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COMPLIANCE FILING FOR
CENTERPOINT ENERGY BOND
COMPANIES

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BEFORE THE
PUBLIC UTILITY COMMISSION
OF TEXAS
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PUBLIC UTILITY COMMISSION
FILED CLERK

ANNUAL COMPLIANCE REPORT OF
CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

Contact: Laurie A. Burrridge-Kowalik
CenterPoint Energy Inc.
1111 Louisiana Street
Houston, Texas 77002
Phone: (713) 207-7245
Fax: (713) 207-0046
Email: laurie.burrridge-kowalik@centerpointenergy.com

March 29, 2017

CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston" or "the Company") files this annual compliance report for the CenterPoint Energy Transition Bond Company III, LLC.

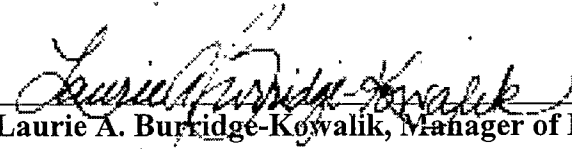

Laurie A. Burrridge-Kowalik, Manager of Rates

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CenterPoint Energy Transition Bond Company III, LLC

1111 Louisiana, Suite 4689A

Houston, TX 77002

Phone: 713.207.5747

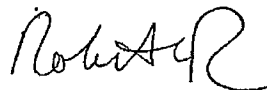
March 27, 2017

Ms. Michelle Hy Voon
Ms. Rosemary Cabrera
Deutsche Bank Trust Company Americas
Structured Finance Services
60 Wall Street, 16th Floor
New York, New York 10005

Ladies:

In accordance with Section 3.09 of the Indenture, dated as of February 12, 2008, as supplemented, between CenterPoint Energy Transition Bond Company III, LLC (the "Issuer") and Deutsche Bank Trust Company Americas, as Trustee, we have enclosed the Issuer Officer's Certificate as to compliance.

Very truly yours,



Robert McRae
Assistant Treasurer

Enclosure

Copy with enclosure:

Fitch
One State Street Plaza
New York, New York 10004
Attn: Global Power Group
Du.Trieu@fitchratings.com

Moody's Investors Service
Robert J. Powers
Director – Physical Document Management Team
Robert.Powers@moodys.com

Standard & Poor's
55 Water Street
New York, New York 10041
Attn: Structured Finance
SPDatasourcing@standardandpoors.com

Public Utility Commission of Texas
1701 North Congress Avenue
Austin, Texas 78711
Attn: Executive Director and General Counsel

ISSUER OFFICER'S CERTIFICATE

Deutsche Bank Trust Company Americas

Trustee under the Indenture, dated as of February 12, 2008, between CenterPoint Energy Transition Bond Company III, LLC (the "Issuer") and Deutsche Bank Trust Company Americas, as Trustee (the "Indenture")

Structured Finance Services

60 Wall Street

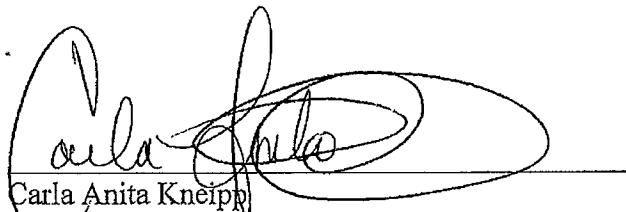
New York, New York 10005

Ladies and Gentlemen:

The undersigned, Carla Anita Kneipp, Manager of the Issuer, hereby certifies pursuant to Section 3.09 of the Indenture that

- (i) a review of the activities of the Issuer during the period January 1, 2016 through December 31, 2016 and of performance under the Indenture has been made under my supervision; and
- (ii) to the best of my knowledge, based on such review, the Issuer has complied with all conditions and covenants under the Indenture throughout such period.

3/27/17
Date


Carla Anita Kneipp
Manager



CenterPoint Energy Houston Electric, LLC
P.O. Box 1700
Houston, TX 77251-1700

March 27, 2017

To: The Issuer, Trustee and Rating Agencies of the CenterPoint Energy Transition Bond Company III, LLC 2008 Senior Secured Transition Bonds and the Public Utility Commission of Texas

In accordance with Section 3.03 of the Transition Property Servicing Agreement, dated as of February 12, 2008, between CenterPoint Energy Transition Bond Company III, LLC (the "Issuer") and CenterPoint Energy Houston Electric, LLC (the "Servicer"), we have enclosed the Servicer's Regulation AB compliance certificates.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert McRae".

Robert McRae
Assistant Treasurer

Enclosure for:

CenterPoint Energy Transition Bond Company III, LLC
1111 Louisiana, Suite 4689A
Houston, Texas 77002
Attn: Manager

Moody's Investors Service
Robert J. Powers
Director – Physical Document
Management Team
Robert.Powers@moodys.com

Deutsche Bank Trust Company Americas
Structured Finance Services
60 Wall Street, 16th Floor
New York, New York 10005
Attn: Michelle Hy Voon & Rosemary Cabrera

Standard & Poor's
55 Water Street
New York, New York 10041
Attn: Structured Finance
SPDdatasourcing@standardandpoors.com

Fitch
One State Street Plaza
New York, New York 10004
Attn: Du Trieu
Du.Trieu@Fitchratings.com

Public Utility Commission of Texas
1701 North Congress Avenue
Austin, Texas 78711
Attn: Tom Hunter, General Counsel

SERVICER'S REGULATION AB COMPLIANCE CERTIFICATE

The undersigned hereby certifies that she is the duly elected and acting Vice President and Treasurer of CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, as servicer (the "Servicer" or "Houston Electric") under the Transition Property Servicing Agreement dated as of February 12, 2008 (the "Servicing Agreement") between the Servicer and CENTERPOINT ENERGY TRANSITION BOND COMPANY III, LLC (the "Issuer") and further that:

1. The undersigned is responsible for assessing the Servicer's compliance with the servicing criteria set forth in Item 1122(d) of Regulation AB (the "Servicing Criteria").

2. With respect to each of the Servicing Criteria, the undersigned has made the following assessment of the Servicing Criteria in accordance with Item 1122(d) of Regulation AB, with such discussion regarding the performance of such Servicing Criteria during the fiscal year ended December 31, 2016 (such fiscal year, the "Assessment Period"): *

Regulation AB Reference	Servicing Criteria	Applicable Servicing Criteria
General Servicing Considerations		
1122(d)(1)(i)	Policies and procedures are instituted to monitor any performance or other triggers and events of default in accordance with the transaction agreements.	Applicable; assessment below.
1122(d)(1)(ii)	If any material servicing activities are outsourced to third parties, policies and procedures are instituted to monitor the third party's performance and compliance with such servicing activities.	Not applicable; no servicing activities were outsourced.
1122(d)(1)(iii)	Any requirements in the transaction agreements to maintain a back-up servicer for pool assets are maintained.	Not applicable; documents do not provide for a back-up servicer.
1122(d)(1)(iv)	A fidelity bond and errors and omissions policy is in effect on the party participating in the servicing function throughout the reporting period in the amount of coverage required by and otherwise in accordance with the terms of the transaction agreements.	Not applicable; PUCT rules impose credit standards on retail electric providers who handle customer collections and govern performance requirements of utilities.
Cash Collection and Administration		
1122(d)(2)(i)	Payments on pool assets are deposited into the appropriate custodial bank accounts and related bank clearing accounts no more than two business days of receipt, or such other number of days specified in the transaction agreements.	Applicable
1122(d)(2)(ii)	Disbursements made via wire transfer on behalf of an obligor or to an investor are made only by authorized personnel.	Not applicable; no disbursements on behalf of obligors or to investors are made by Servicer by means of wire transfer
1122(d)(2)(iii)	Advances of funds or guarantees regarding collections, cash flows or distributions, and any interest or other fees charged for such advances, are made, reviewed and approved as specified in the transaction agreements.	Applicable, but no current assessment required; no advances by the Servicer are permitted under the transaction agreements.

Regulation AB Reference	Servicing Criteria	Applicable Servicing Criteria
1122(d)(2)(iv)	The related accounts for the transaction, such as cash reserve accounts or accounts established as a form of overcollateralization, are separately maintained (e.g., with respect to commingling of cash) as set forth in the transaction agreements.	Applicable, but no current assessment is required since transaction accounts are maintained by and in the name of the Trustee.
1122(d)(2)(v)	Each custodial account is maintained at a federally insured depository institution as set forth in the transaction agreements. For purposes of this criterion, "federally insured depository institution" with respect to a foreign financial institution means a foreign financial institution that meets the requirements of Rule 13k-1(b)(1) of the Exchange Act.	Applicable, but no current assessment required; all "custodial accounts" are maintained by the Trustee.
1122(d)(2)(vi)	Unissued checks are safeguarded so as to prevent unauthorized access.	Not applicable; all transfers made by wire transfer.
1122(d)(2)(vii)	Reconciliations are prepared on a monthly basis for all asset-backed securities related bank accounts, including custodial accounts and related bank clearing accounts. These reconciliations are (A) mathematically accurate; (B) prepared within 30 calendar days after the bank statement cutoff date, or such other number of days specified in the transaction agreements; (C) reviewed and approved by someone other than the person who prepared the reconciliation; and (D) contain explanations for reconciling items. These reconciling items are resolved within 90 calendar days of their original identification, or such other number of days specified in the transaction agreements.	Applicable; assessment below. Reconciliations as to REP accounts are limited to confirming that the funds in any REP's account known to Servicer are at least in the amount required by Servicer.
Investor Remittances and Reporting		
1122(d)(3)(i)	Reports to investors, including those to be filed with the Commission, are maintained in accordance with the transaction agreements and applicable Commission requirements. Specifically, such reports (A) are prepared in accordance with timeframes and other terms set forth in the transaction agreements; (B) provide information calculated in accordance with the terms specified in the transaction agreements; (C) are filed with the Commission as required by its rules and regulations; and (D) agree with investors' or the trustee's records as to the total unpaid principal balance and number of pool assets serviced by the Servicer.	Applicable; assessment below.
1122(d)(3)(ii)	Amounts due to investors are allocated and remitted in accordance with timeframes, distribution priority and other terms set forth in the transaction agreements.	Not applicable; trustee allocates among, and remits to, investors.

Regulation AB Reference	Servicing Criteria	Applicable Servicing Criteria
1122(d)(3)(iii)	Disbursements made to an investor are posted within two business days to the Servicer's investor records, or such other number of days specified in the transaction agreements.	Not applicable; disbursements are made by Trustee and Trustee maintains investor records; for the purposes of this criteria, servicer's investor records are the trustee's records of the investors.
1122(d)(3)(iv)	Amounts remitted to investors per the investor reports agree with cancelled checks, or other form of payment, or custodial bank statements.	Applicable; assessment below, based on Semi-Annual Servicer's Certificate.
Pool Asset Administration		
1122(d)(4)(i)	Collateral or security on pool assets is maintained as required by the transaction agreements or related pool asset documents.	Applicable; assessment below.
1122(d)(4)(ii)	Pool assets and related documents are safeguarded as required by the transaction agreements.	Applicable; assessment below.
1122(d)(4)(iii)	Any additions, removals or substitutions to the asset pool are made, reviewed and approved in accordance with any conditions or requirements in the transaction agreements.	Not applicable; no removals or substitutions of transition property are contemplated or allowed under the transaction documents.
1122(d)(4)(iv)	Payments on pool assets, including any payoffs, made in accordance with the related pool asset documents are posted to the Servicer's obligor records maintained no more than two business days after receipt, or such other number of days specified in the transaction agreements, and allocated to principal, interest or other items (e.g., escrow) in accordance with the related pool asset documents.	Applicable; assessment below. Payments received from REPs are posted to Servicer's records and funds transferred to Trustee.
1122(d)(4)(v)	The Servicer's records regarding the pool assets agree with the Servicer's records with respect to an obligor's unpaid principal balance.	Not applicable; because underlying obligation (transition charge) is not an interest bearing instrument
1122(d)(4)(vi)	Changes with respect to the terms or status of an obligor's pool asset (e.g., loan modifications or re-agings) are made, reviewed and approved by authorized personnel in accordance with the transaction agreements and related pool asset documents.	Applicable; assessment below. The only changes relate to true-up under the financing order.
1122(d)(4)(vii)	Loss mitigation or recovery actions (e.g., forbearance plans, modifications and deeds in lieu of foreclosure, foreclosures and repossessions, as applicable) are initiated, conducted and concluded in accordance with the timeframes or other requirements established by the transaction agreements.	Applicable, to the extent required by the transaction agreements; assessment below.
1122(d)(4)(viii)	Records documenting collection efforts are maintained during the period pool asset is delinquent in accordance with the transaction agreements. Such records are maintained on at least a monthly basis, or such other period specified in the transaction agreements, and describe the entity's activities in monitoring	Applicable, but does not require assessment since no explicit documentation requirements with respect to delinquent accounts are imposed under the transactional documents due to availability of "true-up" mechanism.

Regulation AB Reference	Servicing Criteria	Applicable Servicing Criteria
	delinquent pool assets including, for example, phone calls, letters and payment rescheduling plans in cases where delinquency is deemed temporary (e.g., illness or unemployment).	
1122(d)(4)(ix)	Adjustments to interest rates or rates of return for pool assets with variable rates are computed based on the related pool asset documents.	Not applicable; transition charges are not interest bearing instruments.
1122(d)(4)(x)	Regarding any funds held in trust for an obligor (such as escrow accounts): (A) such funds are analyzed, in accordance with the obligor's pool asset documents, on at least an annual basis, or such other period specified in the transaction agreements; (B) interest on such funds is paid, or credited, to obligors in accordance with applicable pool asset documents and state laws; and (C) such funds are returned to the obligor within 30 calendar days of full repayment of the related pool assets, or such other number of days specified in the transaction agreements.	Applicable; assessment below.
1122(d)(4)(xi)	Payments made on behalf of an obligor (such as tax or insurance payments) are made on or before the related penalty or expiration dates, as indicated on the appropriate bills or notices for such payments, provided that such support has been received by the Servicer at least 30 calendar days prior to these dates, or such other number of days specified in the transaction agreements.	Not applicable; Servicer does not make payments on behalf of obligors.
1122(d)(4)(xii)	Any late payment penalties in connection with any payment to be made on behalf of an obligor are paid from the Servicer's funds and not charged to the obligor, unless the late payment was due to the obligor's error or omission.	Not applicable; Servicer cannot make advances of its own funds on behalf of customers under the transaction documents.
1122(d)(4)(xiii)	Disbursements made on behalf of an obligor are posted within two business days to the obligor's records maintained by the Servicer, or such other number of days specified in the transaction agreements.	Not applicable; Servicer cannot make advances of its own funds on behalf of customers to pay principal or interest on the bonds.
1122(d)(4)(xiv)	Delinquencies, charge-offs and uncollectible accounts are recognized and recorded in accordance with the transaction agreements.	Applicable; assessment below.
1122(d)(4)(xv)	Any external enhancement or other support, identified in Item 1114(a)(1) through (3) or Item 1115 of Regulation AB, is maintained as set forth in the transaction agreements.	Not applicable; no external enhancement is required under the transaction documents.

3. To the best of the undersigned's knowledge, based on such review, the Servicer is in compliance in all material respects with the applicable servicing criteria set forth above as of and for the period ending the end of the fiscal year ended December 31, 2016.

4. A registered independent public accounting firm has issued to us an attestation report in accordance with Section 1122(b) of Regulation AB on its assessment of compliance with the applicable servicing criteria as of and for the period ending the end of the fiscal year ended December 31, 2016.

Executed as of this 27th day of March, 2017.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

By: 

Name: Carla Anita Krepp

Title: Vice President and Treasurer

CERTIFICATE OF COMPLIANCE

The undersigned hereby certifies that she is the duly elected and acting Vice President and Treasurer of CenterPoint Energy Houston Electric, LLC as servicer (the "Servicer") under the Transition Property Servicing Agreement dated as of February 12, 2008 (the "Servicing Agreement") between the Servicer and CenterPoint Energy Transition Bond Company III, LLC (the "Issuer") and further that:

1. A review of the activities of the Servicer and of its performance under the Servicing Agreement during the twelve months ended December 31, 2016 has been made under the supervision of the undersigned pursuant to Section 3.03 of the Servicing Agreement; and
2. To the best of the undersigned's knowledge, based on such review, the Servicer has fulfilled all of its obligations in all material respects under the Servicing Agreement throughout the twelve months ended December 31, 2016, except as set forth on Annex A hereto..

Executed as of this 27th day of March, 2017.

CenterPoint Energy Houston Electric, LLC, as servicer

By: 

Name: Carla Anita Krieger

Title: Vice President and Treasurer

ANNEX A
to Certificate of Compliance
LIST OF SERVICER DEFAULTS

The following Servicer Defaults, or events which with the giving of notice, the lapse of time, or both, would become Servicer Defaults known to the undersigned occurred during the year ended December 31, 2016:

Nature of Default	Status
None.	

Re: Centerpoint Energy Transition Bond Company III LLC
Centerpoint Energy Restoration Bond Company LLC
CenterPoint Energy Transition Bond Company IV, LLC

Enclosed please find Deutsche Bank Trust Company Americas' report regarding its assessment of compliance with the Applicable Servicing Criteria set forth in the governing documents relating to the above transaction. The report is applicable for the calendar year 2015, as required under Rules 13a-18 and 15d-18 of the Exchange Act and Item 1122 of Regulation AB, and also enclosed is an attestation report from an independent accounting firm in respect of its assessment of compliance with the Applicable Servicing Criteria set forth in the applicable agreement.

Please note that this Reg AB assessment and attestation is at a "platform level". Therefore, these reports are not deal-specific. The Applicable Servicing Criteria contained in the reports include, but may not be limited to, the applicable criteria specific for your transaction.

Date: March 3, 2017



KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Street
Chicago, IL 60601-6436

Report of Independent Registered Public Accounting Firm

The Board of Directors

The Trust & Securities Services department of Deutsche Bank National Trust Company and
Deutsche Bank Trust Company Americas:

We have examined management's assertion, included in the accompanying Management's Assertion of Compliance, that the Trust & Securities Services department of Deutsche Bank National Trust Company and Deutsche Bank Trust Company Americas (collectively the "Company") complied with the servicing criteria set forth in Item 1122(d) of the Securities and Exchange Commission's Regulation AB for publicly issued (*i.e.*, transaction-level reporting required under the Securities Exchange Act of 1934, as amended) and certain privately issued (*i.e.*, for which transaction-level reporting is required pursuant to contractual obligation) residential mortgage-backed securities, commercial mortgage-backed securities and other asset-backed securities issued on or after January 1, 2006, for which the Company provides trustee, certificate administrator, securities administration, paying agent or custodian services, as defined in the transaction agreements, excluding publicly issued securities sponsored or issued by any government sponsored entity (the "Platform"), except for servicing criteria 1122(d)(4)(iv) – 1122(d)(4)(xiv), which the Company has determined are not applicable to the activities it performs with respect to the Platform, as of and for the year ended December 31, 2016. With respect to servicing criteria 1122(d)(1)(ii), 1122(d)(1)(iii), 1122(d)(2)(iii) and 1122(d)(4)(iii), Management's Assertion of Compliance indicates that there were no activities performed during the year ended December 31, 2016 with respect to the Platform, because there were no occurrences of events that would require the Company to perform such activities. The Company has determined the following servicing criteria to be applicable only to the activities the Company performs with respect to the Platform as described below:

- Servicing criterion 1122(d)(1)(iii) is applicable only with respect to the Company's continuing obligation to act as, or locate a, successor servicer under the circumstances referred to in certain transaction agreements. It is management's interpretation that the Company has no other active back-up servicing responsibilities in regards to servicing criterion 1122(d)(1)(iii) as of and for the year ended December 31, 2016.
- Servicing criterion 1122(d)(1)(v) is applicable only to the activities the Company performs related to the mathematically accurate aggregation of information received from servicers and the accurate conveyance of such information within reports to investors.
- Servicing criterion 1122(d)(4)(iii) is applicable to the activities the Company performs with respect to the Platform only as it relates to the Company's obligation to report additions, removals or substitutions on reports to investors in accordance with the transaction agreements.

Management is responsible for the Company's compliance with the servicing criteria. Our responsibility is to express an opinion on management's assertion about the Company's compliance based on our examination.



Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the servicing criteria specified above and performing such other procedures as we considered necessary in the circumstances. Our examination included testing selected asset-backed transactions and securities that comprise the Platform, testing selected servicing activities related to the Platform, and determining whether the Company processed those selected transactions and performed those selected activities in compliance with the servicing criteria. Furthermore, our procedures were limited to the selected transactions and servicing activities performed by the Company during the period covered by this report. Our procedures were not designed to determine whether errors may have occurred either prior to or subsequent to our tests that may have affected the balances or amounts calculated or reported by the Company during the period covered by this report for the selected transactions or any other transactions. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with the servicing criteria.

In our opinion, management's assertion that the Company complied with the aforementioned servicing criteria, as of and for the year ended December 31, 2016, is fairly stated, in all material respects.

KPMG LLP

Chicago, Illinois
February 24, 2017

MANAGEMENT'S ASSERTION OF COMPLIANCE

Management of the Trust & Securities Services department of Deutsche Bank National Trust Company and Deutsche Bank Trust Company Americas (collectively the "Company") is responsible for assessing the servicing criteria set forth in Item 1122(d) of Regulation AB promulgated by the Securities and Exchange Commission to determine which criteria are applicable to the Company in respect of the servicing platform described below. Management has determined that the servicing criteria are applicable in regard to the servicing platform as of and for the period as follows:

Platform: Publicly-issued (*i.e.*, transaction-level reporting required under the Securities Exchange Act of 1934, as amended) and certain privately-issued (*i.e.*, for which transaction-level reporting is required pursuant to contractual obligation) residential mortgage-backed securities, commercial mortgage-backed securities and other asset-backed securities issued on or after January 1, 2006, for which the Company provides trustee, certificate administrator, securities administration, paying agent or custodian services, as defined in the transaction agreements, excluding publicly-issued securities sponsored or issued by any government sponsored entity (the "Platform").

Applicable Servicing Criteria: All servicing criteria set forth in Item 1122(d), to the extent required by Item 1122(d) servicing criteria in regards to the activities performed by the Company with respect to the Platform as to any transaction, except for the following criteria: 1122(d)(4)(iv) – 1122(d)(4)(xiv), which management has determined are not applicable to the activities the Company performs with respect to the Platform (the "Applicable Servicing Criteria"). With respect to Applicable Servicing Criteria 1122(d)(1)(ii), 1122(d)(1)(iii), 1122(d)(2)(iii) and 1122(d)(4)(iii) there were no activities performed during the year ended December 31, 2016 with respect to the Platform, because there were no occurrences of events that would require the Company to perform such activities.

Period: Year ended December 31, 2016 (the "Period").

Management's interpretation of Applicable Servicing Criteria: The Company's management has determined that servicing criterion 1122(d)(1)(iii) is applicable only with respect to its continuing obligation to act as, or locate a, successor servicer under the circumstances referred to in certain transaction agreements. It is management's interpretation that the Company has no other active back-up servicing responsibilities in regards to servicing criterion 1122(d)(1)(iii) as of and for the Period. The Company's management has determined that servicing criterion 1122(d)(1)(v) is applicable only to the activities the Company performs related to the mathematically accurate aggregation of information received from servicers and the accurate conveyance of such information within reports to investors. The Company's management has determined that servicing criterion 1122(d)(4)(iii) is applicable to the activities the Company performs with respect to the Platform only as it relates to the Company's obligation to report additions, removals or substitutions on reports to investors in accordance with the transaction agreements.

With respect to the Platform as of and for the Period, the Company's management provides the following assertion of compliance with respect to the Applicable Servicing Criteria:

- The Company's management is responsible for assessing the Company's compliance with the Applicable Servicing Criteria.
- The Company's management has assessed compliance with the Applicable Servicing Criteria. In making this assessment, management used the criteria set forth by the Securities and Exchange Commission in paragraph (d) of Item 1122 of Regulation AB.
- Based on such assessment, the Company has complied, in all material respects with the Applicable Servicing Criteria.

KPMG LLP, an independent registered public accounting firm, has issued an attestation report with respect to management's assertion of compliance with the Applicable Servicing Criteria as of and for the Period.

DEUTSCHE BANK NATIONAL TRUST COMPANY

By: _____

Name: David Co
Its: Director

By: _____

Name: Matt Bowen
Its: Managing Director

By: _____

Name: Kevin Fischer
Its: Director

DEUTSCHE BANK TRUST COMPANY AMERICAS

By: _____

Name: David Co
Its: Director

By: _____

Name: Jenna Kaufman
Its: Director

Dated: February 24, 2017



CenterPoint Energy Houston Electric, LLC
P.O. Box 1700
Houston, TX 77251-1700

March 27, 2017

To: The Issuer, Trustee and Rating Agencies of the CenterPoint Energy Transition Bond Company III, LLC 2008 Senior Secured Transition Bonds and the Public Utility Commission of Texas

In accordance with Section 3.04 of the Transition Property Servicing Agreement, dated as of February 12, 2008, between CenterPoint Energy Transition Bond Company III, LLC (the "Issuer") and CenterPoint Energy Houston Electric, LLC (the "Servicer"), we have enclosed the Annual Accountants' Report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert McRae".

Robert McRae
Assistant Treasurer

Enclosure for:

CenterPoint Energy Transition Bond Company III, LLC
1111 Louisiana, Suite 4689A
Houston, Texas 77002
Attn: Manager

Moody's Investors Service
Robert J. Powers
Director – Physical Document
Management Team
Robert.Powers@moodys.com

Deutsche Bank Trust Company Americas
Structured Finance Services
60 Wall Street, 16th Floor
New York, New York 10005
Attn: Michelle Hy Voon & Rosemary Cabrera

Standard & Poor's
55 Water Street
New York, New York 10041
Attn: Structured Finance (Paula Avant)
SPDatasourcing@standardandpoors.com

Fitch
One State Street Plaza
New York, New York 10004
Attn: Du Trieu
Du.Trieu@fitchratings.com

Public Utility Commission of Texas
1701 North Congress Avenue
Austin, Texas 78711
Attn: Tom Hunter, General Counsel



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Suite 4500
1111 Bagby Street
Houston, TX 77002-2591
USA

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Fax: +1 713-982-2001
www.deloitte.com

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Member of
CenterPoint Energy Houston Electric, LLC
Attention: Robert McRae, Assistant Treasurer
1111 Louisiana Street
Houston, Texas 77002

To the Member of
CenterPoint Energy Transition Bond Company III, LLC
1111 Louisiana Street
Houston, Texas 77002

Deutsche Bank Trust Company Americas
Attention: Rosemary Cabrera
c/o Structured Finance Services
60 Wall Street, 16th Floor
New York, NY 10005

We have performed the procedures enumerated below, which were agreed to by the Specified Parties (defined below), solely to assist you in evaluating CenterPoint Energy Houston Electric, LLC's (the "Company") compliance with its obligations under the Transition Property Servicing Agreement dated February 12, 2008 (the "Servicing Agreement") between the Note Issuer (defined below) and the Company. The Specified Parties consist of Deutsche Bank Trust Company Americas (the "Trustee") and CenterPoint Energy Transition Bond Company III, LLC (the "Note Issuer"). The Company's management is responsible for the Company's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with the standards established by the American Institute of Certified Public Accountants ("AICPA Standards"). The sufficiency of these procedures is solely the responsibility of the Specified Parties. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and our findings were as follows:

1. Recalculated the Company-prepared computations of the unaudited Transition Charge ("TC") for 25 customer collections selected randomly from the Residential, MGS, LGS, LOS, Non-metered lighting, and industrial rate classes billed during the collection periods January 29, 2016 through July 28, 2016 ("First Collection Period") and July 29, 2016 through January 30, 2017 ("Second Collection Period"), using the transition charge rates as set forth in Schedule 6.1.1.2.3.7 – Schedule TC3 - Transition Charges from CenterPoint Energy Houston Electric's Tariff for Retail

Delivery Service Books effective February 1, 2015 (Docket No. 44042) and February 1, 2016 (Docket No. 45484). We noted no exceptions from our procedures.

2. With respect to the Note Issuer's Semiannual Servicer's Certificates, as issued by the Company, for the First Collection Period ("July 2016 Certificate") and the Second Collection Period (January 2017 Certificate") (collectively the "Servicer's Certificates"), we performed the following procedures:
 - a. Compared the financial presentation in lines 1i - 8i on pages 1 through 3 of the Servicer's Certificates with the financial presentation specified in lines 1i - 8i of Exhibit A to the Servicing Agreement between the Note Issuer and the Servicer dated as of February 12, 2008 and found them to be in agreement.
 - b. (i) Compared the monthly remittance amounts on lines 1i - 1vii on page 1 of the Servicer's Certificates to the total of daily remittance transferred during the respective collection periods per the Company-prepared remittance schedule and found them to be in agreement. (ii) Compared the total daily remittance transfer during the respective collection periods to the Company-prepared wire transfer request for 25 randomly selected days and found them to be in agreement.
 - c. Compared the Net Earnings on General Subaccount amount on line 1viii on page 1 of the Servicer's Certificates to the Company-prepared schedules of interest collected and found them to be in agreement. Further, compared the Company-prepared schedule amounts to the respective online account queries entitled "Transaction Results" of Trustee account balances obtained from the Company and found them to be in agreement.
 - d. Confirmed the Excess Funds Subaccount balances prior to the current payment dates of August 1, 2016 and February 1, 2017 with the Trustee. Compared the confirmed balances obtained from the Trustee to the corresponding balances on line 1x on page 1 of the Servicer's Certificates and found them to be in agreement.
 - e. Confirmed the Capital Subaccount balances prior to the current payment dates of August 1, 2016 and February 1, 2017 with the Trustee. Compared the confirmed balances obtained from the Trustee to the corresponding balances on line 1xi on page 1 of the Servicer's Certificates and found them to be in agreement.
 - f. Compared the Outstanding Amounts for each tranche of transition bonds as of the Prior Payment Dates (February 1, 2016 and August 1, 2016) on lines 2i - 2ii on page 1 of the Servicer's Certificates to the corresponding amounts included in the Expected Amortization Schedule on page S-12 of the CenterPoint Energy Transition Bond Company III, LLC Prospectus Supplement dated January 29, 2008 (the "Prospectus Supplement") and found them to be in agreement.
 - g. Compared the Projected Principal Balance for each tranche of transition bonds as of the Current Payment Dates (August 1, 2016 and February 1, 2017) on lines 3i - 3ii on page 1 of the Servicer's Certificates to corresponding amounts included in the Expected Amortization Schedule on page S-12 of the Prospectus Supplement and found them to be in agreement.

- h. Recalculated the Semiannual Principal Due balance for each tranche of transition bonds on lines 3i – 3ii on page 1 of the Servicer's Certificates by subtracting the Projected Principal Balance on lines 3i – 3ii on page 1 of the Servicer's Certificates (see procedure 2.g.) from the corresponding Outstanding Amounts as of the Prior Payment Date on lines 2i – 2ii on page 1 of the Servicer's Certificates (see procedure 2.f.). We noted no exceptions. For each tranche of transition bonds, compared the recalculated amount to the corresponding Semiannual Principal Due balance and found them to be in agreement.
- i. Compared the Transition Bond Interest Rate on lines 3iv – 3v on page 1 of the Servicer's Certificates to interest rates in the table on page S-9 of the Prospectus Supplement and found them to be in agreement.
- j. Proved the arithmetic accuracy of the Days in Interest Period on lines 3iv – 3v on page 1 of the Servicer's Certificates based on a 30/360 day basis and payment dates of August 1, 2016 and February 1, 2017. We noted no exceptions.
- k. Proved the arithmetic accuracy of the Interest Due amounts on lines 3iv – 3v on page 1 of the Servicer's Certificates based on a 30/360 day basis using the Outstanding Amounts on lines 2i – 2ii on page 1 of the Servicer's Certificates (see procedure 2.f.); Transition Bond Interest Rates on lines 3iv – 3v on page 1 of the Servicer's Certificates (see procedure 2.i.); and Days in Interest Period on lines 3iv – 3v on page 1 of the Servicer's Certificates (see procedure 2.j.). We noted no exceptions.
- l. Compared the Required Level for the Capital Subaccount balances on line 3vi on page 2 of the Servicer's Certificates to corresponding amount in the description of the Capital Subaccount on page S-16 of the Prospectus Supplement and found them to be in agreement.
- m. Recalculated the Funding Required balance for the Capital Subaccount on line 3vi on page 2 of the Servicer's Certificates by subtracting the Capital Subaccount Balance as of Current Payment Date on line 1xi on page 1 of the Servicer's Certificates from the Required Level on line 3vi on page 2 of the Servicer's Certificates. We noted no exceptions.
- n. Compared the Trustee Fees and Expenses amount on line 4i on page 2 of the July 2016 Certificate to the invoice from the Trustee and found them to be in agreement.
- o. Recalculated the Servicing Fee amount on line 4ii on page 2 of the Servicer's Certificates based on the terms set forth in Section 6.07 on page 27 of the Servicing Agreement. We noted no exceptions. Compared the recalculated amount to the amount on line 4ii on page 2 of the Servicer's Certificates and found them to be in agreement.
- p. Compared the Administration Fee and Independent Managers Fee amount on line item 4iii on page 2 of the Servicer's Certificates to schedules prepared by the Company detailing total fees and reimbursable expenses for the First Collection Period and the Second Collection Period by type of service and found them to be in agreement. Compared the Administration Fee on the Company-prepared schedules to the amount included in Item 2 (Compensation) on page 3 of the Administration Agreement between the Note Issuer and the Company and found them to be in agreement. Compared the Independent Managers Fee, if any, to the amount specified in section 1(b) on page 1 of

the Services and Indemnity Agreement among Bernard J. Angelo, the Note Issuer and the Company, dated February 12, 2008 and found them to be in agreement.

- q. Obtained service invoice received by the Note Issuer from the Independent Manager during the First Collection Period and the Second Collection Period. Compared the invoice amount received from the Independent Manager for services to the corresponding amount on the Company-prepared schedules referred to in procedure 2.p. above and found them to be in agreement.
- r. Compared the Operating Expenses on line 4iv on page 2 of the Servicer's Certificates to the sum of all invoices representing operating expenses obtained from the Company and found them to be in agreement.
- s. Compared the amounts of Replenishment of Amounts Drawn from Capital Subaccount, Net Earnings in Capital Subaccount Released to issuer and Deposit to Excess Funds Subaccount on lines 4ix, 4x and 4xi, respectively, on page 2 of the Servicer's Certificates to corresponding amounts as of August 1, 2016 and February 1, 2017 in online account queries entitled "Transaction Results" of Trustee account balances obtained from the Company and found them to be in agreement.
- t. Compared the amounts of Capital Subaccount Release, Excess Funds Subaccount Withdrawal and Capital Subaccount Withdrawal on lines 5i to 5iii on page 3 of the Servicer's Certificates to corresponding amounts as of August 1, 2016 and February 1, 2017 in online account queries entitled "Transaction Results" of Trustee account balances obtained from the Company and found them to be in agreement.
- u. Confirmed the Excess Funds Subaccount balances and Capital Subaccount balances as of August 1, 2016 and February 1, 2017 (after giving effect to the payment made on the Payment Date) with the Trustee. Compared the confirmed balances obtained from the Trustee to the corresponding balances on lines 6iv and 6v on page 3 of the Servicer's Certificates and found them to be in agreement.
- v. Proved the mathematical accuracy of lines 1ix, 1xii, 2iii, 3iii, 4xiii, 5iv, 6iii and 6vi on pages 1 through 3 of the Servicer's Certificates. We noted no exceptions.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Debitte & Touche LLP

March 27, 2017

INDEPENDENT ACCOUNTANTS' REPORT

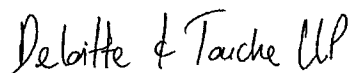
To the Member of
CenterPoint Energy Houston Electric, LLC
Houston, Texas

We have examined the compliance of CenterPoint Energy Houston Electric, LLC (the "Company") with the servicing criteria set forth in Item 1122(d) of the Securities and Exchange Commission's Regulation AB applicable for the \$488 million original principal amount of CenterPoint Energy Transition Bond Company III, LLC's transition bonds (the "2008 Senior Secured Transition Bonds"), as of and for the year ended December 31, 2016, excluding criteria 1122(d)(1)(ii) (outsourcing), (1)(iii) (back-up servicing), (1)(iv) (fidelity bond), (2)(ii) (wire transfer disbursements), (2)(vi) (unissued checks), (3)(ii) (allocation and remittance), (3)(iii) (disbursements to investors), (4)(iii) (additions, removals or substitutions), (4)(v) (records regarding pool assets), (4)(ix) (adjustments to interest rates), (4)(xi) (payments on behalf of obligors), (4)(xii) (late payment penalties), (4)(xiii) (obligor disbursements), and (4)(xv) (external credit enhancement), which management has determined are not applicable to the activities performed by the Company with respect to the 2008 Senior Secured Transition Bonds. Management is responsible for the Company's compliance with the applicable servicing criteria. Our responsibility is to express an opinion on the Company's compliance with the applicable servicing criteria based on our examination.

Our examination was conducted in accordance with the standards of the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the applicable servicing criteria, including tests, on a sample basis, of the servicing activities related to the 2008 Senior Secured Transition Bonds, determining whether the Company performed those selected activities in compliance with the applicable servicing criteria during the specified period, and performing such other procedures as we considered necessary in the circumstances. Further, an examination is not designed to detect noncompliance arising from errors that may have occurred prior to the period specified above that may have affected the balances or amounts calculated or reported by the Company during the period covered by this report. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Company's compliance with the applicable servicing criteria.

In our opinion, management's assertion that the Company complied with the aforementioned applicable servicing criteria for the 2008 Senior Secured Transition Bonds as of and for the year ended December 31, 2016, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Company, CenterPoint Energy Transition Bond Company III, LLC, the Member of CenterPoint Energy Houston Electric, LLC, the bond holders of the 2008 Senior Secured Transition Bonds and their independent auditors for their evaluation of the Company's compliance with the applicable servicing criteria, and is not intended to be and should not be used by anyone other than these specified parties.



March 27, 2017



CenterPoint Energy Houston Electric, LLC
P.O. Box 1700
Houston, TX 77251-1700

March 27, 2017

CenterPoint Energy Transition Bond Company III, LLC
1111 Louisiana, Suite 4689A
Houston, Texas 77002
Attn: Manager

Deutsche Bank Trust Company Americas
Structured Finance Services
60 Wall Street, 16th Floor
New York, New York 10005
Attn: Michelle Hy Voon
Rosemary Cabrera

Public Utility Commission of Texas
1701 N. Congress Avenue
Austin, Texas 78711-3326
Attn: Exec Director and General Counsel

Ladies/Gentlemen:

In accordance with Section 5.02(a) of the Transition Property Servicing Agreement, dated as of February 12, 2008 ("Agreement"), between CenterPoint Energy Transition Bond Company III, LLC ("Issuer") and CenterPoint Energy Houston Electric, LLC ("Servicer"), we have enclosed a copy of the Servicer's audit report dated March 2017, with respect to the Transition Property Documentation and the related accounts, records and computer systems.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert McRae".

Robert McRae
Assistant Treasurer

Enclosure



2016 CenterPoint Energy Houston Electric, LLC Bond Companies Compliance Review

CenterPoint Energy, Inc.

March 2017

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Executive summary

At the request of CenterPoint Energy, Inc. (CNP) Audit Services, KPMG LLP (KPMG) performed a compliance review of the CenterPoint Energy Houston Electric, LLC (CEHE) Bond Companies. This report summarizes the scope and results of the work performed.

Overview

Pursuant to the Texas Electric Restructuring Law enacted in 1999, a special purpose subsidiary of a sponsoring utility may issue transition bonds to enable the utility to recover certain stranded costs and regulatory assets. Texas legislation adopted in April 2009 allows utilities to also issue system restoration bonds to recover system restoration costs for severe weather and natural disasters.

A specific tariff is charged to Retail Electric Providers (REPs) to support principal and interest payments on transition and system restoration bonds. These tariff charges, once authorized by the Public Utility Commission of Texas (PUCT) under a financing order, are binding, irrevocable, and cannot be reduced, altered, or impaired, except for annual and interim true-up adjustments. Due to their structure, these bonds receive a triple A (AAA) rating and can be sold at a lower interest rate than the traditional debt issued by CEHE. The bond companies are bankruptcy remote entities, and the bonds issued are non-recourse to CEHE and CNP. Below is a summary of the four bond companies and their approximate outstanding principal as detailed in the latest Semiannual Servicer's Certificate.

Bond Company	Senior Secured Bond Descriptions (Issuance / Certificate)	Bond Issue Amount	Approximate Outstanding Principal as of 12/31/2016
CenterPoint Energy Transition Bond Company II, LLC (TBC II)	Series A Transition Bonds (December 2005 / February 2017)	\$1,851,000,000	\$583,240,531
CenterPoint Energy Transition Bond Company III, LLC (TBC III)	2008 Senior Secured Transition Bonds (February 2008 / February 2017)	\$488,472,000	\$187,256,722
CenterPoint Energy Restoration Bond Company, LLC (RBC)	Senior Secured System Restoration Bonds (November 2009 / February 2017)	\$664,859,000	\$364,492,158
CenterPoint Energy Transition Bond Company IV, LLC (TBC IV)	2012 Senior Secured Transition Bonds (January 2012 / October 2016)	\$1,695,000,000	\$1,147,737,499

The transition and system restoration bond companies are consolidated with CNP for financial reporting purposes; therefore, the transition and system restoration bond debt is reflected on the consolidated balance sheet of CNP.

The U.S. Securities and Exchange Commission (SEC) Regulation AB provides disclosure guidance for Securities Act of 1933 and Exchange Act of 1934 filing requirements involving asset-backed securities offerings. These requirements include an annual servicing assertion and accountant's attestation report due at the end of March. CenterPoint Energy Transition Bond Company III, LLC (TBC III), CenterPoint Energy Transition Bond Company IV, LLC (TBC IV), and Restoration Bond Company (RBC) are subject to Regulation AB. As the servicer for all four bond companies per the financing orders, CEHE is responsible for billing, collecting and adjusting transition and system restoration charges imposed pursuant to tariff rate schedules.

Objectives and scope

The primary objectives of the review were to:

- Assess CEHE's compliance with the servicing requirements set forth in the servicing agreements relating to bonds issued by TBC II, TBC III, TBC IV, and RBC; and
- Assess CEHE's compliance with the servicing criteria set forth in Item 1122(d) of Regulation AB for the three series of bonds subject to Regulation AB.

The scope of the compliance review included determining if CEHE conducted the following in accordance with Regulation AB servicer criteria and respective servicing agreements:

- Administration of pool assets,
- Cash collections and administration,
- Reporting and annual compliance, and
- Monitoring processes.

Period Covered: The audit period was January 1, 2016 through December 31, 2016.

Results and conclusions

Based on the procedures performed, CEHE complied with the servicing requirements set forth in the servicing agreements of the four bond companies and the Regulation AB servicer criteria. No reportable observations were identified during the review.

CNP categorizes compliance reviews as Generally Compliant or Non-Compliant. This review is categorized as **Generally Compliant**. A compliance review is categorized as Generally Compliant when the results of the audit indicate that there is reasonable conformity to the regulatory requirements. Improvement opportunities identified are minor in nature and may aid in enhancing the compliance environment and/or strengthening the control environment.