CENTERPOINT ENERGY INC
Form 11-K
June 14, 2013
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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2012

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]**
For the transition period from to

Commission file number 1-31447

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

CenterPoint Energy Savings Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

CenterPoint Energy, Inc.

1111 Louisiana Street

Houston, Texas 77002

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CENTERPOINT ENERGY SAVINGS PLAN

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Other supplemental schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Participants and Plan Administrator of the CenterPoint Energy Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the CenterPoint Energy Savings Plan (Plan) as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the year ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ McConnell & Jones LLP

Houston, Texas

June 14, 2013

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CENTERPOINT ENERGY SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 2012	December 31, 2011
ASSETS		
Investments, at fair value (see Note 3)	$ 1,710,540,219	$ 1,581,059,274
Receivables:		
Notes receivable from participants	40,040,033	41,234,734
Dividends and interest	368,843	803,549
Participant contributions	34,041	1,060,896
Employer contributions		712,856
Pending investment transactions	64,200	3,646,702
Total receivables	40,507,117	47,458,737
Total Assets	1,751,047,336	1,628,518,011
LIABILITIES		
Pending investment transactions	69,337	427,347
Other	615,430	355,595
Total Liabilities	684,767	782,942
NET ASSETS AVAILABLE FOR BENEFITS AT FAIR VALUE	1,750,362,569	1,627,735,069
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(6,119,652)	(4,118,283)
NET ASSETS AVAILABLE FOR BENEFITS	$ 1,744,242,917	$ 1,623,616,786

See accompanying Notes to Financial Statements.

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CENTERPOINT ENERGY SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2012

Investment Income:	
Net appreciation in fair value of investments (see Note 5)	$ 104,079,057
Dividends and interest	32,723,049
Total Investment Income	136,802,106
Interest on notes receivable from participants	1,703,192
Contributions:	
Participant	53,371,775
Employer	36,058,837
Rollover	3,227,712
Total Contributions	92,658,324
Expenses:	
Benefit payments	106,862,003
Administrative expenses	3,675,488
Total Expenses	110,537,491
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	120,626,131
NET ASSETS AVAILABLE FOR BENEFITS:	
BEGINNING OF YEAR	1,623,616,786
END OF YEAR	$ 1,744,242,917

See accompanying Notes to Financial Statements.

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CENTERPOINT ENERGY SAVINGS PLAN

Notes to Financial Statements

December 31, 2012 and 2011

1. Description of the Plan

The following description of the CenterPoint Energy Savings Plan (Plan) provides only general information. Participants (as defined below) should refer to the Plan document for a more complete description of the Plan s provisions. In the case of any discrepancy between this summary and the Plan document, the Plan document will govern.

(a) General

The Plan is a defined contribution plan established in accordance with Sections 401(a) and 401(k) of the Internal Revenue Code of 1986, as amended (IRC) and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Effective January 1, 2009, the Plan is a safe harbor 401(k) plan under the IRC, which means it is deemed to satisfy certain deferral and contribution testing requirements.

Participants include all employees of CenterPoint Energy, Inc. (Company or CenterPoint Energy) and those subsidiaries and affiliates of the Company that have adopted the Plan except (a) employees covered by a collective bargaining agreement unless such agreement provides for participation in the Plan, (b) leased employees, (c) independent contractors or (d) non-resident aliens who receive no United States sourced income (Participants).

(b) Contributions

Participants may contribute, on a pre-tax and after-tax basis, up to 50% and 16% of eligible compensation, respectively, not to exceed the Internal Revenue Service (IRS) compensation limit as defined in the Plan. Active Participants age 50 or over may contribute an additional pre-tax contribution not to exceed the IRS limit ($5,500 for 2012); however, the Company generally does not provide the match on such catch-up contributions, unless a matching contribution is required to meet the safe harbor plan provisions under the IRC. Participants may also contribute amounts representing rollover eligible distributions from other defined benefit or defined contribution plans, IRC Section 403(b) annuity plans, IRC Section 457 governmental plans or conduit Individual Retirement Accounts that have been holding a distribution from a qualified plan. Participants direct their contributions into the various eligible investment options offered by the Plan.

All new employees are automatically enrolled in the Plan to make pre-tax contributions. An employee who has been automatically enrolled is deemed to have elected to defer pre-tax contributions (Automatic Contribution). The initial pre-tax contribution is three percent of the employee s eligible compensation on a payroll-period basis. The contribution percentage is increased by an increment of one percent on April 1 in each of the following years until it reaches six percent of compensation on a payroll-period basis.

A notice is provided to all employees who have been automatically enrolled in the Plan (Automatic Enrollment Notice). In general, an employee has 30 days after receiving the Automatic Enrollment Notice to elect not to make any pre-tax contributions or choose a different contribution percentage.

Contributions, including all related employer matching contributions, made under the Automatic Contribution provision of the Plan are invested in the default investment fund as defined in the Plan. Employees may elect to change the Automatic Contribution percentage and/or direct the contributions to any of the investment options offered under the Plan at any time after the commencement of the Automatic Contribution. The Company matches 100% of the first six percent of eligible compensation.

Participants may elect to invest all or a portion of their contributions to the Plan in the Company Common Stock Fund. In addition, Participants may elect to have dividends paid on their investment in the Company Common Stock Fund either reinvested in the Company Common Stock Fund or paid to them in cash, and they can transfer all or part of their investment in the Company Common Stock Fund to the other investment options offered by the Plan. Employer contributions are made in the form of cash and are invested in accordance with Participant elections.

Contributions are subject to certain limitations as set forth under the IRC or the limits set forth in the Plan document.

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(c) Investment Options

The Plan offered the following investment funds (Funds) as of December 31, 2012:

Balanced Fund

Company Common Stock Fund

Fixed Income Fund

International Equity Fund

Large Company Growth Fund

Large Company Value Fund

S&P 500 Index Fund

Small Company Fund

Stable Value Fund

Vanguard Target Retirement Income Fund

Vanguard Target Retirement 2010 Fund

Vanguard Target Retirement 2015 Fund

Vanguard Target Retirement 2020 Fund

Vanguard Target Retirement 2025 Fund

Vanguard Target Retirement 2030 Fund

Vanguard Target Retirement 2035 Fund

Vanguard Target Retirement 2040 Fund

Vanguard Target Retirement 2045 Fund

Vanguard Target Retirement 2050 Fund

Vanguard Target Retirement 2055 Fund

Upon enrollment in the Plan, Participants may direct contributions, in one percent increments, in any of the investment options. Participants should refer to the Plan prospectus for a detailed description of each Fund.

(d) Participant Accounts

Individual accounts are maintained for each Participant. Each Participant s account is credited with the Participant s contributions and with allocations of the Company contributions and Plan earnings. Each Participant s account is also charged with an allocation of administrative expenses. Allocations are based on Participant account balances. A Participant is entitled to their vested account balance.

(e) Vesting and Forfeitures

Participants are immediately fully vested in all contributions and actual earnings thereon. As a result, there are no forfeitures.

(f) Notes Receivable From Participants

A Participant may borrow against their vested account balance. The maximum amount that a Participant may borrow is the lesser of (a) $50,000, reduced by the excess, if any, of the highest outstanding balance of loans to the Participant from all plans maintained by the Company or an affiliated entity during the one-year period ending on the day before the date on which such loan is made, over the outstanding balance of loans from the Plan on the date on which such loan is made or (b) 50% of the value of the Participant s vested account balance under the Plan.

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December 31, 2012 and 2011

The loans are secured by the pledge of a portion of the Participant s right, title and value of the Participant s vested account balance under the Plan as determined immediately after the loans are made. The minimum loan amount is $500. Loans may be repaid over a period of up to five years and are subject to a $50 origination fee. Interest rates are fixed at the prime rate listed in The Wall Street Journal for the first of each month in which the loan is requested plus one percent. Loan transactions are treated as a transfer to (from) the investment fund from (to) notes receivable from participants.

(g) Payment of Benefits

Upon termination of employment, a Participant whose account exceeds $1,000 may elect, upon written request at any time, to receive a distribution in a single lump-sum payment or fixed monthly, quarterly, semi-annual or annual installments over a period of ten years or less. Such distributions are generally paid in the form of cash; however, if the Participant has investments in the Company Common Stock Fund, the Participant may elect an in-kind distribution of the Participant s account balance in the Company Common Stock Fund.

Generally, to the extent a Participant has not requested a distribution by the time he or she reaches age 70 $^1/_2$, required minimum distributions will be made consistent with the terms and conditions of the Plan and the requirements of the IRC. Immediate lump-sum distributions are made for accounts which do not exceed $1,000.

A Participant who is under age 59 $^1/_2$ may make a withdrawal from amounts attributable to after-tax contributions and, if applicable, rollover contributions in the Plan and associated earnings. If a Participant who is under age 59 $^1/_2$ and has less than five years of service withdraws matched after-tax contributions, the Participant will be suspended from Plan participation for six months. A Participant who is age 59 $^1/_2$ or older may make unlimited withdrawals from pre-tax contributions, after-tax contributions, vested portion of prior Plan accounts, rollover account and any associated earnings.

Effective April 29, 2011, the Plan was amended to allow active participants under age 59 $^1/_2$ to apply for a hardship withdrawal from amounts attributable to the pre-tax contributions (not including any earnings and gains thereon) in accordance with Plan provisions. Participants are not permitted to make any pre-tax or after-tax contributions for a period of six months immediately following a hardship withdrawal.

(h) Administration

The assets of the Plan are held in trust by The Northern Trust Company (Trustee). Aon Hewitt is the recordkeeper for the Plan. The Benefits Committee of CenterPoint Energy, Inc. (Committee), appointed by the Board of Directors of the Company, is the Plan Administrator (Plan Administrator). The Committee retains an independent investment consultant to provide investment advice with respect to the Funds other than the Company Common Stock Fund.

(i) Termination of the Plan

Although it has not expressed any intent to do so, the Company may terminate the Plan at any time subject to the provisions of ERISA and must give written notice to the Trustee.

2. Summary of Accounting Policies

(a) Basis of Accounting and Use of Estimates

The financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America, referred to as GAAP. The preparation of the Plan financial statements in conformity with GAAP requires the Plan administrator to make estimates and assumptions that affect the reported amounts of net assets available for benefits at the date of the financial statements and the changes in net assets available for benefits during the reporting period and, when applicable, disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

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Notes to Financial Statements

December 31, 2012 and 2011

(b) New Accounting Standards

In May 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. This ASU requires entities, for Level 3 fair value measurements, to disclose quantitative information about unobservable inputs, a description of the valuation processes, and a qualitative discussion about the sensitivities of the measurements. The guidance is effective for interim and annual periods beginning after December 15, 2011. The adoption of the new accounting guidance did not have any effect on the changes in net assets or the financial position of the Plan.

(c) Investment Valuation and Income Recognition

The investments in all Funds of the Plan are reported at fair value. Fair value is the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments are reflected at fair value in the financial statements, except for fully benefit-responsive investment contracts which are stated at contract value. Security transactions are recorded as of the trade date. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment contracts held by a defined contribution plan are required to be reported at fair value; however, contract value is the relevant measurement attributed for that portion of the net assets available for benefits, because it represents the amount Participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Statement of Net Assets Available for Benefits presents the fair value of the investment contracts, as well as the adjustment of the fully benefit-responsive contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract-value basis.

(d) Notes Receivable From Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant notes are reclassified as distributions based upon the terms of the Plan. Interest income on notes receivable from participants is recorded when it is earned.

(e) Payment of Benefits

Benefits are recorded when paid.

(f) Plan Expenses

Direct Plan expenses such as trustee, recordkeeping, auditing and investment management fees and certain general administrative expenses are paid from the Plan assets. These expenses are shown as a separate component in the Statement of Changes in Net Assets Available for Plan Benefits. Plan expenses other than the aforementioned items are included as a component of investment gains and losses and reported on Schedule C of Form 5500 as indirect compensation.

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3. Fair Value Measurements

FASB *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value as it relates to financial assets and liabilities and to non-financial assets and liabilities measured at fair value on a recurring basis. That framework provides a three-level valuation hierarchy based upon observable and unobservable inputs, with preference given to observable inputs. The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1	Inputs are unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs, other than quoted prices included in Level 1, are observable either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets, and inputs other than quoted prices that are observable for the assets or liabilities; and
Level 3	Inputs are unobservable for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. Unobservable inputs reflect the Plan s judgments about the assumptions market participants would use in pricing the asset or liability since limited market data exists. Unobservable inputs are based on the best information available in the circumstances, which might include the Plan s own data.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2012 and 2011:

Common stocks	Valued at the closing price reported on the active market in which the individual securities are traded.
Mutual funds	Valued at the net asset value of shares held by the Plan. The share value is based on the market quoted price at the end of the day.
Common or collective trust funds	Valued at the net asset value of units held by the Plan, and generally, include the use of significant observable inputs in determining the unit value.
Guaranteed investment contracts	Valued at fair value by discounting the related future payments based on current yields of similar instruments with comparable duration considering the credit worthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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Notes to Financial Statements

December 31, 2012 and 2011

The following tables set forth by level, within the fair value hierarchy, the Plan s assets at fair value as of December 31, 2012 and 2011:

	Assets at Fair Value as of December 31, 2012			
	Level 1	Level 2	Level 3	Total
Mutual funds				
Fixed Income Fund	$ 194,760,887	$	$	$ 194,760,887
Large Company Growth Fund	53,885,919			53,885,919
Large Company Value Fund	48,582,296			48,582,296
International Equity Fund	27,671,632			27,671,632
Balanced Fund	27,571,845			27,571,845
Total mutual funds	352,472,579			352,472,579
Common or collective trust funds				
Stable Value Fund		254,470,195		254,470,195
Target Date Retirement Funds		246,461,937		246,461,937
S&P 500 Index Fund		157,115,078		157,115,078
Fixed Income Fund		68,663,545		68,663,545
Balanced Fund		58,271,656		58,271,656
Large Company Growth Fund		52,256,214		52,256,214
International Equity Fund		43,964,325		43,964,325
Large Company Value Fund		43,296,043		43,296,043
Small Company Fund		18,840,767		18,840,767
Company Common Stock Fund		4,730,086		4,730,086
Short Term Investment Fund		3,387,877		3,387,877