Preferred Stock and all other voting preferred stock then outstanding, voting together as a single class) in the future that is Senior Stock. For example, if at any time we have failed to pay, on the applicable payment date, accumulated dividends on any of those shares of Senior Stock, we may not pay any dividends on our Series B Preferred Stock or redeem or otherwise repurchase any shares of our Series B Preferred Stock until we have paid or set aside for payment the full amount of the unpaid dividends on the shares of Senior Stock, which must, under the terms of such shares, be paid before we may pay dividends on, or redeem or repurchase, our Series B Preferred Stock. In addition, in the event of any liquidation, dissolution or winding up of CenterPoint Energy, holders of our Series B Preferred Stock will not be entitled to receive the liquidation preference of their shares until we have paid or set aside an amount sufficient to pay in full the liquidation preference of any class or series of Senior Stock.

***This offering is not contingent upon the completion of the Vectren Merger. If the Vectren Merger is not completed, we will have broad discretion on the use of the net proceeds of this offering.***

This offering is not contingent upon the completion of the Vectren Merger. Accordingly, your purchase of our depositary shares in this offering may be an investment in CenterPoint Energy on a stand-alone basis without any of the assets of Vectren or anticipated benefits of the Vectren Merger. We will have broad discretion to use the net proceeds of this offering if the Vectren Merger does not occur. If for any reason the proposed Vectren Merger is not consummated, then we expect to use the net proceeds of this offering for general corporate purposes, which may include, in our sole discretion, exercising our option to redeem our Series B Preferred Stock and our corresponding depositary shares for cash, debt repayment, including repayment of commercial paper, capital expenditures, investments and repurchases of our common stock at the discretion of our board of directors. See Use of Proceeds.

***CenterPoint Energy expects to incur significant additional indebtedness in connection with the Vectren Merger. As a result, it may be more difficult for CenterPoint Energy to pay or refinance its debts or take other actions, and CenterPoint Energy may need to divert cash to fund debt service payments.***

As discussed under Summary Recent Developments Vectren Merger Financing and Summary Recent Developments Sources and Uses, CenterPoint Energy expects to incur significant additional indebtedness to finance the Merger Consideration and related transaction costs. The Vectren Merger will constitute a Change of Control under the governing documents of approximately \$1.3 billion of debt of Vectren subsidiaries. While the Vectren Merger will not result in an event of default under such debt documents nor will it compel holders of such debt to tender their debt, the Vectren subsidiaries will be required to offer to repurchase such debt at par upon the closing of the Vectren Merger. Moreover, although CenterPoint Energy plans to fund a significant portion of the Merger Consideration through sales of the depositary shares offered hereby, the Concurrent Offering and the Series A Preferred Stock Offering, to the extent it is unable to do so, the amount of indebtedness it will incur to finance the Vectren Merger and associated fees and costs will likely increase, perhaps substantially. The increase in CenterPoint Energy's debt service obligations resulting from this additional indebtedness could have a material adverse effect on the results of operations, financial condition and prospects of the combined company.

CenterPoint Energy's increased indebtedness could:

make it more difficult or costly for CenterPoint Energy to pay or refinance its debts as they become due, particularly during adverse economic and industry conditions, because a decrease in revenues or increase in costs could cause cash flow from operations to be insufficient to make scheduled debt service payments;

limit CenterPoint Energy's flexibility to pursue other strategic opportunities or react to changes in its business and the industry sectors in which it operates and, consequently, put CenterPoint Energy at a competitive disadvantage to its competitors that have less debt;

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require a substantial portion of CenterPoint Energy's available cash to be used for debt service payments, thereby reducing the availability of its cash to fund working capital, capital expenditures, development projects, acquisitions, dividend payments and other general corporate purposes, which could harm CenterPoint Energy's prospects for growth and the market price of its common stock, Series A Preferred Stock, the Series B Preferred Stock, the depositary shares offered hereby and debt securities, among other things;

result in a downgrade in the credit ratings on CenterPoint Energy's indebtedness or the Series A Preferred Stock, which could limit CenterPoint Energy's ability to borrow additional funds, increase the interest rates under its credit facilities and under any new indebtedness it may incur, and reduce the trading prices of its outstanding debt securities, Series A Preferred Stock, Series B Preferred Stock and the depositary shares offered hereby;

make it more difficult for CenterPoint Energy to raise capital to fund working capital, make capital expenditures, pay dividends, pursue strategic initiatives or for other purposes;

result in higher interest expense in the event of increases in interest rates on CenterPoint Energy's current or future borrowings, including with respect to new commercial paper issuances, subject to variable rates of interest (with the deductibility for U.S. federal income taxes of such interest expense potentially limited by the tax reform legislation informally called the Tax Cuts and Jobs Act of 2017); and

require that additional materially adverse terms, conditions or covenants be placed on CenterPoint Energy under its debt instruments, which covenants might include, for example, limitations on additional borrowings and specific restrictions on uses of our assets, as well as prohibitions or limitations on our ability to create liens, pay dividends, receive distributions from its subsidiaries, redeem or repurchase its capital stock or make investments, any of which could hinder CenterPoint Energy's access to capital markets and limit or delay its ability to carry out its capital expenditure program.

Based on the current and expected results of operations and financial condition of CenterPoint Energy and its subsidiaries and the anticipated financing structure for the Vectren Merger, CenterPoint Energy believes that its cash flow from operations, together with the proceeds from borrowings, issuances of equity and debt securities in the capital markets and distributions from its interests in Enable will generate sufficient cash on a consolidated basis to make all of the principal and interest payments when such payments are due under CenterPoint Energy's and its current subsidiaries' existing credit facilities, indentures and other instruments governing their outstanding indebtedness and under the indebtedness anticipated to be incurred to fund the Merger Consideration. However, CenterPoint Energy's expectation is subject to numerous estimates, assumptions and uncertainties, and there can be no assurance that CenterPoint Energy will be able to make such payments of principal and interest or repay or refinance such borrowings and obligations when due. Vectren and its subsidiaries will not guarantee any indebtedness of CenterPoint Energy or any of its other subsidiaries, nor will any of them have any obligation to provide funds, whether in the form of dividends, loans or otherwise, to enable CenterPoint Energy to pay dividends on its common stock, the Series A Preferred Stock, the Series B Preferred Stock or the depositary shares offered hereby or CenterPoint Energy and its other subsidiaries to make required debt service payments. As a result, the Vectren Merger will substantially increase CenterPoint Energy's debt service obligations without any assurance that CenterPoint Energy will receive any cash from Vectren or any of its subsidiaries to assist CenterPoint Energy in servicing its indebtedness, paying dividends on its common stock, Series A Preferred Stock, Series B Preferred Stock and the

depository shares offered hereby or meeting its other cash needs.

CenterPoint Energy is committed to maintaining its credit ratings at investment grade. To maintain these credit ratings, CenterPoint Energy may consider it appropriate to reduce the amount of its indebtedness outstanding following the Vectren Merger. CenterPoint Energy may seek to reduce this indebtedness with the proceeds from the issuance of additional depository shares, Series B Preferred Stock, Series A Preferred Stock or

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other preferred stock, which may dilute the voting rights and/or economic interests of holders of the depositary shares. However, the ability of CenterPoint Energy to raise additional equity financing after completion of the Vectren Merger will be subject to market conditions and a number of other risks and uncertainties, including whether the results of operations of the combined company meet the expectations of investors and securities analysts. There can be no assurance that CenterPoint Energy will be able to issue additional shares of its common stock or other equity securities (including depositary shares, Series B Preferred Stock, Series A Preferred Stock or other preferred stock) after the Vectren Merger on terms that it considers acceptable or at all, or that CenterPoint Energy will be able to reduce the amount of its outstanding indebtedness after the Vectren Merger, should it elect to do so, to a level that permits it to maintain its investment grade credit ratings.

***If the proposed Vectren Merger is consummated and the Concurrent Offering is not completed (or if this offering or the Concurrent Offering results in aggregate net cash proceeds significantly less than contemplated by this prospectus supplement), we may incur a substantially greater amount of debt than we anticipate, including borrowings under the Bridge Facility or the Revolving Credit Facility or commercial paper program. This additional debt could adversely affect our business, including by restricting our ability to engage in additional transactions or incur additional indebtedness or resulting in a downgrade or other adverse action with respect to our credit rating.***

In connection with the proposed Vectren Merger, we expect to incur up to approximately \$2.93 billion of additional indebtedness as part of the Merger Debt Financings, and if and to the extent the Concurrent Offering is not completed (for any reason, including satisfying all closing conditions, including regulatory requirements, faster than anticipated) or this offering or the Concurrent Offering are completed for less proceeds than anticipated, we would fund any shortfall with additional indebtedness, which may include borrowings under the Bridge Facility or the Revolving Credit Facility or commercial paper program. In all cases, following the completion of the proposed Vectren Merger, we will continue to have a significant amount of debt outstanding. Our net consolidated borrowing costs, which cannot be predicted at this time, will depend on rates in effect from time to time, the structure of the debt, taxes and other factors.

In addition, any borrowings under the Bridge Facility will mature 364 days after they are incurred. We may not be able to refinance borrowings under the Bridge Facility on favorable terms or at all before their maturity. In addition, the interest rate applicable to borrowings under the Bridge Facility will increase at the end of each three-month period after the borrowing date. Accordingly, we may incur additional interest expense if we are unable to refinance borrowings under the Bridge Facility before the interest rate increases take effect.

Our credit ratings impact the cost and availability of future borrowings and, accordingly, our cost of capital. Our credit ratings at any time will reflect each rating organization's then opinion of our financial strength, operating performance and ability to meet our debt obligations. There can be no assurance that we will achieve a particular rating or maintain a particular rating in the future. Any reduction in our credit ratings may limit our ability to borrow at interest rates consistent with the interest rates that have been available to us prior to the proposed Vectren Merger, and may subject us to additional covenants under our debt instruments. Any impairment of our ability to obtain future financing on favorable terms could have an adverse effect on our ability to refinance the Bridge Facility, if drawn, with the issuance of debt securities and commercial paper or alternatives to the Bridge Facility on terms more favorable than under the Bridge Facility.

***The unaudited pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement and the accompanying prospectus is presented for illustrative purposes only and does not purport to represent what the financial position or results of operations of the combined company would have been had the Vectren Merger been completed on the dates assumed for purposes of that pro forma information, nor***

*does it represent the actual financial position or results of operations of the combined company following the Vectren Merger, if consummated.*

The unaudited pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement and the accompanying prospectus is presented for illustrative purposes only, is

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based on numerous adjustments, assumptions and estimates, is subject to numerous other uncertainties and does not purport to reflect what the combined company's financial position or results of operations would have been had the Vectren Merger been completed as of the dates assumed for purposes of that pro forma financial information, nor does it reflect the financial position or results of operations of the combined company following the Vectren Merger, if consummated.

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 depository 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 depository 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 depository 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.

For purposes of the unaudited pro forma condensed combined financial information, the estimated Merger Consideration has been preliminarily allocated to the identifiable assets acquired and liabilities assumed based on limited information presently available to estimate fair values. The Merger Consideration will be allocated among the relative fair values of the identifiable assets acquired and liabilities assumed based on their estimated fair values as of the date of the Vectren Merger. The relative fair values of the assets acquired and liabilities assumed are estimates, which are subject to change pending further review. The actual amounts recorded at the completion of the Vectren Merger, if completed, may differ materially from the information presented in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information has also been prepared on the assumption that the Vectren Merger and the related financings will be completed on the terms and in accordance with the assumptions set forth under Unaudited Pro Forma Condensed Combined Financial Information included in this prospectus supplement and incorporated by reference in this prospectus supplement and the accompanying prospectus. The actual size and terms of, and amounts of proceeds we receive from this offering, the Concurrent Offering and the Merger Debt Financings will depend on, among other things, market conditions at the time of each financing and may differ, perhaps substantially, from the size, terms and amounts that we have assumed in the unaudited pro forma condensed combined financial information. Any changes in these assumptions would result in a change in the unaudited pro forma condensed combined financial information, which could be material. For example, if the number of depository shares and shares of our common stock we actually issue upon consummation of this offering and the Concurrent Offering, respectively, exceeds the number of depository shares and shares of our common stock we have assumed for purposes of the unaudited pro forma condensed combined financial information, this would reduce, perhaps substantially, the amount of pro forma earnings per common share reflected in such information. In addition, because none of the potential methods of financing the Vectren Merger will be contingent upon completion of any of the other, it is possible that one or more of such methods of financing will not be completed. It is also possible that such financings, if completed, will not generate the anticipated amount of net proceeds, which may require us to obtain additional or alternative financing, and we may not be able to obtain additional or alternative financing on terms we consider acceptable, or at all. See Unaudited Pro Forma Condensed Combined Financial Information and each of our and Vectren's consolidated financial statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Our and Vectren's actual financial positions and results of operations prior to the Vectren Merger and that of the combined company following the Vectren Merger, if consummated, may not be consistent with, or evident

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from, the unaudited pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement and the accompanying prospectus. In addition, the assumptions or estimates used in preparing the unaudited pro forma condensed combined financial information may not prove to be accurate and may be affected by a broad range of factors.

Although the unaudited pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement includes sensitivity analyses that are intended to assist you in quantifying the impact of changes in certain of the assumptions used in preparing such pro forma information, those sensitivity analyses reflect the pro forma impact of only a limited number of those assumptions and therefore do not allow you to quantify the impact of changes in any of the other assumptions made in calculating this pro forma information and changes in certain of those other assumptions may have a material impact on the unaudited pro forma condensed combined financial information. Likewise, the sensitivity analyses we have provided do not necessarily address the impact of all possible changes in the relevant assumptions. We do not intend to provide you with unaudited pro forma condensed combined financial information that reflects the actual number of depositary shares to be sold in this offering, the actual number of shares of our common stock to be sold in the Concurrent Offering, the actual public offering prices, the actual dividend rate on the Series B Preferred Stock or any of the other actual terms of this offering or the Concurrent Offering.

As a result of the foregoing, purchasers of our depositary shares should not place undue reliance on unaudited pro forma condensed combined financial information included and incorporated by reference in this prospectus supplement and the accompanying prospectus.

***If we incur indebtedness or issue debt securities to finance a portion of the Merger Consideration, and we do not complete the Vectren Merger on or before a specified date or if other specified events occur, we may be required or permitted to redeem or repay any such indebtedness or debt securities. We may not have the financial resources necessary to effect such redemption or repayment. It is possible that our failure to complete the Vectren Merger or the expenditure of our funds to redeem or repay any indebtedness incurred as part of the Merger Debt Financings may have a material adverse effect on the market price of our depositary shares.***

We expect to incur a substantial amount of additional indebtedness as part of the Merger Debt Financings. See Summary Recent Developments Sources and Uses. To the extent we incur indebtedness or issue debt securities as all or part of the Merger Debt Financings and we do not complete the Vectren Merger by a specified date or if certain other specified events, such as termination of the Merger Agreement, occur, we may be required or permitted to redeem or repay some or all of such indebtedness and debt securities and that the redemption or repayment price will include a premium, which premium could be substantial.

We may not be required to deposit the proceeds from the Merger Debt Financings into an escrow account pending completion of the Vectren Merger or to grant any security interest or other lien on those proceeds to secure any required repayment or redemption of any Merger Debt Financings. If we are required to redeem or repay any indebtedness or debt securities issued in the Merger Debt Financings, our ability to pay the redemption or repayment price may be limited by our financial resources at the time and the terms of our debt instruments or other instruments and agreements and it is possible that we will not have sufficient financial resources available to satisfy our obligation to effect such redemption or repayment. Any failure to pay the mandatory redemption or repayment price of any Merger Debt Financings as and when required could have a material adverse effect on our business, results of operations and financial condition and the market price of our securities, including our depositary shares, or any indebtedness incurred or other securities issued as part of the Merger Debt Financings. It is possible that our failure to complete the Vectren Merger, or the expenditure of our funds to redeem or repay any Merger Debt Financings, may have a material adverse effect on the market price of our depositary shares.

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### ***The Vectren Merger will significantly increase our goodwill and other intangible assets.***

Following the Vectren Merger we will have a significant amount of goodwill and other intangible assets on our consolidated financial statements that are subject to impairment based upon future adverse changes in our business or prospects. The impairment of any goodwill and other intangible assets may have negative impact on our consolidated results of operations.

### ***Litigation filed against Vectren and the members of the Vectren board of directors could result in the payment of damages following completion of the Vectren Merger.***

In connection with the Vectren Merger, seven purported Vectren shareholders filed separate lawsuits against Vectren and the members of the Vectren board of directors under the federal securities laws in the United States District Court for the Southern District of Indiana challenging the adequacy of the disclosures made in Vectren's proxy statement in connection with the Vectren Merger. All seven actions allege violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder based on various alleged omissions of material information from the proxy statement.

The lawsuits seek, among other things, to enjoin the Vectren Merger or, if the Vectren Merger is consummated, to rescind the Vectren Merger or award rescissory damages, and other relief. Vectren and the Vectren director defendants filed a motion to dismiss on August 15, 2018. On August 22, 2018, the court denied the interim lead plaintiffs preliminary injunction, which sought to halt the Vectren shareholder vote on the Vectren Merger. Pursuant to a stipulation entered on September 4, 2018, the case may proceed once the lead plaintiff (when appointed) files a consolidated amended complaint.

The outcome of this litigation is uncertain. If a dismissal is not granted or a settlement is not reached, the lawsuits could prevent or delay completion of the Vectren Merger and result in substantial costs to CenterPoint Energy, including any costs associated with indemnification. Additional lawsuits may be filed against Vectren or the directors and officers of Vectren in connection with the Vectren Merger. The defense or settlement of any lawsuit or claim that remains unresolved at the time the Vectren Merger is consummated may adversely affect the combined company's business, financial condition, results of operations and cash flows.

## **Risks Related to Ownership of Our Common Stock**

### ***Our ability to pay dividends on our common stock may be limited.***

Our payment of dividends on our common stock in the future will be determined by our board of directors (or an authorized committee thereof) in its sole discretion and will depend on business conditions, our financial condition, earnings and liquidity, and other factors.

The agreements governing any future indebtedness of ours may limit our ability to pay cash dividends on our capital stock, including our common stock. In the event that the agreements governing any such indebtedness restrict our ability to pay dividends in cash on our common stock, we may be unable to pay dividends in cash on our common stock unless we can refinance the amounts outstanding under such agreements.

Additionally, except under limited circumstances, we will not declare or pay, or set aside for payment, dividends on any of our common stock unless full cumulative dividends have been or contemporaneously are being paid on all outstanding shares of our Series A Preferred Stock, Series B Preferred Stock and any other preferred stock that ranks senior to our common stock with respect to the payment of dividends, through the most recently completed respective

dividend periods.

Under Texas law, our board of directors (or an authorized committee thereof) may authorize a dividend, and we may make a dividend, so long as (i) the dividend does not violate our articles of incorporation, (ii) we are not insolvent after the dividend and (iii) the dividend does not exceed our surplus (the amount by which our net

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assets exceed our stated capital). Further, even if we are permitted under our contractual obligations and Texas law to pay cash dividends on our capital stock, we may not have sufficient cash to pay dividends in cash on our common stock.

***The market price of our common stock may be volatile or may decline and it may be difficult for you to resell shares of our common stock at prices you find attractive.***

The market price of our common stock has historically experienced and may continue to experience volatility. For example, during the twelve months ended August 31, 2018, the high sales price per share of our common stock on The New York Stock Exchange was \$30.45 and the low sales price per share was \$24.41. The price of our common stock could be subject to wide fluctuations in the future in response to the following events or factors:

the performance of Enable, the amount of cash distributions we receive from Enable, Enable's ability to redeem its ENBL Series A Preferred Units in certain circumstances and the value of our interest in Enable, and factors that may have a material impact on such performance, cash distributions and value;

industrial, commercial and residential growth in our service territories and changes in market demand, including the demand for our non-rate regulated products and services and effects of energy efficiency measures and demographic patterns;

timely and appropriate rate actions that allow recovery of costs and a reasonable return on investment;

weather variations and other natural phenomena, including the impact of severe weather events on operations and capital;

our expected timing, likelihood and benefits of completion of the Vectren Merger;

our ability to successfully integrate the businesses and realize anticipated benefits of the Vectren Merger;

the possibility that long-term financing for the Vectren Merger may not be put in place before the closing of the Vectren Merger or that financing terms may not be as expected and the risk that the credit ratings of the combined company or its subsidiaries may be different from what we expect;

costs and liabilities relating to governmental laws and regulations and environmental risks;

general market, political and economic conditions;

our failure to meet financial analysts' performance or financing expectations;

changes in recommendations by financial analysts; and

changes in market valuations of other companies in our industry.

Other risks described elsewhere under "Risk Factors" in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement also could materially and adversely affect the price of our common stock and, in turn, the market price of our depositary shares.

***Anti-takeover provisions in our organizational documents and under Texas law may impede or discourage a takeover, which could cause the market price of our common stock to decline.***

We are a Texas corporation, and the anti-takeover provisions of Texas law impose various impediments to the ability of a third party to acquire control of us, even if a change in control would be beneficial to our existing shareholders, which, under certain circumstances, could reduce the market price of our common stock. In addition, protective provisions in our articles of incorporation and our bylaws or the implementation by our board of directors of a shareholder rights plan could prevent a takeover, which could harm our shareholders.

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***Our Series B Preferred Stock and our depositary shares may adversely affect the market price of our common stock.***

The market price of our common stock is likely to be influenced by our Series B Preferred Stock and our depositary shares. For example, the market price of our common stock could become more volatile and could be depressed by:

investors' anticipation of the potential resale in the market of a substantial number of additional shares of our common stock received upon conversion of our Series B Preferred Stock (and, correspondingly, our depositary shares);

possible sales of our common stock by investors who view our depositary shares as a more attractive means of equity participation in us than owning shares of our common stock; and

hedging or arbitrage trading activity that may develop involving our depositary shares and our common stock.

***Our common stock will rank junior to our Series A Preferred Stock and our Series B Preferred Stock with respect to dividends and amounts payable in the event of our liquidation, dissolution or winding-up of our affairs.***

Our common stock will rank junior to our Series A Preferred Stock and our Series B Preferred Stock with respect to the payment of dividends and amounts payable in the event of our liquidation, dissolution or winding-up of our affairs. This means that, unless accumulated dividends have been paid or set aside for payment on all our outstanding Series A Preferred Stock and Series B Preferred Stock through the most recently completed dividend period, no dividends may be declared or paid on our common stock and we will not be permitted to repurchase any of our common stock, subject to limited exceptions. Likewise, in the event of our voluntary or involuntary liquidation, dissolution or winding-up of our affairs, no distribution of our assets may be made to holders of our common stock until we have paid to holders of our Series A Preferred Stock and our Series B Preferred Stock a liquidation preference equal to \$1,000 per share *plus* accumulated and unpaid dividends.

***Our issuance of preferred stock may cause the price of our common stock to decline, which may negatively impact your investment.***

Our board of directors is authorized to issue series of shares of preferred stock without any action on the part of the holders of our common stock. Our board of directors also has the power, without the approval of the holders of our common stock, to set the terms of any such series of shares of preferred stock that may be issued, including the designations, preferences, limitations and relative rights, voting, redemption and other rights over our common stock with respect to dividends or if we liquidate, dissolve or wind up our affairs and other terms. Our Series A Preferred Stock, our Series B Preferred Stock represented by our depositary shares and any other preferred stock we may issue in the future will rank senior to all of our common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up of our affairs. If we issue preferred stock in the future that has preference over common stock with respect to the payment of dividends or upon our liquidation, dissolution or winding up of our affairs, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the market price of our common stock could decrease, which may negatively impact your investment.





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**USE OF PROCEEDS**

We estimate that the net proceeds to us from this offering, after deducting issuance costs and discounts, will be approximately \$ (or approximately \$ if the underwriters exercise their option to purchase additional depositary shares to cover over-allotments, if any, in full).

In addition, we estimate that the net proceeds to us from the Concurrent Offering, after deducting issuance costs and discounts, will be approximately \$ (or approximately \$ 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).

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 fund the Merger Consideration and to pay related fees and expenses. See Summary Recent Developments. However, this offering is not contingent on the completion of the Vectren Merger, the Concurrent Offering or the Merger Debt Financings, and there can be no assurance that the Vectren Merger, the Concurrent Offering or any Merger Debt Financings will be consummated on the terms described herein or at all. If for any reason the proposed 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, then we expect to use the net proceeds from this offering, together with the net proceeds from the Concurrent Offering, for general corporate purposes, which may include, in our sole discretion, exercising our option to redeem our Series B Preferred Stock and our corresponding depositary shares for cash, debt repayment, including repayment of commercial paper, capital expenditures, investments and repurchases of our common stock at the discretion of our board of directors.

Pending application of the net proceeds of this offering for the foregoing purposes, we expect to use the net proceeds to repay commercial paper and other short-term indebtedness that were issued or incurred for general corporate and working capital purposes or invest such net proceeds in various instruments which may include, but would not be limited to, short- and intermediate-term