

II. SERVICES OFFERED.

Exhibit I to the Agreement lists and describes the services that may be available from ServiceCo. ServiceCo offers to supply those services to each Recipient that is a party to the Agreement. The services, excluding governmental or compliance, are and will be provided to Recipient only at the request of Recipient. From time to time, the parties may identify additional services that ServiceCo may provide to Recipients under this Agreement. ServiceCo will consult with Recipients to delineate the scope and terms of additional services that may be offered.

The services offered may be further described in Service Level Agreements that define performance metrics or standards and other procedures and requirements with respect to the provision of a particular category of services. To the extent a category of service is more fully described in a Service Level Agreement, it is incorporated into this Agreement by reference.

ServiceCo shall maintain sufficient resources to perform its obligations under this Agreement and shall perform its obligations in a commercially reasonable manner. If no specific performance metrics for the provision of a service are established, ServiceCo shall provide the service exercising the same care and skill as it exercises in performing similar services for itself.

If a Recipient requests the level at which any service to be provided to be scaled up to a level in excess of the level in effect during the prior twelve months, Recipient shall give ServiceCo such advance notice as it may reasonably require sufficient to make any necessary preparations to perform such services on the scaled up or modified basis. The level of a service shall be considered scaled up if providing the service at the proposed level involves an increase in personnel, equipment or other resources that is not de minimis and is not reasonably embraced by the agreed definition and scope of that service prior to the proposed increase. The Recipient will be responsible for any additional costs associated with such "scaled-up" services.

III. SERVICES SELECTED

A. Initial Selection of Services.

Each Recipient shall designate on Exhibit II to the Agreement the services that it agrees to receive from ServiceCo. Designation may also be in the form of an opt-out where each company agrees to receive all services from ServiceCo except those specifically enumerated in Exhibit II.

B. Annual Selection of Services.

ServiceCo shall send an annual service proposal form to each Recipient on or about July 1 listing services proposed for the next fiscal year. By August 31, Recipient shall notify ServiceCo of the services it has elected to receive during the next fiscal year.

C. Additional Services

Each Recipient shall designate on Exhibit II to the Agreement, an amendment for additional services offered/requested from ServiceCo.

D. Responsibility for Services.

ServiceCo's sole responsibility to Recipient for errors or omissions in services shall be to furnish correct information and/or adjustments in the services, at no additional cost or expense to Recipient; provided, Recipient must promptly advise ServiceCo of any such error or omission of which it becomes aware after having used reasonable efforts to detect any such errors or omissions. In no event shall ServiceCo have any liability under this Agreement or otherwise arising out of or resulting from the performance of, or the failure to perform, services for loss of anticipated profits by reason of any business interruption, facility shutdown or non-operation, loss of data or otherwise or for any incidental, indirect, special or consequential damages, whether or not caused by or resulting from negligence, including gross negligence, or breach of obligations hereunder and whether or not Recipient was informed of the possibility of the existence of such damages.

IV. PERSONNEL

ServiceCo will provide services by using the services of executives, accountants, financial advisers, technical advisers, attorneys, engineers and other persons with the necessary qualifications.

If necessary, ServiceCo, after consultation with Recipient, may also arrange for the services of affiliated or unaffiliated experts, consultants, attorneys and others in connection with the performance of any of the services supplied under this Agreement. ServiceCo also may serve as administrative agent, arranging and monitoring services provided by third parties to Recipient, whether such services are billed directly to Recipient or through ServiceCo.

ServiceCo may contract for the services of certain employees of other subsidiaries or affiliates of CenterPoint for the purpose of staffing its service operations.

V. COMPENSATION AND ALLOCATION

A. Basis for Charges.

Unless otherwise specifically agreed between ServiceCo and a Recipient, ServiceCo will provide such services at cost allocated on a fair, nondiscriminatory basis. The parties shall use good faith efforts to discuss any situation in which the actual charge for a service is reasonably expected to exceed the estimated charge, if any, set forth in a Service Level Agreement, provided, however, that charges incurred in excess of any such estimate shall not justify stopping the provision of, or payment for, services under this Agreement. ServiceCo shall establish its charges based on the following principles:

1. The price charged for each service or product will be the same as that charged any other CenterPoint business unit for like services or products at like volumes for a given period;

2. Amounts charged for items not allowed for recovery in regulated rates will be identified and billed separately to allow the rate regulated entity to report the cost as required (e.g. legislative advocacy expenses);

3. The price charged for each service or product shall reflect only those costs, including labor, incurred by ServiceCo, either directly or indirectly (including return on and of any assets owned by ServiceCo), which are reasonable and necessary to provide such service or product; and

4. To the extent the price charged for each service or product reflects an allocation of costs incurred, ServiceCo will endeavor to ensure that such allocation reasonably approximates the actual costs incurred in providing that service or product.

B. Adjustments to Charges During a Year.

The parties recognize that the charges for services and products may depend on market conditions and on the quantities of services or products taken and that the pricing established under a Service Level Agreement reflects the quantities Recipient has stated it expects to use or consume over the course of the year, or where no specific quantities have been established, the pricing reflects the quantities that Recipient has consumed or contracted for in a prior year. During the course of the year, Recipient will make reasonable effort to inform ServiceCo of expected changes in the volumes and patterns of Recipient's consumption of services and products, and ServiceCo will make reasonable efforts to maintain the pricing stated in the Service Level Agreement or a client billing plan reflecting Service Level Agreement charges. However, charges for services and products may require residual clearings at the end of a period to adjust the billings for the actual costs and/or volumes of services and products utilized.

If, during the course of the year, Recipient foresees the need to substantially reduce or terminate its use of a certain service or consumption of a certain product, it shall promptly notify ServiceCo of the expected reduction or termination. ServiceCo shall promptly prepare a new term sheet under the affected Service Level Agreement and/or a special billing to reflect changes in cost caused by the reduction or termination. In the event Recipient disagrees with the new pricing and/or special billing, the dispute shall be resolved in accordance with Section IX of this Agreement.

If ServiceCo foresees the need to substantially alter the nature of or to terminate offering a certain service or product, or if pricing for a service or product must be significantly revised due to market conditions or unexpected increases in costs, ServiceCo shall promptly notify Recipient of the expected alteration, termination or increase in pricing. ServiceCo shall prepare a new term sheet under the affected Service Level Agreement and/or a special billing to reflect the costs or savings incurred due to the alteration or termination or the increase in costs ServiceCo

will incur. If Recipient disagrees with the new pricing and/or special billing, the dispute shall be resolved in accordance with the dispute resolution process under Section VIII of this Agreement.

VI. TAXES

Recipient shall bear all taxes, duties and other similar charges (and any related interest and penalties), imposed as a result of its receipt of services under this Agreement, including any tax which Recipient is required to withhold or deduct from payments to ServiceCo. ServiceCo may collect from Recipient any sales, use and similar taxes imposed on the provision of services and shall pay such tax to the appropriate governmental or taxing authority.

VII. BILLING

Charges will be rendered during the first week of each month covering amounts incurred during the prior month. Charges will be based on actual amounts paid. If allocations are required, they may be based on estimated values based on estimates in budget plans for the relevant values. Estimated amounts may be adjusted on subsequent charges either in a subsequent month or at the end of the year. Residual amounts will be cleared monthly based on the annual plan. Monthly charges are due upon receipt and will be paid automatically through the intercompany pay run.

ServiceCo's billing system will use the system of accounts prescribed under policies and procedures of CenterPoint, which shall be designed to comply with applicable regulatory requirements in the jurisdictions in which regulated Recipients operate. ServiceCo will support its charges with reasonable documentation (which may be maintained in electronic form). ServiceCo will make adjustments to charges as required to reflect the discovery of errors or omissions in the charges.

VIII. TERMINATION AND MODIFICATION

A. Modification of Services.

Recipient may modify its selection of services at any time during the fiscal year by giving ServiceCo written notice sixty (60) days in advance for the additional services it wishes to receive, and/or the services it no longer wishes to receive, from ServiceCo. ServiceCo will attempt to mitigate costs but the Recipient will be responsible for any remaining costs as a result of its modification of services.

B. Modification of Other Terms and Conditions.

No other amendment, change or modification of this Agreement shall be valid, unless made in writing and signed by all parties hereto.

C. Termination of this Agreement.

Recipient may terminate this Agreement with ServiceCo by providing sixty (60) days advance written notice of such termination to ServiceCo. ServiceCo may terminate this Agreement as to Recipient by providing sixty (60) days advance written notice of such termination to Recipient. ServiceCo will attempt to mitigate costs but the Recipient will be responsible for any remaining costs as a result of its termination of the Agreement.

This Agreement is subject to termination or modification at any time to the extent its performance may conflict with the provisions of applicable law or rules or regulation. This Agreement shall be subject to the approval of any state commission or other state regulatory body whose approval is, by the laws of said state, a legal prerequisite to the execution and delivery or the performance of this Agreement.

IX. DISPUTE RESOLUTION

From time to time, disputes may arise regarding the services and products provided by ServiceCo. The employees of Recipient and the employees of ServiceCo are encouraged to resolve those disputes on an informal basis in as timely a manner as possible, and ServiceCo agrees, upon reasonable request, to provide access to relevant books and records. However, if during the course of the year a dispute arises as to the scope of any service or the nature of any product, the delivery terms, the related performance metrics and standards, or the price for any service or product which cannot be resolved on an informal basis, Recipient and ServiceCo will resolve the dispute using the following procedures:

A. A supervisor or manager of Recipient who is responsible for the use of the service or the consumption of the product about which there is a dispute will notify in writing, or by email, a supervisor or manager of ServiceCo who is responsible for providing the service or product of the nature of the dispute, including specific examples of problems or failures which gave rise to the dispute. The supervisor or manager of Recipient shall also present a proposed resolution of the dispute and propose a date and time for a meeting to resolve the dispute. The supervisor or manager of ServiceCo shall acknowledge in writing, or by email, his or her receipt of the notice of the dispute and agree to the meeting, suggest an alternative date and time for the meeting proposed by the supervisor or manager of Recipient, or contact the supervisor or manager of Recipient to schedule a meeting date and time that the two may agree upon.

B. The supervisor or manager of Recipient and the supervisor or manager of ServiceCo may meet as often as both agree is necessary to resolve the complaint, and their meeting or meetings may include such other employees as may be helpful in resolving the dispute. If after such meeting or meetings, but in no event later than thirty days after the initial notice of the dispute was given, the supervisor or manager of Recipient and the supervisor or manager of ServiceCo are unable to resolve the dispute, the dispute shall be referred to the appropriate executive of Recipient and an executive of ServiceCo for resolution.

C. The executive of Recipient and the executive of ServiceCo shall meet at a date and time or dates and times they mutually agree upon. Such meetings or meetings may include any

employees either executive believes will be helpful in resolving the dispute. If, after such meeting or meetings, the executive of Recipient and the executive of ServiceCo reasonably believe they cannot resolve the dispute, the dispute shall be referred to the most senior executives of Recipient and of ServiceCo for resolution in accordance with whatever procedures senior management may establish.

X. NOTICE

Where written notice is required by this Agreement, said notice shall be deemed given when delivered in person, by electronic mail, or when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed, if to ServiceCo, to the Chief Accounting Officer and, if to Recipient, to its President at the address listed on the most recent Exhibit II received by ServiceCo.

XI. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to its conflict of laws provisions.

XII. ENTIRE AGREEMENT

This Agreement, together with its exhibits and any Service Level Agreements incorporated into this Agreement pursuant to Section II, constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof and thereto, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and cancelled in their entirety and of no further force or effect.

XIII. WAIVER

No waiver by any party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

XIV. ASSIGNMENT

This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns. No assignment of this Agreement or any party's rights, interests or obligations hereunder may be made without the other party's consent, which shall not be unreasonably withheld, delayed or conditioned.

XV. SEVERABILITY

If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above mentioned.

By Recipient:

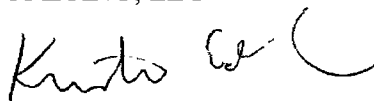
CENTERPOINT ENERGY
ELECTRIC OPERATIONS



Tracy Bridge
EVP & President Electric Division

By ServiceCo:

CENTERPOINT ENERGY SERVICE
COMPANY, LLC



Kristie Colvin
SR VP & Chief Accounting Officer

EXHIBIT I

COST ACCUMULATION AND ASSIGNMENT, ALLOCATION METHODS, AND DESCRIPTION OF SERVICES OFFERED BY SERVICECO TO RECIPIENT

This document sets forth the methodologies used to accumulate the costs of services that may be performed by ServiceCo and to assign or allocate such costs to other subsidiaries and business units within the CenterPoint registered holding company system that receive services from ServiceCo.

Cost of Services Performed

ServiceCo shall maintain an accounting system that enables costs to be identified by Cost Center, Account Number or Capital Project ("Account Codes"). The primary inputs to the accounting system shall be payroll records for ServiceCo's employees, accounts payable transactions and journal entries. Charges for labor shall be made at the employees' effective hourly rate, including the cost of pensions, other employee benefits and payroll taxes. To the extent practicable, costs of services shall be directly assigned to the applicable Account Codes. The full cost of providing services shall also include certain indirect costs, e.g., departmental overheads, administrative and general costs, and taxes. Indirect costs shall be associated with the services performed in proportion to the directly assigned costs of the services or other relevant cost allocators.

Internal Audit Services, under the direction of the Vice President of Audit Services, will conduct periodic reviews of ServiceCo's business processes and systems to ensure that the services provided are properly documented and charged to the CenterPoint Companies on an appropriate basis.

ServiceCo will review its costs for competitiveness periodically. Benchmarking and other measurement techniques will be used to the extent deemed appropriate by senior management. Results are available to the CenterPoint Companies to allow them to evaluate cost effectiveness and assess alternate options.

Cost Assignment and Allocation

ServiceCo's costs shall be directly assigned, distributed or allocated to Recipients in the manner described below:

1. Costs accumulated in Cost Centers for services specifically performed for a single Recipient shall be directly assigned or charged to such Recipient (Direct Billed);
2. Costs accumulated in Cost Centers for services specifically performed for two or more Recipients shall be distributed among and charged to such Recipients using methods determined on a case-by-case basis consistent with the nature of the work performed and based on one of the allocation methods described below; and

3. Costs accumulated in Cost Centers for services of a general nature which are applicable to all Recipients or to a class or classes of Recipients shall be allocated among or charged to such Recipients by application of one or more of the allocation methods described below.

Allocation Methods

The following methods shall be applied, as indicated in the Description of Services section that follows, to allocate costs for services of a general nature.

1. Operating Expense – A ratio based on operating expense minus fuel. This ratio initially will be determined based on the annual plan operating expense and will be adjusted for any known and reasonably quantifiable events throughout the year. The ratio will be adjusted at the beginning of each quarter based on actual operating expense for the year-to-date period and the plan for the remaining months.

2. Total Assets Ratio – A ratio based on the total assets minus investments in subsidiaries, goodwill, gas payables, short-term and long-term non-trading derivatives, short-term and long-term regulated liabilities, and stranded costs and other true-up related regulatory assets. This ratio will be determined based on twelve month average of actual assets and will be adjusted for any known and reasonably quantifiable events at the beginning of each quarter.

3. Head Count – A ratio based on active and retiree headcount. This ratio will be determined annually based on annual plan head count and will be adjusted to actual and for any known and reasonably quantifiable events at the beginning of each quarter.

4. Direct Labor – This factor is determined based on the actual unit/hours utilized by the applicable Recipients. This factor will be determined annually based on unit/hours utilized at the end of the previous fiscal year and may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes. ServiceCo employees shall keep time records to support labor charged as described in the Service Company Cost Allocation Manuals to separately identify goods and services performed for CenterPoint Companies. Cost objects to which time entries relate will be identified in the timekeeping system, and costs associated with those time entries will be charged to the appropriate cost objects through SAP billings.

5. Client Unit Usage – This factor is determined based on the actual unit/usage utilized by the applicable Recipients. This factor will be determined annually based on units/usage utilized at the end of the previous fiscal year and may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes. Direct management oversight of client unit usage services will be allocated in proportion to the billings of those services.

6. Square Footage – This factor will be determined based on actual square footage used by the applicable Recipients. This factor will be determined annually based on square footage

utilized at the end of the previous fiscal year and may be adjusted for any known and reasonably quantifiable events, or at such time as may be required due to significant changes.

7. Composite Ratio – This ratio will be determined annually based on gross margin, employees, and assets, and will be adjusted at the beginning of each quarter, following each individual method adjustment listed above and for any known and reasonably quantifiable events.

8. Cross Charges – The cost of services provided to functional areas within ServiceCo will be allocated to CenterPoint Companies in proportion to the billings of the functional areas being supported.

Description of Services

A description of each of the services performed by ServiceCo, which may be modified from time to time, is presented below. As discussed above, where identifiable, costs will be directly assigned or distributed to Recipients. For costs accumulated in Cost Centers which are for services of a general nature that cannot be directly assigned or distributed, the method or methods of allocation are also set forth. Substitution or changes may be made in the methods of allocation hereinafter specified, as may be appropriate.

1. Accounting Services

ServiceCo may provide various services to Recipients including corporate accounting and reporting, gas cost accounting, bank reconciliation and escheat processing/reporting, corporate tax, general ledger maintenance and all accounting record keeping, guidance regarding adoption and application of accounting policies, risk oversight and financial reporting for SEC, regulatory and other purposes, financial accounting system processes and support to rate and other regulatory proceedings. As appropriate and where it would not result in duplication of functions, each Recipient may also maintain its own corporate and accounting group and engage ServiceCo to provide advice and assistance on accounting matters, including the development of accounting practices, procedures and controls, the preparation and analysis of financial reports and the filing of financial reports with regulatory bodies, on a system-wide basis. Costs of a general nature may be allocated using the Operating Expense Ratio, Composite Ratio or Direct Billed.

2. Audit Services

ServiceCo may conduct periodic audits of administration and accounting processes. Audits would include examinations of Recipients' service agreements, accounting systems, source documents, allocation methods and billings to assure proper authorization and accounting for services. Costs of a general nature may be allocated using the Composite Ratio.

3. Finance

ServiceCo may provide various services to Recipients including budgeting, credit, risk control, treasury, risk management (insurance), strategic planning, financing, investments, money pool administration and cash management. ServiceCo also will provide investor relations

services to provide information to the investment community regarding CenterPoint and its subsidiaries and will provide stock transfer agent services to holders of its securities. Services to associate companies will generally be allocated using the Total Assets Ratio, Operating Expense Ratio, Composite Ratio, or Direct Billed.

4. Legal

Legal Services

ServiceCo may provide various legal services, records management, administration of CenterPoint's corporate compliance program and general legal oversight, as well as corporate secretarial functions and filing of reports under securities laws for the benefit of Recipients. Costs of a general nature may be allocated using the Operating Expense Ratio, Composite Ratio, Head Count Ratio, or Direct Billed.

Government Affairs

Government Affairs will develop strategy for legislative and other governmental initiatives and monitor activities affecting the Company in state and federal legislative arenas. Recipients may maintain individual Governmental Affairs units to support regional activities. Costs of a general nature may be allocated using the Total Asset Ratio, Composite Ratio, or Direct Billed.

Regulatory

Regulatory may provide support to Recipients in developing policy for regulatory strategy, and support for litigation and regulatory proceedings. Recipients may maintain individual Regulatory units to support regional activities. Costs of a general nature may be allocated using the Composite Ratio or Direct Billed.

5. Human Resources

Human Resources

ServiceCo may assist Recipients in developing policy and planning for total compensation plans, workforce planning and training, employee relations policies and programs, recruiting, and in training personnel in a coordinated manner throughout the CenterPoint system companies. It will also design and provide administration for corporate welfare and benefit plans, including pension plans and executive benefits, and support for the negotiation of labor contracts for the CenterPoint system companies. ServiceCo will provide corporate oversight for health and safety services for CenterPoint and its system companies to comply with government regulations. Each Recipient may maintain a human resources group to handle the individualized application of policies and programs. Costs of a general nature may be allocated using the Head Count Ratio. Costs of providing employee and executive benefits will be allocated directly to Recipient based on costs incurred for its employees and retirees, and any costs of a general nature which are not otherwise recovered, such as through payroll burden charges, may be allocated using the Head Count Ratio, Composite Ratio, or Direct Billed.

Corporate Communications & Community Relations

ServiceCo will provide media relations support and various internal communications to its employees. They will facilitate meaningful relationships with local government and community entities. Costs of a general nature may be allocated using the Total Assets Ratio, Composite Ratio, Head Count Ratio, or Direct Billed.

6. Executive

ServiceCo will provide the executive staff to provide executive management and governance for CenterPoint, including supplying personnel to serve on boards of directors of CenterPoint system companies, and will assist Recipients in formulating and executing general plans and policies, including operations, issuance of securities, appointment of executive personnel, budgets and financing plans, expansion of services, acquisitions and dispositions of property, public relations and other related matters. The executive staff will oversee any corporate aircraft, the costs of which will not be allocated to Recipients except in connection with direct costs of flights on behalf of a Recipient. Costs of a general nature may be allocated using the Composite Ratio or Direct Billed.

7. Technology Operations

ServiceCo may provide Recipients with the following services: Enterprise Computing, Telecommunications, Technical Solutions, SAP Production Support, Technology Support services, Access Security and Project Services. Costs are billed to Recipients based on various metrics (e.g., CPU second, billable hour, phone line, login ID) or cost allocations (e.g., headcount, operating expenses and direct dollars billed).

Enterprise Computing

Mainframe CPU
Infrastructure Storage
Unix Client Specific

Methodology

Client Unit Usage
Client Unit Usage
Client Unit Usage

Telecommunications

Telephony/VoIP Services
Voice Services – MAC

Methodology

Client Unit Usage
Client Unit Usage

Technical Solutions

Methodology: Client Unit Usage

SAP Production Support – Applications/Infrastructure

Methodology: Headcount and Operating Expense

Technology Support Services

Desktop Support Services

Methodology

Client Unit Usage

LAN Client Specific
Technology Service Desk
Multifunction Device Management

Client Unit Usage
Client Unit Usage
Client Unit Usage

8. Regulated Operations

Customer Operations

Provide clients with call center support for handling customer billing, service requests, inquiries and complaints. It also includes the processing of claims, credit and collections, customer care, and marketing and sales services. Costs for Customer Services are generally allocated on unit usage (e.g. number of customers, call minutes).

Environmental Services

Support internal clients with respect to compliance with local, state and federal regulations, tracking regulatory and legislative issues and evaluating impacts on company operations. Costs for Environmental Services are allocated on customer count and planned activity.

Safety & Technical Training

Provide oversight to support a culture of safety through education, expanded employee participation, and an increased emphasis on the safety of our employees, contractors, systems and the public by unifying our enterprise safety and technical training practices. Costs for Safety & Technical Training are allocated using the Head Count Ratio.

Marketing Communications

ServiceCo may assist Recipients to develop and support branding and corporate promotions, advertising and brand equity. Individually, Recipients may maintain independent marketing personnel to handle the day-to-day details of marketing campaigns. Costs of a general nature may be allocated using the Total Assets Ratio, Composite Ratio, Head Count Ratio, or Direct Billed.

9. Financial Services

Provide check disbursements, OnePay compliance, electric billing, accounts payable, invoice scanning, and remittance processing services. Costs for Financial Services are generally allocated based on client unit usage (e.g., number of payments processed, transactions, checks, billable hours). Costs of a general nature may be allocated using the Composite Ratio.

10. Business & Operations Support

Real Estate and Facilities Management

Provide clients with general operating maintenance, administrative and management duties for building operations, including project management services for facility-

related projects and furniture usage. Costs for Facilities Management not directly assignable are allocated based on the square footage utilized.

Corporate Security

Provide physical security measures for the protection of personnel and assets, including security and security monitoring for managed properties, security assessments and internal investigations. Costs of providing security services will be directly charged to business units based on the actual services used.

Office Support Services

Provide clients with copying, mailing, forms design functionality, and printing. This service also includes records management and managing office supplies, forms and assistance with Corporate Travel. Costs for Office Support Services are generally allocated based on client unit usage (e.g., number of forms, mail pieces, billable hours, direct dollars spent). These costs are allocated on a per unit charge that is determined by dividing (a) the total anticipated charges for providing this service to all customers during the year by (b) the estimated volume of items to be processed (e.g., number of pieces of mail handled, number of record boxes stored, direct dollar spend, etc.). Clients are billed based on the actual number of units used, with adjustments made for variances in total costs incurred or volume handled.

Purchasing & Logistics

Provide clients with procurement and investment recovery services. This service may also provide Recipients with oversight of logistics operations. Costs for purchasing and logistics are generally allocated based on client unit usage (e.g., number of transactions, billable hours, or managed dollars.).

Fleet Services

Provide clients with management, administration and support of all vehicles, motorized equipment and fleet inventory including purchasing, fuel, maintenance and disposal activities. Costs are assigned based on the total fleet dollars managed.

Administration and Continuous Improvement

Provide B&OS management oversight and general activities and costs associated with the identifying, creating and maintaining common processes between Strategic Business Units and internal Partners. Costs are assigned based on operating expense (less fuel).

11. Properties

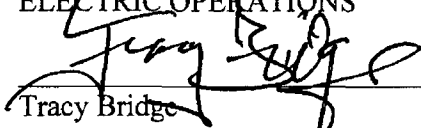
Properties provides clients at CenterPoint Tower and ECDC with building operations, furniture and base rent services. The cost for services is allocated based on square footage utilized.

EXHIBIT II

AGREED UPON SERVICES TO BE RECEIVED FROM SERVICECO

SERVICES	YES	NO
1. Accounting Services	<u> X </u>	_____
2. Audit Services	<u> X </u>	_____
3. Finance	<u> X </u>	_____
4. Legal		
i. Legal Services	<u> X </u>	_____
ii. Government Affairs	<u> X </u>	_____
iii. Regulatory	<u> X </u>	_____
5. Human Resources		
i. Human Resources	<u> X </u>	_____
ii. Corporate Communications & Community Relations	<u> X </u>	_____
6. Executive	<u> X </u>	_____
7. Technology Operations	<u> X </u>	_____
8. Regulated Operations		
i. Customer Operations	<u> X </u>	_____
ii. Environmental Services	<u> X </u>	_____
iii. Safety & Technical Training	<u> X </u>	_____
iv. Marketing Communications	<u> X </u>	_____
9. Financial Services	<u> X </u>	_____
10. Business Operations & Support Services		
i. Real Estate & Facilities Management	<u> X </u>	_____
ii. Corporate Security	<u> X </u>	_____
iii. Office Support Services	<u> X </u>	_____
iv. Purchasing & Logistics	<u> X </u>	_____
v. Fleet Services	<u> X </u>	_____
vi. Administration and Continuous Improvement	<u> X </u>	_____
11. Properties	<u> X </u>	_____
12. Other	_____	_____
[Describe]		

By Recipient:
CENTERPOINT ENERGY
ELECTRIC OPERATIONS



Tracy Bridge
EVP & President Electric Division

1111 LOUISIANA ST.
HOUSTON, TEXAS 77002
Address

Total	Annual Plan			100%
	Expense	Capital	Total	
	217,184,651	40,251,120	257,435,771	

Service Providers		Expense	Capital	Total	
Communication & Community Relations	Direct	4,330,683		4,330,683	
	Governance	115,806		115,806	
	Support Services	1,264,285		1,264,285	
	XCharges	526,152		526,152	
Communication & Comm Relations Total		6,236,926	-	6,236,926	2%
Finance	Direct	4,837,840	1,108,425	5,946,265	
	Governance	18,379,841		18,379,841	
	Support Services	1,626,582		1,626,582	
	XCharges	3,623,628		3,623,628	
Finance Total		28,467,890	1,108,425	29,576,316	11%
Human Resources	Direct	31,012		31,012	
	Governance	15,757,347		15,757,347	
	Support Services	7,338,086		7,338,086	
	XCharges	840,952		840,952	
Human Resources Total		23,967,397	-	23,967,397	9%
Legal & Audit	Direct	4,350,110	2,498,349	6,848,459	
	Governance	8,442,826		8,442,826	
	Support Services	1,632,881		1,632,881	
	XCharges	572,993		572,993	
Legal & Audit Total		14,998,809	2,498,349	17,497,159	7%
Government Affairs	Direct	4,939,290		4,939,290	
	Governance	5,483		5,483	
Government Affairs Total		4,944,772	-	4,944,772	2%
Regulatory	Direct	4,935,555	300,000	5,235,555	
	Governance	-			
	XCharges	595,709		595,709	
Regulatory Total		5,531,263	300,000	5,235,555	2%
Sr Exec. Management	Governance	2,547,226		2,547,226	
	XCharges	49,575		49,575	
Sr Exec. Management Total		2,596,801	-	2,596,801	1%
Business & Operations Support	Facilities Management	1,616,441	387,129	2,003,570	
	Office Support Services	285,608		285,608	
	Purchasing Services	1,196,285		1,196,285	
	Security Services	1,748,637		1,748,637	
	Fleet Admin & Support	1,031,523		1,031,523	
	Other	107,359		107,359	
	Governance	769,093		769,093	
	XCharges	1,152,578		1,152,578	
Business & Operations Support Total		7,907,524	387,129	8,294,653	3%
Technology Operations	End User Computing	27,886,662		27,886,662	
	Enterprise Computing	10,635,252		10,635,252	
	Telecommunications	2,923,797		2,923,797	
	Programming/Applications	41,873,692	35,748,768	77,622,460	
	Management Oversight/Security/X-Charges	8,494,393		8,494,393	
Technology Operations Total		91,813,797	35,748,768	127,562,565	50%
Properties	Building/Furniture Rent	10,464,644	-	10,464,644	
	Furn/Equip Rent/Lease	704,705		704,705	
Properties Total		11,169,349	-	11,169,349	4%
Regulated Operations	Governance	3,306,864		3,306,864	
	Direct	14,042,698	208,448	14,251,147	
	XCharges	2,200,560		2,200,560	
Regulated Operations Total		19,550,123	208,448	19,758,571	8%
Corporate		86,743,859	3,906,775	90,054,925	35%
Technology Operations		91,813,797	35,748,768	127,562,565	50%
Business & Operations Support		7,907,524	387,129	8,294,653	3%
Properties		11,169,349	-	11,169,349	4%
Reg Ops		19,550,123	208,448	19,758,571	8%
		217,184,651	40,251,120	256,840,001	100%



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Corporate Security
Service: Security Services

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Corporate Security provides services necessary to plan and implement security measures for the protection of personnel and assets. These services include:
Coordination of the installation and maintenance of electronic security systems in all business units, with special attention to critical infrastructure facilities
24/7 Toll-free security telephone number
24/7 Monitoring of security alarms, gates and card access systems
Confidential security investigations
Coordination of DHS/NERC Security Clearances
Represent the company's security interests with external groups such as NERC, EEI, AGA, INGAA
Liaison with law enforcement agencies pertaining to criminal matters
Security presentations and training
Security assessments

Responsibilities

Service Provider:

Provide required services in a timely and cost-effective manner using CNP security staff and/or external contractors.

Business Unit:

Contact Corporate Security to request or change security services.

Performance Standards:

KEY METRIC

Budget Performance: Corporate Security will manage within the 2018 budget.
Security Costs per Customer: Corporate Security will deliver security services at a cost that will be periodically market tested to ensure best costs per service

Pricing Methodology:

SERVICE BILLINGS

The Client Billing Plan reflects cost transfer pricing for the following:
Security services are billed on the actual number of hours security personnel provide to each client. The rate is determined by the number of hours to be billed divided into the estimated plan.
Monitoring services are billed on the actual number of devices monitored. The rate is determined by the number of devices monitored divided into the estimated plan.

Residual amounts are cleared monthly by planned activities.

Service Cost Drivers:

Increase in national security threat levels.
Regulatory requirements.
Client requests to support projects.

Service Provider Initiatives:

Process Improvement Reviews



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Facilities Management
Service: Facilities Project Management

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Facilities Project Management will provide the following building design and construction management services:

- * Project scope development
- * Cost and schedule estimation
- * Design and engineering services
- * Generation of contract documents
- * Construction management services
- * Furnishings selection and purchase
- * Manage relocation of furnishings and employees
- * Quality control services
- * Cost tracking and reporting services
- * Real estate services

Responsibilities

Service Provider:

Provide services which result in facilities projects that:

- * Meet client functional requirements,
- * Are delivered within time and budget constraints, subject to changes in scope by client,
- * That are in compliance with applicable building codes and regulations.

Business Unit:

Provide complete and accurate information concerning:

- * Functional requirements,
- * Budget and time constraints.

Performance Standards:

KEY METRIC

- * Actual project cost as a % of Planned (or Budgeted) cost.
- * Operate within the approved budget, subject to changes in scope by client.

Pricing Methodology:

Facilities Project Management services consist of three components:

1. The first component is the client direct incurred cost associated with each project, which is coded directly to client cost objects.

-
2. The second component is the project management service billing (man-hours) in support of each project. The man-hour rate is calculated by dividing the project management service budget by the number of man-hours available for billing. Man-hours are billed as actually incurred on behalf of the client. Residual amounts are cleared monthly by planned activities
 3. To facilitate regulatory auditing, the cost of Facilities' management oversight will load follow the use of man-hours, rather than being incorporated into the rate.

Service Cost Drivers:

If no services are used, no costs will be billed to the client. If there is the need for this service, common cost drivers include:

- * The scope and scale of the project
- * Requests for an accelerated construction or furniture procurement schedule
- * Requirements for after hours or weekend work
- * Non standard requests that increase expenditure of design resources and construction or furnishings costs.

Service Provider Initiatives:

Provide alternative solutions, including least cost alternatives, for all projects.
Assist client in evaluating alternatives in order to select those which will best satisfy their requirements.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Facilities Management
Service: Building Operations

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Facilities Management Operations Division will provide building operations services at general locations such as service centers and outlying Houston area complexes as described below:

- Building exterior and interior repairs and maintenance
- Building systems repairs & maintenance
- Site repairs & maintenance such as fencing and paving
- Operational needs such as grounds keeping, janitorial services, pest control, ice machine maintenance and other tenant services
- Electricity Management (procurement leadership, budget/usage monitoring & analysis, account management, billing reconciliations)
- Water & sewer
- Assist Facilities Project Management Division with employee relocations & moves
- Assist Facilities Project Management Division with projects, including furniture

Responsibilities

Service Provider:

Business Unit:

Performance Standards:

KEY METRIC

- Electricity usage per square foot.
- Operate within the approved budget, subject to changes in scope by client.

Pricing Methodology:

Building Operations services at client locations such as service centers consist of four components:

1. The first component is the direct client incurred costs associated with each vendor providing services, which are coded directly to client cost objects.
 2. The second component is the Facilities Operations service billing in support of each location. Facilities Operations costs are billed according to the total square footage of each location.
 3. The third component is the electricity management man-hours in support of each location. The man-hour rate is calculated by dividing the electricity management service budget by the number of man-hours available for billing. Man-hours are billed as actually incurred on behalf of the client.
-

4. To facilitate regulatory auditing, the cost of Facilities' management oversight will load follow the total dollars billed to client.

Service Cost Drivers:

- Frequencies of services requested
- Requests for out-of-scope services (i.e., employee relocations, support of Facilities Project Management on projects, extra janitorial services, etc.)
- Requesting work outside of normal business hours of operation (after-hours, weekends, holidays)
- Employee vandalism or carelessness
- Requests that increase utility usage

Service Provider Initiatives:

- Continue to achieve the most cost-effective services available while maintaining levels of services requested by clients.
- Manage quality of outsourced services through use of quality control audits.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Office Support Services
Service: Mail Services

Business Unit Information

Business Unit: Houston Electric

Scope of Service

- * Pick-up and delivery of all Interoffice Mail, U.S. Mail, Certified Mail and Overnight Mail (FedEx, UPS) for all company locations.
- * Mail metering
- * Obtain and maintain PO boxes and postal permits
- * Consulting on Company and U. S. Postal Service (USPS) processes and requirements.

Responsibilities

Service Provider:

- * 2 deliveries and pickups daily in the CenterPoint Tower (CNP-T) and to the designated centrally located stations/mail stops at or around 10:30 a.m. and 2:30 p.m.
- * 2 daily desktop deliveries and pickups to executives (vice presidents and above) at or around 10:30 a.m. and 2:30 p.m.
- * Manage relationships with USPS, including payment processing for postage, post office boxes and permits.
- * Desktop deliveries of overnight parcels (i.e., UPS and FedEx) within CNP-T.
- * Process unidentified mail daily that must be opened and reviewed.
- * Provide daily packaging and overnight delivery service to designated service locations.
- * Provide daily delivery and pickup service to designated downtown Houston locations (CNP-T, Chase Bank, General Post Office (GPO), and Energy Control / Data Center (ECDC).
- * Provide daily pickup and delivery service to designated Houston Metro/Southeast Texas area locations.
- * Provide daily collection, sorting and packaging service to designated National locations.
- * Provide invoice/report that identifies usage according to each Business Unit (BU).
- * Provide best postage rates available for all business mail.

Business Unit:

- * Provide properly addressed mail for the Mail Center to process: Interoffice mail should be clearly legible, showing the first and last name of the recipient and correct interoffice location and floor.
 - * All US mail to be metered should be correctly addressed with zip code and have the charge back department code attached to it or written on the envelope flap.
 - * All hand-written overnight (UPS, FedEx) shipping air bills should have correct charge back information clearly printed on it before it is processed for delivery.
 - * Contact the Mail Center at least 48 hours in advance for mailings that are larger than 1000 pieces.
 - * Contact the Mail Center when designing mail pieces for company mailings to ensure that the best postage price available can be obtained.
-

Performance Standards:

- * 95% of all overnight letters and packages will be delivered the same day within CNP-T.
 - * Operate within the approved budget, subject to changes in scope by client.
- Variation:
- * Pick-up and delivery of interoffice and USPS mail for CNP-T twice daily.
 - * The standard for all other locations will be at least one pick-up and delivery daily.
 - * Mail and Package Delivery Services may be delayed during the Holidays.
 - * Mail delivery to off-site Houston Metro area facilities may be delayed due to traffic and/or weather conditions.
 - * Special arrangements for urgent deliveries may be negotiated.
 - * Overnight letter and package standards: All packages received by 10:30 a.m. will be logged into the package tracking system and delivered by 2:00 p.m. the same day. Packages received by 3:00 p.m. will be delivered by 9:00 a.m. the next day.
 - * Desktop delivery for packages and letters shall be signed by receiving individual, (addressee), unless other arrangements have been negotiated.

Pricing Methodology:

Service Billing:

- * Mail Piece Calculation Method: Mail Services' total operations budget divided by the total estimated annual number of mail pieces equals cost per piece, which is then multiplied by the actual number of mail pieces by specific client each month and billed to them. Any over/under cost recovery each month is allocated to clients in proportion to their annual planned Mail Services billings.
- * Direct Client Incurred: Third party cost for postage, courier and mail box rental costs will be paid directly by the appropriate business unit.

Service Cost Drivers:

Potential for additional overtime will occur when:

- * Mail is illegibly, inaccurately, or improperly addressed.
- * Personal mail is being delivered to the Company address.
- * Mail is addressed to Company street location instead of P.O. Box.
- * Urgent deliveries

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Office Support Services
Service: Copy Center

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Manage and coordinate reprographic requests with vendor to include items such as:

- * High Speed Duplicating
- * Color Copying
- * Full Bindery/Finishing
- * Client consulting and support on document preparation and printing requirements
- * Network Publishing
- * Engineering Reproduction

Responsibilities

Service Provider:

- * Monitor reprographic services.
- * Monitor accounting and billing of vendor for services provided.
- * Conduct site visits.

Business Unit:

Provide complete and accurate information on Job Request Form. Copies over 50,000 should be negotiated with Service Provider.

Performance Standards:

Measures:

1. Meet 95% of negotiated due dates.
2. Turnaround times for black and white copies are:
 - * 250 to 4,000 - 1 day
 - * 4,001 to 10,000 - 2 days
 - * 10,001 to 50,000 - 3 days
3. Operate within the approved budget, subject to changes in scope by client.

Pricing Methodology:

Service Billing calculation method: Total allocated budget multiplied by business unit's previous year's actual usage percentage.

Billing method: Rate multiplied by usage. Billed monthly at 1/12 of the total cost to appropriate client.

Direct Client Incurred: Vendor invoices charged to Client IO based on actual usage.

Service Cost Drivers:

Potential for additional cost will occur when:

- * Non-standard materials are requested.
- * Changes in scope are requested.
- * Incomplete documents are submitted.
- * Jobs greater than 100 copies.
- * Use of non-contract vendor.

Cost may be reduced by using standard material and ensuring the document request form is complete.

Service Provider Initiatives:

- * Capture as much large volume work from local printers and convenience copiers as possible.
- * Copy Center vendor Quality Checking Process, 2-point quality check applies to all copy center projects.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Office Support Services
Service: Corporate Travel

Business Unit Information

Business Unit: Houston Electric

Scope of Service

This service provides management oversight and direction to the third party suppliers that provide Corporate Travel Services for CenterPoint Energy travelers. Additionally, any internally incurred CenterPoint Energy support costs, including facilities and certain infrastructure support, required to operate Corporate Travel or to support meeting planning services are included in this service. The service includes travel policy interpretation and direction; strategic direction; and liaison support between CenterPoint Energy and all travel-related vendors and external travel organizations.

The services offered by the suppliers (under separate vendor billing) include but are not limited to:

- * Air, hotel, auto rental, and limousine rental arrangements in accordance with CenterPoint Energy's General Expense and Reimbursement Policy.
- * Assistance with offsite event and meeting planning services.
- * Participation in recruiting arrangements and new hire travel orientation.
- * Participation in CenterPoint Energy's Emergency Operations Plans.
- * Vendor issue resolution and contract negotiation assistance.

Responsibilities

Service Provider:

The Corporate Travel office will provide management and oversight of all aspects of CenterPoint Energy travel operations including, but not limited to:

- * Negotiation and contract compliance activities for all travel related contracts/agreements (such as the TMC, air, car, and hotel).
- * Administration of travel tools in the OnePay system.
- * Travel policy direction, interpretation and compliance determination for the travel sections of the CenterPoint Energy General Expense and Reimbursement Policy.
- * Coordination and support for company-wide group and meetings activities.
- * Identification and monitoring of reporting and controls.
- * Performance monitoring and reviews with TMC management.
- * Identification of emerging opportunities and issues in corporate travel.
- * Traveler problem and issue resolution.
- * Ease of use of TMC travel service fulfillment for CenterPoint Energy as necessary.

Business Unit:

Each business unit has the primary responsibility to ensure their travelers are in compliance with the CenterPoint Energy General Expense and Reimbursement Policy which describes the travel requirements. Failure of the business units to consistently follow policy results in a degradation in the ability of the TMC and CenterPoint Energy Corporate Travel to provide appropriate travel services and could increase cost of travel to CenterPoint Energy.

Performance Standards:

Pricing Methodology:

The suppliers render monthly invoices using contracted unit costs to CenterPoint Energy (CNP) for operating costs which are assigned to CNP business units/functional areas based on actual monthly transaction volume for the travel reservation and meeting planning processes. Specific expenses may also be assigned directly to the individual meeting or event by the supplier. Invoices rendered will normally be based on the transaction period 60 days prior (i.e. invoice in March for January transactions). Internal costs for CenterPoint Energy management oversight and other travel-related costs are based on the annual plan for travel office expenses and are assigned directly to the business unit/functional area (client).

Service Cost Drivers:

Options available for clients to control travel costs include:

- * Routine use of the online booking tool in OnePay.
- * Taking advantage of discounts negotiated by Corporate Travel.
- * Utilizing CenterPoint Energy Preferred Vendors.
- * Purchasing tickets 7-days or more in advance.
- * Monitoring periodic Travel Reports.

Service Provider Initiatives:

- * Actively negotiate discounted international and domestic air fares; hotel rates; car rental costs; and other routine travel related costs.
- * Enhance ad hoc and on-line travel reporting capabilities.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Office Support Services
Service: Forms Design & Management

Business Unit Information

Business Unit: Houston Electric

Scope of Service

- * Provide forms design and analysis for new, revised forms, electronic, and paper formats for CenterPoint Energy Houston and Shreveport.
- * Manage and maintain printed forms inventory levels.

Responsibilities

Service Provider:

- * Design new forms or revise existing forms.
- * Partner with Business Units to provide forms design and analysis.
- * Manage production and distribution of printed forms.
- * Negotiate & maintain contracts with forms and envelope vendors.
- * Maintain an on-time completion rate within the terms of this agreement.
- * Destruction of unused and out of date inventory.

Business Unit:

- * Complete Forms Request CNP 446 for new and revised forms.
- * Provide sufficient lead-time to allow for design, proofing/approval and production.
- * Assign a principal contact that will be the primary contact for duration of a project, including project management, product delivery, quality assurance and problem resolution.
- * Provide timely approval of proofs. Any additional costs associated with rush printing or production to meet Business Unit's driven deadlines will be charge accordingly.

Performance Standards:

Measures:

- * Meet 95% negotiated due dates for forms analysis and design.
- * Business Unit and Forms Design/Management to establish production schedules. Should project scope change to the extent that production schedules cannot be met, delivery dates will be subject to renegotiations.
- * Maintain inventory levels to ensure availability of all warehoused forms, by form title or number, 95% of the time.
- * POR (print on request) forms will be produced within 10 working days after an approved CNP446 request has been received.
- * Operate within the approved budget, subject to changes in scope by Business Unit.
- * Standard delivery schedule is to provide Business Unit with a proof within 7-10 business days.

Variation:

- * Some custom envelope, tag and decal forms may require more than 14 business days for processing.
-

* Unless otherwise agreed to, the Business Unit will be billed for all authorized outside purchases and services.

* Experimental or preliminary work authorized will be billed to the Business Unit.

Pricing Methodology:

Service Billing Calculation Method: Total operations budget divided by total number of forms or estimated billable hours.

Billing method: Rate multiplied by number of forms owned or hours used by appropriate Business Unit. Billed monthly at 1/12 of the total cost to appropriate Business Unit. Rush jobs priced incrementally at a higher rate if needed.

Service Cost Drivers:

Rush work may require overtime or outsourcing and will add additional cost. Rush work required for printing will be charged directly to the Business Unit.

Service Provider Initiatives:

- * Provide electronic forms support for SAP.
- * Lead the forms standardization and consolidation effort among all company Business Units.
- * Continue to maintain standards for printed forms from conversion to the Intranet (Web PowerForms).
- * Provide support for forms ordering via Intranet.
- * Perform a biannual physical inventory and needs analysis.
- * Provide batch ordering of forms to achieve maximum printing cost savings.
- * Conduct performance/production reporting for contractors.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Purchasing & Logistics
Service: Purchasing

Business Unit Information

Business Unit: Houston Electric

Scope of Service

- * Manage the Supply Chain Process, including implementation of Buy-Right Pay-Right Initiative and Integrated Supply Programs.
- * Partner with client to provide Supply Chain analysis and solutions.
- * Obtain goods and services as indicated by SAP/material requirements planning (MRP) and/or client request.
- * Partner with Engineering and Standards to keep product specifications current.
- * Establish and maintain vendor agreements.
- * Coordinate the bid process, negotiation, development and award of contracts for goods and services.
- * Manage, in coordination with Logistics, central warehouse inventory stock quantities and, material requirements planning (MRP) parameters.
- * Perform inventory management of standard stock and non-stock material.
- * Coordinate repair process for stock and non-stock materials.
- * Manage operating costs within approved budget.
- * Support the Emergency Operating Plan (EOP).
- * Support eProcurement Program.
- * Continue development of and support process revisions and improvements.
- * Support initiative to reduce inventory and increase inventory turns.
- * Ensure compliance with Sarbanes Oxley Controls.

Responsibilities

Service Provider:

- * Perform scope of service with quality and consistency.
- * Work with client to ensure their performance expectations are known and met or exceeded.
- * Purchasing will process valid requests in a timely manner to ensure requested materials and services are delivered to the specified location at the required time, and at competitive prices.

Business Unit:

Responsible for planning and communicating the plan and requirements to Purchasing in accordance with Corporate Purchasing Policy and the CNP Authorization Policy.

Performance Standards:

METRICS

1. Comparison of expenditures to plan.

-
2. Minority-owned and Women-owned Business Enterprise (MWBE) Program Compliance.
 3. Fill Rate target of 97%.
 4. Turn target of 5.5
 5. Achieve savings targets .
 6. Maintain Safety Program consistent with BSS and client expectations.
 7. Achieve Safety Goals, reviewed annually.

Pricing Methodology:

- * Billings typically allocate incurred expenses to Clients according to a ratio of the number of Client specific Purchase Order line items to the total Purchase Order (PO) line item count. PO line item counts determined from SAP extracts.
- * Personnel working predominately on behalf of a definable client will direct bill their actual time to that client.
- * Residual amounts are cleared monthly by planned activities.

Service Cost Drivers:

Provider Driven: Travel costs.

Client Driven:

- * Changes in inventory (budget cuts, design changes, Inventory control Initiatives).
- * Quality and consistency of client planning/communication.
- * Material/Service requirements; not 1 for 1.
- * Requests for decentralized support.
- * Requests for change in scope of service.
- * Adaptation to client process changes.

Third Party Driven:

- * System modification/upgrade.
- * SAP learning curve.
- * Corporation initiative support.
- * SAP productivity increases/decreases.
- * Illness
- * Major storms

Service Provider Initiatives:

1. Cost of Service: Insure maximum utilization of resources across BUs for the overall benefit of the Company.
2. Service Contracts: Continue to team with Client in providing a value-added role in the negotiation, award and commercial administration of service contracts.
3. Implement Supply Chain enhancements (i.e. Integrated Supply, Buy-Right Pay-Right, etc.).
4. Sustain the Inventory Control Initiative for the Distribution area (includes implementing Vendor Managed Inventory and Consignment for Alliance Distributors).
5. Provide client training for SAP as required.
6. Continue to support e-Procurement.
7. Supply Chain Improvements:
 - Continue implementation of new cost savings initiatives to achieve targets reviewed annually.
8. Introduce/utilize reverse auction tools, as appropriate.
9. Supplier Diversity:
 - Provide opportunities for diversity suppliers in accordance with Diversity Policies and Procedures.
 - Champion and sponsor supplier diversity awareness and facilitate client support.
 - MWBE target spend as determined by Corporate Goals.
10. Identify and leverage spend opportunities that can benefit all CNP Supply Chain Processes.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Purchasing & Logistics
Service: Investment Recovery

Business Unit Information

Business Unit: Houston Electric

Scope of Service

- * Sell designated obsolete/surplus/scrapped materials, vehicles and equipment in a timely manner.
- * Establish and manage long term contracts for sale and disposal of obsolete/surplus material and equipment.
- * Manage Recycling Program.
- * Coordinate backhaul of materials to be salvaged from field to most appropriate location.

Responsibilities

Service Provider:

Upon receipt of notification of required planning/action, Investment Recovery will proceed in a timely manner to remove material from CenterPoint Energy facilities in an appropriate manner.

Business Unit:

Involve/Notify Investment Recovery of plans to designate material(s) as obsolete/surplus/scrap so that Investment Recovery can remove the material from CenterPoint Energy in an appropriate manner.

Performance Standards:

Measures:

- * Optimize cost benefit of this service with revenue generation, disposal cost mitigation and avoided cost opportunities.
- * Operate within approved budget.

Pricing Methodology:

Billings based on actual monthly incurred expenses allocated to Clients by a ratio of Client specific revenues to total revenues as generated by Investment Recovery. Revenues will be posted back to a designated client account.

Service Cost Drivers:

Provider driven:

- * Activity Level / Labor.
- * Travel, advertising, and outside service expenses.

Client driven:

- * Quality and consistency of client planning/communication.

-
- * Requests for support.
 - * Requests for change in scope of service.
 - * Review of Industry Best Practices and any required/approved changes

Service Provider Initiatives:

Minimize time from turnover of equipment/asset and final sale of the equipment/asset.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Purchasing & Logistics
Service: Logistics (Electric)

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Business Operations Support provides management oversight for the Logistics function which includes:

- * Receive, store and stage materials and supplies.
- * Issue materials, supplies, and spares.
- * Transport materials and supplies to client locations (job site deliveries) and between storage facilities. Coordinate as requested by Client.
- * Manage consigned material stored at Centerpoint Energy Houston Electric (CEHE) warehouses.
- * Manage Reverse Logistics by handling, classifying, and returning to inventory or dispositioning materials and supplies backhauled from the field.
- * Disposition materials into most appropriate waste or salvage stream (salvage and repair, recycle scrap, sale, disposal).
- * Provide safe working environment.
- * Partner with Client to provide Supply Chain analysis and solutions.
- * Provide Client services after hours or upon request, 24 hours a day.
- * Manage hazardous waste, rubber goods, and trash disposal services.
- * Manage operating costs.
- * Support repair program for stock and non-stock material.
- * Coordinate and support contractor warehouses.
- * Support the Emergency Operation Plan (EOP).
- * Ensure compliance with Sarbanes Oxley controls.
- * Support Supply Chain enhancement programs (i.e. Integrated Supply, kitting, Vendor Managed Inventory (VMI), etc.).

Responsibilities

Service Provider:

Perform scope of work with quality and consistency. Work with clients to ensure their performance expectations are known and met or exceeded.

Business Unit:

- * Quality and consistency in client job planning and Work Order (WO) preparation.
- * Timely communication of known activity increases/decreases.

Performance Standards:

KEY METRICS

-
1. Comparison of expenditure to plan
 2. Inventory level goal compliance
 3. Inventory accuracy statistic of \$.15 per \$100.00 inventory through put
 4. Maintain a safety program consistent with BOS and Business Unit expectations.
 5. Achieve safety goals, reviewed annually.

Pricing Methodology:

- * Administrative billings to Client are based on actual monthly incurred expenses associated with managing the Logistics service, and are allocated based on a ratio of the cost center's incurred budget to the total incurred budget managed.
- * All other expenses are directly incurred by the relevant Client.

Service Cost Drivers:

- * Achieve and maintain SAP data integrity.
- * Significant changes in inventory levels.
- * Changes in inventory throughput (receipts, issues, returns, transfers).
- * Changes in requested manpower levels at local warehouses and special projects.
- * Changes in hours of operation (requiring additional shifts, overtime).
- * After hours service requests (overtime).
- * Requests for more service (e.g., increased jobsite deliveries, etc.).
- * Key supply chain process related changes.
- * Changes in environmental compliance regulations.
- * Client planning and scheduling, and adherence to plans and schedules.

Service Provider Initiatives:

- * Partner with Client to improve job planning and scheduling.
- * Continue inventory optimization and sustainability initiative
- * Implement EOP After Action Review (AAR) recommendations.
- * Implement logistics Supply Chain enhancements where appropriate (i.e, Integrated Supply, open stock, cross docking, VMI, kitting and direct shipment).
- * Optimize warehousing operations.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Support Operations
Service: Fleet Services

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Fleet Services is responsible for management of all vehicles and motorized equipment in the Houston Electric and Regulated Gas Operations fleet. The combined fleet inventory is approximately 6,000 pieces of equipment, which are purchased, fueled, maintained and disposed of by the Fleet Services Department.

Responsibilities

Service Provider:

Fleet services team is responsible for providing vehicle and motorized equipment support for the company's regulated customer service operations.

Business Unit:

The Business Unit is responsible for the safe and proper use of company vehicles and equipment. Employees assigned to vehicles are responsible for assuring that the vehicles/equipment are properly fueled and maintained through a network of identified vendors or through Fleet Services. Business Unit responsibility extends to reporting to Fleet services all vehicle/equipment transfers, excessive maintenance issues, issues with vendors, and damage to vehicles/equipment.

Performance Standards:

Cost are assigned based on total fleet dollars managed.

Pricing Methodology:

Direct charges are tracked and charged directly to the applicable Business Unit. Assignable internal labor charges are billed directly to the applicable Business Unit. All other costs are assigned based on total fleet dollars managed.

Service Cost Drivers:

Total fleet dollars managed

Service Provider Initiatives:

Drive down costs through innovative fleet management. Partner with Operations Departments to establish vehicle/equipment standards for the operations departments.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Business Operations Support
Location: Houston
Center: Support Operations
Service: Fleet

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Fleet Services is responsible for management of all vehicles and motorized equipment in the Houston Electric and Regulated Gas Operations fleet. The combined fleet inventory is approximately 6,000 pieces of equipment, which are purchased, fueled, maintained and disposed of by the Fleet Services Department.

Responsibilities

Service Provider:

Fleet services team is responsible for providing vehicle and motorized equipment support for the company's regulated customer service operations.

Business Unit:

Performance Standards:

Cost are assigned based on total fleet dollars managed.

Pricing Methodology:

Direct charges are tracked and charged directly to the applicable business unit. Assignable internal labor charges are billed directly to the applicable business unit. All other costs are assigned based on total fleet dollars managed.

Service Cost Drivers:

Total fleet dollars managed.

Service Provider Initiatives:

Drive down costs through innovative fleet management. Partner with Operations Departments to establish vehicle/equipment standards for the operations departments.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Corp Communications & Community Relations
Location: Houston
Center: Community Relations
Service: Community Relations

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Community Relations initiatives encompass three main objectives:

- Building relationships with the communities we serve and reaching out to our customers as a caring neighbor;
- Showing our commitment through corporate sponsorship of community events and financial contributions to charities, civic organizations, educational programs, community/economic development and environmental initiatives; and
- Actively promoting volunteer service among our employees/retirees and demonstrating as a team that we make a difference

Through our outreach efforts, we lend support to educational, civic, social and environmental initiatives that enhance the quality of life for our customers and the community as a whole. In the true spirit of diversity, we work with groups from many different backgrounds, tailoring our relationships and or assistance to meet their needs whenever possible.

Responsibilities

Service Provider:

Community Relations will work with business unit leaders and community leaders to build relationships and accomplish strategic goals for the purpose of meeting their business unit, corporate and community objectives.

Business Unit:

Business units will collaborate with Community Relations liaisons to achieve their strategic business plan as it relates to Corporate Citizenship and employee leadership development.

Performance Standards:

Community Relations will maintain accurate records of project achievements to include:

- *Safety & Education Presentations
- *Strategic Charitable Contributions & fund raising Results
- *Volunteer Participation
- *Community Events

Pricing Methodology:

Direct costs are tracked and billed directly to the business units. Residual dollars are cleared monthly using the proportions of the planned billable hours to the business units.

Service Cost Drivers:

Discretionary Community Relations and Business Unit project costs are determined by project requirements. Cost variables can be controlled by:

- *Strategic selection of donations and amounts
- *Planning and executing outreach projects
- *Seeking competitive pricing of required materials
- *Good oversight of the Volunteer Rewards Program
- *Creating collaborative partnerships to share expenses

Service Provider Initiatives:

Community Relations initiatives strengthen CNP's corporate position in the community and earn the respect of community stakeholders as we demonstrate being a good business partner and corporate citizen. Community Relations leverages our partnerships by working with community leaders, other non-profits, and by utilizing our employees through volunteer opportunities and board service. We leverage our human capital.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Corp Communications & Community Relations
Location: Houston
Center: Corporate Communications
Service: Communications

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Corporate Communications connects CenterPoint Energy with stakeholders (employees, customers, shareholders and communities) through effective communications that achieve business objectives and shape perceptions of CenterPoint Energy.

Corporate Communications services include:

- *Strategic Communication Planning and Consulting
- *Employee and HR Communications
- *Financial and Shareholder Communications
- *Safety Communications
- *Crisis Communications Planning and Support
- *Media Relations
- *Video Production

Responsibilities

Service Provider:

Corporate Communications will work with clients to identify communication needs and implement timely, cost-effective solutions. Corporate Communications provides a liaison to each business/functional unit to serve as a communication strategist and "single point of contact."

Business Unit:

Clients will provide information and resources in a timely manner as agreed upon in project communication plans to allow Corporate Communications to meet obligations for execution of communication plans.

Performance Standards:

Corporate Communications will meet mutually agreed-upon objectives as documented in project communication plans.

Pricing Methodology:

Direct charges are tracked and charged directly to the applicable business unit. Governance costs are allocated based on composite ratio, other costs are allocated by headcount or asset values.

Service Cost Drivers:

Discretionary Corporate and Business Unit (BU) project costs are determined by project requirements. Cost variables include volume, frequency and medium. Discretionary costs can be controlled by:

- * Adopting communication plans to manage projects effectively and efficiently
- * Leveraging existing materials, designs, templates etc., in lieu of customized materials when possible
- * Reducing the frequency of distribution of print materials

Service Provider Initiatives:

Communications initiatives enhance the effectiveness of CenterPoint Energy's business plans. Corporate initiatives are programs and activities undertaken on behalf of all of CNP. The costs for these programs are approved by the Executive Committee and allocated to the Business Units. Examples include Company newsletter and the annual report.

Business Unit Initiatives are programs and activities undertaken on behalf of one or several Business Units. These programs are approved by the Business Units, and costs are billed either directly to the Business Units or paid out of business unit cost centers. An example is rate case communications.

Corporate Initiatives:

- *Media Relations
- *Employee and HR Communications
- *Annual report in 10-K wrap format

Corporate Responsibility Report

Houston Electric Initiatives:

- *Electric safety communications
- *Expand vegetation management programs (Right Tree, Right Place)
- *Demonstrate Electric Operations readiness for hurricane/disaster
- *Support rate filings and initiatives to build new infrastructure
- *Promote Intelligent Grid gains, PSA and other customer beneficial investments and tools



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Accounting
Service: Property Accounting

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Provide Property Accounting services in compliance with GAAP and FERC to include the following:

- * Maintain fixed asset records and associated accumulated depreciation.
- * Provide guidance in making capital and expense determinations.
- * Calculate and apply AFUDC to eligible capital projects.
- * Provide fixed asset accounting and reporting to support corporate, financial, operational and regulatory requirements.
- * Record quarterly entries regarding non-service benefit costs in capital assets per ASC 715.
- * Manage internal controls related to fixed asset records and test controls in compliance with Sarbanes-Oxley.
- * Maintain current disposal calculations associated with Asset Retirement Obligations.
- * Maintain an interactive online catalog of retirement unit information, including criteria for capitalization.

Responsibilities

Service Provider:

- * Provide analysis and reporting on fixed assets to support timely release of financial statements and attest to reasonableness, completeness and accuracy of property schedules, reports, etc.
- * Support jurisdictional regulatory reporting and rate filings.
- * Maintain accurate fixed asset records.
- * Follow Accounting Policies.

Business Unit:

- * Proactively seeks counsel and advice of service provider regarding GAAP and/or FERC (Regulatory) treatment of fixed assets to insure compliance with CenterPoint policy and reporting requirements.
- * Properly charges expenditures to capital, manages capital work orders and reports asset retirements in a timely and accurate manner.
- * Adhere to all Accounting Policies.
- * Evaluate Asset Retirement Obligations on an annual basis.

Performance Standards:

- * Timely close of Property Systems
- * Timely delivery of reports/schedules
- * Timely support of regulatory filings
- * Timely implementation of process changes due to changes in GAAP or regulatory requirements.

Pricing Methodology:

Billable hours

Residual amounts are cleared monthly by planned activities.

Service Cost Drivers:

- * Accuracy and quantity of work order data received and automated system processing.
- * Availability of data requested.
- * Number of rate filings.
- * System enhancement projects.
- * Number of ad hoc requests and special projects from Corporate, Operations and Regulators.
- * Changes in Tax/Accounting regulation that affects Property, Plant and Equipment.
- * Compliance Audit requests.
- * Number and complexity of asset retirement obligations.
- * Depth and frequency of reports/schedules needed to support Corporate, Operations and Regulatory Reporting.

Service Provider Initiatives:

- * Enhance operational training on proper use of capital work orders.
- * Improved reporting for operations on processing capital transactions.
- * Enhance Property Accounting reporting for regulated operations, non-regulated operations, and tax support.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Accounting
Service: Financial Acctg - Gas, Close & Master Data

Business Unit Information

Business Unit: Houston Electric

Scope of Service

*Financial Accounting Gas & Monthly Close is responsible for coordinating the monthly, quarterly and yearly financial close for CenterPoint Energy, coordinating the request, approval, and processing of master data tasks associated with cost objects and cost object hierarchies. Management of the activities for General Accounting Gas Operations to include CenterPoint Energy Arkla, CenterPoint Energy Entex and CenterPoint Energy Minnesota Gas. Includes cost center 125131 Financial Accounting Gas and Monthly Close.

Responsibilities

Service Provider:

The following are typical processes, procedures and functions that comprise the financial close process. They are provided as a reference to give the client a general understanding of the services provided by the close coordinator. Not every procedure or process listed is required to be performed for each service activity. Some are performed only on an as-needed or as-requested basis. Others are performed in aggregate:

- Schedule and conduct monthly close meetings
- Running overhead and settlement jobs on various cost objects.
- Resolving errors during the settlement process.
- Opening and closing of posting periods.
- Locking and unlocking by transaction types available for posting.
- Scheduling/Running various allocation jobs for each Business Unit.
- Coordinating tasks between various Business Units to ensure the tasks are done in the proper sequence.
- Updating groups on the current status of the financial close.
- Validating or confirming with the Business Units that their respective allocation jobs ran correctly.
- Updating SAP for the construction, transportation, and stores overhead rates, activity rates, benefit/burden rates, etc.
- Creating and maintaining overhead, settlement, and allocation jobs.
- Running various "ready for unitization" and "process trailing charge for in-service orders not classified" jobs.

The following are typical processes, procedures and functions that comprise the master data process. They are provided as a reference to give the client an appreciation of the fiduciary rigor associated with each service. Not every procedure or process listed is required to be performed for each service activity. Some are performed only on an as-needed or as-requested basis. Others are performed in aggregate:

- Validate each master data request has been properly requested, communicated, approved and is actionable.
- Upon confirmation of a valid request, create each record and communicate to the appropriate groups.

- Handle requests requiring additional documentation for SOX compliance.
- Perform updates outside of SAP which are usually related to the Chart of Accounts as it is a repository of why a general ledger account has been set up, and how and why it will be used.
- Once Blackline Smart close is implemented, perform updates on task assignments, task sequencing and task completion notifications within the closing tool
- Manage internal controls related to master data creation and test controls in compliance with Sarbanes-Oxley

Business Unit:

- *Resolve settlement errors in a timely manner.
- *Perform close-related tasks in an accurate and timely manner.
- *Once Blackline Smart Close is implemented, tasks are checked off and updated timely to be reflective of the current status of the Financial Close process.
- *Communicate the current status for the financial close process via Blackline Smart Close, once the tool is implemented.
- *Communicate any issues to the relevant parties.
- *Attend monthly close meetings.
- *Communicate requests for cost object creation to the appropriate accounting groups.
- *Submit completed request forms, reviewed and approved, to the Master Data Coordinator.
- *Ensure any relevant allocation tasks are completed once cost objects are created.

Performance Standards:

Financial Close

- *Overhead and settlement jobs run daily from workday 5 through workday 1.
- *All settlement errors are communicated to the specific Business Unit for resolution.
- *All cost objects are settled before the Business Unit's allocation job is run.
- *All allocation jobs are completed by workday 3.
- *Once Blackline Smart Close is implemented, task updates are performed timely to send notifications and to be reflective of the current status/stage of the Financial Close process.
- *Opening and closing of the posting period as well as the transactional locks adhere to the financial close calendar.
- *Monthly Closing Late Entry Policy CNP 05 is followed for all proposed late entries.
- *Communicate the status of the close process via email on workdays 1-8.

SAP Master Data

- *Review each submitted form for completeness.
- *Return any form that requires additional data back to the requestor.
- *Process completed requests within 2 business days of submission for individual requests and 72 hours for mass requests.
- *Communicate all necessary details upon completion.

Pricing Methodology:

- *Direct charges are tracked and charged directly to the applicable business unit.
- *All remaining costs are assigned based on operating expenditures of the Business Units.

Service Cost Drivers:

Service Provider Initiatives:

- *Operate within budgetary guidelines
- *Other Process Improvement Initiatives as appropriate



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Accounting
Service: General Accounting - Electric & Corporate

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Attest to financial data in compliance with GAAP, FERC and regulatory requirements. Perform general and revenue accounting functions. Includes CC 125119 Financial Accounting Electric & Corporate.

Responsibilities

Service Provider:

1. Manage financial data to support external reporting
 - a. Review and attest to trial balance for monthly close per policy 06 Monthly Closing General Ledger Review Policy
 - b. Prepare audit schedules as required for external and internal audits
 - c. Implement changes as required from issuance of new GAAP
 2. Provide general accounting functions
 - a. Prepare journal entries
 - b. Determine contingencies and other liabilities per Accounting policy 08 Contingency Policy and 14 Accrued Liabilities Policy
 - c. Maintain debt structure
 - d. Prepare account reconciliations as assigned per policy 07 Account Reconciliation Policy
 - e. Properly compile, document and archive all journal entries, analysis, reports and other products
 - f. Coordinate and process quarter-end and year-end accruals and accrual reversals
 3. Provide data and information to clients & others
 - a. Prepare schedule of significant events monthly
 - b. Prepare schedules for SEC and FERC filings
 - c. Respond to requests for information (provide revenue analysis and prepare ad hoc revenue schedules and data retrieval requested from other internal departments, municipalities, auditors and consultants)
 - d. Prepare external reports as required
 - e. Provide data and schedules for regulatory filings
 4. Manage internal controls related to general accounting functions and test controls in compliance with Sarbanes-Oxley
 5. Prepare and submit daily the Transition Charge Bond and System Restoration Bond Wires (EFT) to be sent to Deutsche Bank
 6. Prepare and submit weekly the Nuclear Decommissioning Charge Wire (EFT) to be sent to Boston Safe Deposit and Trust Company
 7. Support and invoice Miscellaneous Non-Electric Services for Transmission Cost of Service revenues and customer pay jobs such as line relocations, damaged poles, wireless and fiber leases, and other similar services
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8. Prepare franchise fee payments (ACH or check) for the City of Houston and certain other incorporated cities that have a monthly fixed franchise fee payment
9. Prepare the franchise fee payments (ACH and check) for incorporated cities within Houston Electric's service area that receive quarterly franchise payments based on Kilowatt Hour
10. Support and facilitate the interface between systems
11. Prepare semi-annually the Transmission Cost Recovery Factor Billed Revenue Report for CenterPoint Energy's Regulatory Department
12. Prepare the annual Transition Charge & Charge Off Allowance True-Up Schedules for CenterPoint Energy's Regulatory Department
13. Prepare annually new monthly fixed franchise fee payment and recurring payment form for the City of Houston and certain other incorporated cities
14. Develop, monitor, and prioritize system change activities and coordinate system testing and implementation with IT
15. Additional products, services, and policies or enhancements to existing products, services and policies may impact this Service Level Agreement and are therefore subject to review/agreement by both parties

Business Unit:

1. Monthly closing of the revenue systems and adherence to the Financial Accounting close schedule
2. Analysis of monthly and periodic financial data and provide information for journal adjustments required
3. System changes will be tested and placed in production by the effective date of each respective change
4. Assess operational changes in the business unit for determination of proper accounting treatment or impacts to the financial statements
5. Identify informational needs and provide feedback
6. Provide Accounts Receivable Other balance verification and write-offs for electric customers
7. Use information in manner intended
8. Compliance with CNP Code of Conduct
9. Provide miscellaneous non-electric billing information
10. Miscellaneous non-electric billing accounts will be billed daily according to client's needs

Performance Standards:

1. Complete journal entries and reports without significant error by due dates
2. Prepare and submit payment information accurately and by due dates
3. Close financial records monthly without significant error by due dates
4. Operate within approved budget

Pricing Methodology:

Billable hours
Residual amounts are cleared monthly by planned activities.

Service Cost Drivers:

1. Number of profit centers
2. Number of manual journal entries
3. Degree of automation/system capabilities

-
4. Complexity of systems, in particular cost flows
 5. Complexity of allocations and number thereof
 6. Regulatory and legal requirements
 7. Municipalities and other tax authorities requests and inquiries
 8. Scope and scale of projects

Service Provider Initiatives:

1. Continued training and retention of staff will improve responsiveness and accuracy and will reduce costs of this service
2. Other Process Improvement Initiatives as appropriate



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Accounting
Service: Regulatory Reporting

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Prepare accounting schedules for annual regulatory filings and rate cases. Prepare accounting rate case testimony, respond to intervener and regulator requests for information and other general inquiries related to accounting data required for regulated filings. Maintain and control the Special Ledger required for Federal Energy Regulatory Commission ("FERC") reporting. Issue accounting memos and perform internal controls testing and compliance.

Responsibilities

Service Provider:

- 1) Preparation of annual filings including:
 - a) FERC Form 1
 - b) Earnings Monitoring Report
 - c) Affiliate Report
 - d) Contributions Report
 - e) Transmission Cost Of Service and Distribution Cost Recovery Factor (interim filings)
- 2) Support of rate filings and other regulatory filings including:
 - a) Preparation of rate filing accounting schedules
 - b) Preparation of testimony
 - c) Preparation of responses to requests for information
 - d) Analysis of intervener testimony and preparation of rebuttal accounting schedules and rebuttal testimony
 - e) Support of all witnesses, as it pertains to accounting functions and information
- 3) Respond to general inquiries for regulatory related information from Company personnel. This includes working with relevant parties on review of new rate mechanisms and financial plans for regulatory filings.
- 4) Review final orders from regulatory bodies and issuing accounting memos to document any required accounting procedures related to the order.
- 5) Perform a monthly close of the FERC special ledger, insuring the special ledger is in balance with the general ledger and resolving all problems in FERC reporting that may arise.
- 6) Perform SOX control 0203003001 testing and compliance related to Accounting Memos.

Business Unit:

- 1) Identify information needs and provide feedback
- 2) Ensure revenues and expenses are properly accounted in the correct profit centers.
- 3) Timely notification of any changes in use of cost centers, profit centers, allocation methodologies or new general ledger accounts.
- 4) Ensure steps are taken to map new cost objects to the correct FERC accounts..
- 5) Prepare plan for current rate filings and model new filings. Coordinate review of those plans with Regulatory Reporting.

Performance Standards:

1) Complete schedules, filings and responses to inquiries without significant error by the required due dates.

Pricing Methodology:

- 1) Billable hours
- 2) Residual amounts are cleared monthly by planned activity

Service Cost Drivers:

- 1) Number of filings and rate cases
- 2) Number of data requests or requests for information
- 3) Complexity of the filing

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Accounting
Service: Payroll and Benefits Accounting

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Accounting for payroll and benefit-related plans.

Responsibilities

Service Provider:

1. Provide general accounting function for payroll and benefits related plans
 - a. Prepare journal entries (see listing at bottom)
 - b. Prepare account reconciliations as assigned per policy
 - c. Properly compile, document and archive all journal entries, analysis, reports and other products
 - d. Prepare and authorize funding of 401(k) employer match.
 2. Manage financial data to support external reporting for:
 - a. Proxy Statement
 - b. 10-Q
 - c. 10-K
 3. Provide data and information to clients & others
 - a. Prepare external reports as required
 - b. Prepare audit schedules as required for Deloitte & Touche (external auditors) and Internal Audit.
 - c. Respond to requests for information for Rate Cases
 - e. Respond to requests for information for Internal Revenue Service (IRS) Information Data Requests (IDRs)
 - d. Respond to requests for information from internal and external audit.
 - e. Prepare schedules and documentation for distribution to the Compensation Committee related to executive compensation
 - f. Perform quarterly SOX testing
 - g. Prepare schedules used for quarterly tax computation
 4. Compile data to support budgeted costs for the next five years for the executive benefits area (company wide)
 5. Complete benefits plan audits and required filings (11-k, 5500, 990) for benefit plans, including: Savings Plan, Retirement Plan, Health and Welfare Plan.
 6. Prepare quarterly and annual payroll tax filings and payments (Forms 940, 941, and 945).
 7. Perform all work with the highest efficiency
- Specific Journal Entries Prepared (see 1a. above):
- a. Deferred Compensation Plans
 - b. Long Term Incentive Plan
 - c. Executive Split-Dollar Life Insurance Plan
-

- d. Directors Benefit Plan
- e. Directors Stock Plan
- f. Old and Deferred Vested EICP
- g. Supplemental Employee Contracts
- h. Corporate Owned Life Insurance
- i. Health & Welfare
- j. Pension
- k. Post-Retirement
- l. Post Employment
- m. Severance
- n. Savings Restoration Plan
- o. Benefits Resporation Plan
- p. Executive Incentive Compensation Plan (EICP)

Business Unit:

Identify informational needs and provide feedback

Performance Standards:

1. Close financial records monthly without significant error by due dates
2. Complete journal entries and reports without significant error by due dates
3. Operate within approved budget

Pricing Methodology:

Direct charges are tracked and charged directly to the applicable business unit.
Assignable internal labor charges are billed directly to the applicable business unit.
All remaining cost are assigned based on number of employees.

Service Cost Drivers:

Cost drivers:

1. Number of profit centers
2. Number of manual journal entries
3. Complexity of systems, in particular cost flows
4. Complexity of allocations and number thereof
5. Number of entities
6. Changes in headcount
7. Number of ad-hoc requests and special projects
8. Number of rate case filings

Service Provider Initiatives:

Continued training and retention of staff will improve responsiveness and accuracy and will reduce costs of this service.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Accounting
Service: Bank Recon and Escheat Proc & Report

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Provide timely reconciliation of General Fund, Controlled Disbursement, Draft, Investment, First Mortgage Bonds and Transition Bonds bank accounts to the General Ledger. Monitor and analyze off balance sheet medical benefit controlled disbursement account for accuracy of funds flow. Perform all activities required to satisfy the unclaimed property laws of the various states as relates to accounts payable and customer refund checks. Perform Escheat General Ledger Due Diligence Review to identify unclaimed property. The handling of all other property types is specifically excluded from this service unless new property is identified during the Escheat General Ledger Due Diligence Review. Unclaimed stock, dividend checks and bond interest payments are outsourced to Broadridge Corporate Issue Solutions.

Responsibilities

Service Provider:

For bank reconciliation services:

1. Obtain bank statements with assistance as needed from Cash Management
2. Monitor receipt of daily bank activity files into SAP, resolving errors and notifying technical group when files do not arrive
3. Reconcile differences between the bank statement and the general ledger in SAP
4. Generate a reconciliation report detailing the results of the account reconciliation per Accounting policy 07 Account Reconciliation Policy
5. Refer unbooked or misbooked general fund activity to Accounts Payable, Remittance Processing or Cash Management for correction as appropriate
6. Refer check cashing errors to Accounts Payable for correction in the General Ledger or to Corporate Disbursements for correction by the bank as appropriate
7. Refer all other bank errors to Cash Management for correction by the bank
8. Suggest correcting journal entries to client-designated contact as appropriate
9. Monitor correction processes to ensure corrections are made within 90 days of the bank statement date
10. Follow up with proper management when corrections are not being made in a timely manner
11. Respond to requests from internal and external auditors regarding bank reconciliation matters
12. Manage internal controls related to bank reconciliation functions and test controls in compliance with Sarbanes-Oxley
13. Monitor Treasury's ALLBANK file listing of all company bank accounts and communicate differences between this list and the reconciliation review log immediately to Treasury

For escheat processing and reporting services per Accounting policy 32 Escheat Policy:

1. Periodically examine the SAP check registers for the bank accounts to determine eligibility for transfer of checks to the escheat tracking database, Tracker

2. Periodically examine the SAP General Ledger to determine if there is any unclaimed property included in the balances. Determine if the new property is escheatable and include with Escheat reporting
3. Verify the list of escheat eligible checks with client
4. Refer check classification errors to A/P for correction in the General Ledger or to Corporate Disbursements for correction by the bank as appropriate
5. Prepare journal entries for outstanding checks to be reclassified as unclaimed property as appropriate
6. Reconcile escheat payable General Ledger account to Tracker database
7. Attempt to contact via mail the claimants of unclaimed property
8. Remit to responding claimants their previously unclaimed property
9. Report and remit to the proper agencies any remaining unclaimed property
10. Respond to unclaimed property audits as necessary
11. Manage internal controls related to Escheat functions and test controls in compliance with Sarbanes-Oxley
12. Introduce the Unclaimed Property/Escheat Website and provide training.

Business Unit:

For bank reconciliation services:

1. Review suggested correcting journal entries submitted by Bank Reconciliation and within 30 days post either the entry as suggested or an alternate correcting entry
2. Notify Bank Reconciliation of the document number of the journal entry when posted

For escheat processing and reporting services:

1. Review list of outstanding checks for accuracy when requested
2. Review General Ledger accounts for unclaimed property and report abandoned property prior to dormancy period due date
3. Assist with claimant contact information when requested
4. Reference Unclaimed/Property Escheat Website for information.

Performance Standards:

Measures:

1. Bank account analysis completed by the end of the 18th working day of the month following the bank statement period for all accounts unless bank statement not received at least two working days prior to 15th working day.
2. Unclaimed property remitted and reported to each agency by the dates prescribed.

Pricing Methodology:

The service will be billed using a Billhour rate times the actual hours spent overseeing and completing each account reconciliation, including research and clearing activities, and escheat services. Residuals are cleared by planned activities monthly. Time sheets are used to gather billing data, and any adjustments will be made quarterly to adjust billing.

Service Cost Drivers:

Number of labor hours required to complete each reconciliation and escheat on time.
License/maintenance fee for escheat data base software.

Service Provider Initiatives:

Continued training and retention of staff will improve responsiveness and accuracy and will reduce costs of this service.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Accounting
Service: Gas Cost Accounting

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Perform monthly inventory accounting duties for Electric Operations.

Responsibilities

Service Provider:

1. Perform Inventory Accounting
 - a. Prepare inventory adjustment journal entries due to cycle count.
 - b. Monitor and reconcile MMS inventory balances by G/L balances
 - c. Properly compile, document and archive all journal entries and reports according to CNP Journal Entry Documentation and Record Retention policies.
 - d. Respond to requests for information
 - e. Monitor and reconcile consignment inventory accounts.
 - f. Perform Sarbanes Oxley compliance duties as required.
2. Perform all work with the highest efficiency

Business Unit:

1. Identify informational needs and provide feedback
2. Timely and accurate completion of data.

Performance Standards:

1. Complete journal entries and reports without significant error by due dates
2. Operate within approved budget.

Pricing Methodology:

Billable Hours
Residual amounts are cleared monthly by planned activities.

Service Cost Drivers:

- Cost Drivers:
1. Number of /profit centers/plant locations/cost centers.
 2. Frequency of rate orders filings
 3. Complexity of account analysis
 4. Compliance requirements
 5. Number of data requests or request for information

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Financial Services
Service: Payroll Admin & Compliance

Business Unit Information

Business Unit: Houston Electric

Scope of Service

The Payroll Department provides the following services for CenterPoint Energy clients: Full scale payroll services including maintenance of master data life events, issuing payments (direct deposit and paper paychecks), voluntary and involuntary deductions, generating year-end earnings and tax statements (Form W-2, Form 1099R).

Supporting activities for those services are:

Payroll Administration:

- * Process multiple pay frequency payroll cycles for all companies within CNP
- * Process off-cycle payments
- * Process non-qualified benefit plan payments for retirees and survivors
- * Process payments for Board of Directors
- * Process annual bonus payments and salary changes (STI, CPA)
- * Process employee cash awards and imputed income items, such as gift certificates
- * Set up and maintain Master Data and Organizational Management Data
- * Administer executive MBA tuition program
- * Administer special payment plans
- * Administer corporate aircraft imputed income
- * Administer relocation imputed income and tax gross-up
- * Administer Travel Advances
- * Administer OnePay vendor file for out-of-pocket employee business expense reimbursements
- * Administer military vouchers and salary reductions for employees in the Armed Forces
- * Administer worker compensation deductions
- * Administer voluntary deductions and wage garnishments
- * Administer United Way employee charity payments
- * Administer employee loan programs
- * Process vacation cash out payments and holiday carryover hours
- * Administer employee overpayments and issue Form W2C as necessary
- * Prepare payroll funding wires for the Cash Management dept.
- * Process third party payments

Payroll Compliance:

- * Audit OnePay system for taxable items and impute income as necessary
- * Comply with union agreements as they relate to payroll
- * Maintain internal controls and data integrity in compliance with Sarbanes-Oxley and company policies
- * Research and comply with all payroll related laws and regulations (IRS, DOL, etc...) Client Support:
- * Provide Employment and Wage verifications and payroll data for subpoenas
- * Provide data support to Legal, Audit Services and Regulatory dept.
- * Provide ad-hoc management reports
- * Provide statistical data reporting to the Department of Labor * Provide client support for taxability issues

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- * Provide BU client support including time administrator training and new hire orientation
 - * Participate in cross-functional teams with HR, Finance (i.e.: policy development)
- System:
- * Act as a liaison between BU and IT department for SAP configuration needs
 - * Ensure that the SAP HR/Payroll module is in compliance with regulatory requirements (system testing)
 - * Maintain disaster recovery plan
 - * Ensure payroll data security and segregation of duties
- Record Keeping:
- * Maintain the record retention of payroll records in accordance with company policy and federal/state requirements
 - * Adhere to internal controls documentation requirements

Responsibilities

Service Provider:

Business Unit:

- * Submit accurate and timely Organizational Management and Master Data change information
- * Provide timely and accurate Time Management entries
- * Report timely and accurate employee awards and non-employee travel expense information

Performance Standards:

- * Process authorized transactions only
- * Ensure that wages are taxed correctly
- * Processing of payroll payments on time
- * Process and issue off-cycle payments and Travel Advances in 3-5 days. (If there is a system problem, conflict with a union agreement or the law, Payroll will do everything possible to correct the problem ASAP)
- * Respond to initial payroll inquiry within 24 hours

Pricing Methodology:

The costs for payroll payments, including direct deposit and printed checks, will be allocated among all the Business Units based on the active and inactive employee headcount.

Service Cost Drivers:

- * Reduce the number of off-cycle payments by timely and accurate time entry and by timely and accurate data submission for master data and organizational changes
- * Reduce the number of inquiries to the Payroll Department by utilizing available on-line tools
- * Increase participation in voluntary electronic paystub program (Paperless Pay)
- * Limit the number of voluntary deductions

Service Provider Initiatives:

- * Continue to educate clients on automated payroll tools, i.e., ESS/MSS, online time approval and Payroll Website to better serve clients
- * Continue to sponsor time administrator training classes
- * Continue to increase percentage of participation in paperless pay

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- * Continue to promote on-line enrollment for United Way
 - * Continue to research electronic W-2 distribution



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Financial Services
Service: Revenue Billing Accounting

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Industrial, Commercial, Residential, Street Light and Guard Light Electric Billing; Metered Interval Data Translation and Processing

Responsibilities

Service Provider:

Industrial, Commercial, Residential, Street Light and Guardlight billing services for approximately 2.3 million electric customers. Additional products, services and policies or enhancements to existing products, services and policies may impact the Service Level Agreement and are therefore subject to review/agreement by both parties.

Support and facilitate the interface between the automated systems. (Billing data interfaces)

Develop, monitor and prioritize legacy systems change activities and coordinate system testing and implementation with IT. Ad hoc data retrieval will also be supported.

The billing teams will provide handling of billing exceptions due to meter readings failing internal system parameters. Daily processing of an audit bill run will be completed. Billing errors will be corrected and special handled accounts will be billed.

Legacy system tables will be maintained for rate factor and rate code changes. Monthly and yearly read schedules and processing schedules will be prepared.

Provide internal client support for communicating with internal and external customers. Support will be provided for questions on how certain transactions need to be entered so that an account will bill correctly. Communication may be via telephone, letter, fax or e-mail explaining how billing occurred, how rates were applied or billing adjustments were made.

Interval data translation and processing are Multi-Vendor 90 activities which will support the industrial and large commercial billing process. Interval data will be validated, edited and estimated. Other activities will include ad hoc reporting and graphics, pulse meter service order entry, trouble reports, tape management and verification of transformer losses. Provide load research data to market as required.

Provide data and schedules for regulatory filings and requests for information.

The billing teams will provide support regarding billing disputes and/or general questions regarding any electric invoicing.

Electronic Data Interchange 810 and 867 transactions created and controlled from Customer Information System and Billing Expert System to the Transaction Management Hub (TMH).

Provide support in responding to Fastrack and Market Synchronization issues.

Provide support in filling Interval DataRecorder (IDR) gaps.

Provide support in resolving TMH and Electric Reliability Council Of Texas (ERCOT) rejects relating to IDR Electric Service Identifier (ESI) IDs.

Analyze Texas Standard Electronic Transaction 824: Application Advice/Reject Response relating to IDR ESI IDs and correct as needed.

Act in accordance with the Code of Conduct in all things. Provide training for new employees in the Controller's area on the Code of Conduct.
Support audit functions relating to revenue related items.

Business Unit:

Provide meter readings.
Provide meter completion information on installations/exchanges/repairs/investigations.
Provide rate and premise location information.
Use information in manner intended.

Performance Standards:

Industrial and large commercial accounts will be billed according to the monthly processing schedule prepared for each respective month. Each month will have twenty (21) billing cycles. Small commercial and residential accounts will be billed according to the monthly processing schedule prepared for each respective month. Each month will have twenty one (21) billing cycles. Street light billing accounts will be billed in cycles 10 through 18 as determined by the industrial and large commercial accounts processing schedule.
Yearly meter read schedules will be provided after the release of the annual Company Holiday Schedule.
Legacy system changes will be tested and placed in production by the effective date of each respective change.
Monthly closing of the billing systems will comply with the Financial Accounting close schedule.

Pricing Methodology:

Billable hours

Service Cost Drivers:

Bad meter readings; meter exchanges not worked; number of ESI ID accounts; number/type of transactions; number/type of exceptions; number of rates/billing complexity; scope and scale of projects; degree of automation/system capabilities; regulatory and legal requirements; and Competitive Retailers requests and inquiries.

Service Provider Initiatives:

CIS Mainframe Replacement Project
Other Process Improvement Initiatives as appropriate



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Financial Services
Service: Accounts Payable

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Accounts Payable provides three (3) services billed on a "per transaction" basis. They are: * Automated Invoice Processing (APAUTO), for all invoices processed via electronic payment. * Manual Invoice Processing (APMANI), for invoices manually entered into SAP by the central A/P staff. * Special Payment Runs, authorized only in an emergency (outside of normal payment runs.)

Responsibilities

Service Provider:

The following are typical "Detail of Service" processes, procedures and functions that comprise the Automated and Manual services. They are provided as a reference to give the client for an appreciation of the fiduciary rigor that is necessarily associated with each service. Not every procedure or process listed is required to be performed for each service activity. Some are performed only on an as-needed or as-requested basis. Others are performed in aggregate.

INVOICE SCANNING AND INDEXING:

*Open all mail received in Specified P.O. Boxes designated to Vendor invoices; *Separate US mail by invoice type (Purchase Order, Non-Purchase Orders, Utility Invoices, Accounts Payable Payment Request, Credit Memo's; *Scan all invoices received by US mail into system. *Index necessary fields required for payment of the invoice. *Manually post those invoices which cannot be auto-posted.

*Notify clients and vendors of missing information which prevents invoices from auto-posting.

AUTOMATED INVOICE PROCESSING: * Monitor automated entry of invoice data from Automated Feed or electronic flat files, such as: - Purchase Order (PO) Evaluated Receipt Settlement - Electronic Data Interchange (EDI). * Update the Automated Approval Table for Accounts Payable invoices as indicated by the Authorization Policy Appendix B: Authorization Policy Chart. * Process rejects (bad or missing account info; closed work orders (WO's) rejected by SAP, etc.) * Monitor and clear

exception items to the EDI 820 (payment) File * Provide Standard Accounts Payable Reports as needed * Respond to vendor/client inquiries and research requests * Perform all vendor master related maintenance i.e. adds/changes/etc.) for both and related invoices * Check Processing: - Investigate fraudulent checks - Monitor and clear exception items to the Positive Pay File * Returned

Check Processing: - Research for correct vendor information (remit-to address) - Maintain Returned Check Log - Cancel original check returned and re-Issue * Stop Payment Request processing: - Process Stop Payment Requests same day when received by 3:00 P.M. (CST) * 1099 Tax Reporting

Including: - Identify vendors requiring 1099Misc and 1099S's as applicable - Request and update Vendor Tax Identification Numbers - Prepare and remit 1099Misc and 1099S's to qualified vendors as applicable - Submit file to Internal Revenue Service reporting all issued 1099Misc and 1099S's * Audits: Support internal and external audits including representation and use of FileNet for

document retrieval and recovery * Workshops and Training: provide as needed **MANUAL INVOICE PROCESSING:** * Invoice Processing: - Research Vendor files to ensure accurate vendor payment and mailing address - Notify responsible buyer of PO non-compliance and/or Lack of material receipt - Manually enter invoice into the Accounts Payable System (on emergency basis) - Perform correcting

journal entries on Accounts Payable transactions entered in error by an AP personnel * Update the Automated Approval Table for Accounts Payable invoices as indicated by the Authorization Policy Appendix B: Authorization Policy Chart. * Image Processing (for records retention and retrieval): - Open and sort all incoming mail - Image all non-automated invoices and supporting documentation via FileNet system - Image void checks generated from manual and automated invoice processing * Error Processing: Notify initiator of payment requests containing errors (i.e. invalid or missing authorization, etc.) * Account Reconciliation: - 176986 Temp. Suspense Clearing - 176999 Clearing Accounts/Suppl Discounts - 201010 Accounts Payable - Trade Count - 204010 Accounts Payable - Other Count - 204490 A/P - Contractor Retention Count - 204999 History - 213994 Unrecorded Liabilities - 213997 A/P Consignment - 213999 Goods Rec'd / Inv Rec'd * Monitor Reports, including: - Daily Check Proposal - Job Overview (SM37) - Blocked Report (MRO2) - Duplicate Invoice Report - Payment Exception Report - Pending AP Workflow Report

Business Unit:

Provide vendors with correct Purchase Order (PO) Number, or Work Flow (WF) Number as appropriate.

* Ensure that vendors comply with CNP's standard formatting for invoices. Each invoice should have at a minimum (invoice #; invoice date; PO # or Contract # and WF # or WF #; invoice amount)

*Ensure that all invoices are received directly from the vendor into Accounts Payable. Required to have all invoice billing addresses (except for utilities) changed to AP mailing address: P.O. Box 1374, Houston, TX 77251; or faxed to 713-207-9986; or e-mailed to AP.invoices@centerpointenergy.com. *Utility invoices should be mailed to P. O. Box 3328, Houston, TX 77253

*Timely entry of goods receipts or contract releases * Daily review of SAP Accounts Payable Work Flow In-box * Timely coding and approval of non-PO related invoices

*Require completed and verifiable CNP Form 474 for all vendor creates/changes and W-9 form for all new Vendor set-ups.

Performance Standards:

Metrics:

(1) Operate within approved budget; (2) Achieve payment timing standards: (a) Vendor invoices will be opened, scanned, indexed, and committed to SAP workflow within 48 hours of receipt of the invoice; (b) Vendors maintenance is performed on average within 3 working days of receipt of required vendor documentation/information; (c) Payments made outside of the normal scheduled payment run, will be processed the same day with the proper authorization; (d) Perform duplicate review within 2 working days of item being flagged a suspected duplicate.

Pricing Methodology:

TRANSACTION SERVICES AND SERVICE RATES * A/P provides three (3) transaction driven services, each with its own fixed annual rate. They are: Manual Invoice Processing, Automated Invoice Processing, and Special Payment Runs. * Emergency payments (requiring special payment run) are billed at a flat rate of \$250 per payment. * Manual and Automated Invoice Processing services are billed to a client (monthly) based on the number of transactions times the service rate. * Individual service rates are determined annually by calculating the total annual cost of providing a given service by the number of annual transactions estimated for the service. * The estimated number of annual transactions is determined by historical precedent, modified by projected levels of future activity. * Billable Hour Service - Workflow invoices that require a processing type change. * Residual amounts are cleared monthly by planned activities. 1099 assessed penalties will be charged to the business unit who contributed to the penalty.

Service Cost Drivers:

Number of line item transactions.
Number of vendor creations and changes.
Duplicate invoice submission
Completeness and accuracy of information provided
Method of invoice entry into the Accounts Payable System.

Service Provider Initiatives:

Partner with Internal and External Clients to create maximum process efficiencies. Continued assessment of technologies to create more effective and efficient payment process flows.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Financial Services
Service: OnePay Administration

Business Unit Information

Business Unit: Houston Electric

Scope of Service

OnePay Card Administration provides services necessary for the issuance, maintenance, and closure of Company OnePay Cards in compliance with the CNP General Expense and Reimbursement Policy.

Responsibilities

Service Provider:

These services will include the following activities:

- * Verify that employees requesting a new OnePay Card have taken the General Expense and Reimbursement training before requesting a new card
- * Submit to issuing Bank applications for OnePay Cards
- * Enter new OnePay Card information into SAP
- * Monitor employee termination list from SAP Security to cancel OnePay Cards assigned to terminated employees
- * Cancel OnePay Cards upon request or when an employee leaves the company
- * Increase OnePay Card limits upon employee request and with proper management approval.
- * Monitor the application limits requested to confirm they comply with the CNP Authorization Policy
- * Monitor bank reporting system for OnePay Card activity
- * Review and respond to OnePay Help Emails
- * Answer employee questions on OnePay Help Line
- * Monitor unassigned Lodge Transactions (Ghost Card transactions) and assign to appropriate employee ID.
- * Review cardholder single transaction limit increase requests
- * Work with vendor if problems occur with the OnePay system application

Business Unit:

- * Submit OnePay card application and acknowledgement of responsibilities form with proper authorization signatures and card limit specified.
- * Notify Credit Card Administration if a card is lost or stolen.
- * Submit changes for approval following CNP General Expense and Reimbursement Policy.

Performance Standards:

-
- * OnePay Card Applications are entered within 48 hours of receipt if proper training has been completed.
 - * Newly assigned OnePay Cards are entered in SAP within 48 hours after receipt of the information.
 - * Phone calls and email are answered within 48 hours of receipt.
-

Pricing Methodology:

Rate Calculation:

- * The annual cost of service for OnePay Administration is divided by total estimated volume of expense reports to determine the standard rate.
- * Actual costs are calculated monthly by multiplying the standard rate times the actual expense reports created.
- * Rates may be adjusted periodically.
- * Residual amounts cleared using number of planned transactions.

Service Cost Drivers:

- * Not completing required training before submitting OnePay Card Application.

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Financial Services
Service: Remittance Processing

Business Unit Information

Business Unit: Houston Electric

Scope of Service

CNP Remittance Processing will provide the following services for Company Code 0003-Houston Electric:

- * Reconcile the bank remittance advice (RA 820) to the remittance payment instructions (820-02) received from all competitive retailers.
- * Release the payment instruction files for posting and notify the appropriate departments of postings, irreconcilable files, and payment advices.
- * CNP Remittance Processing will open, process, create payment deposits, update and correct customer accounts for all ARO payments processed by Remittance received via US Mail, Courier, ACH, Wire, and EFT.
- * Research ARO payments as required.
- * Resolve discrepancies in bank deposits, balance sheets, and General Ledger entries created by Remittance.
- * Reconcile and clear the BAI files (Bank Administration Institute), bank deposits, and general ledger entries as they relate to Remittance Processing.

Responsibilities

Service Provider:

1. Competitive Retailers:

- * Retrieve Remote Distribution System (RDS) file for open batches.
- * Retrieve Bank Administration Institute (BAI) file.
- * Verify RA 820 and payment instruction 820-02.
- * Notify Information Technology as needed
- * Notify the Credit and Revenue Accounting Departments as needed.
- * Post General Ledger journal entries of funds.
- * Verify transmission accuracy with IT.
- * Record deposit and file totals on internal Remittance balance sheet for each day's deposits and transmissions.

- Competitive Retailer Research and Resolution:

- * Reconcile bank deposits, balance sheets, and the BAI (Bank Administration Institute) file.
- * Provide support documentation upon request.
- * Research payments that go to Clarification/Distribution Lot
- * Initiate refund check requests when appropriate
- * Transfer payments from Clarification/Distribution lot to correct account
- * Provide CNP Remittance Processing internal Balance Sheet to designated client employees.

2. Accounts Receivable Other (ARO):

- * Open, process and post payments received via US mail and courier service, wires and ACH.
 - * Prepare deposit and forward checks, images or data deposits to the bank.
 - * Record transmission and deposit on internal remittance balance sheet.
-

- * Transmit payment information, check, and stub images to FileNet P8 for archive.
- ARO Research and Resolution:
- * Reconcile bank deposits, balance sheets, and the BAI (Bank Administration Institute) file.
- * Provide support documentation upon request.
- * Research payments received without payment data.
- * Process returned checks.

Business Unit:

- * Business Risk will notify Remittance to release unbalanced competitive retailer files.
- * Business Risk will notify competitive retailers of unbalanced or missing files/payments.
- * Revenue Accounting will determine if all invoices are paid.
- * Revenue Accounting will verify balance sheet with invoices posted.
- * ARO accounts will be created and billed by CNP designated departments and forwarded to Remittance Department with check and bill stub.
- *CNP Bank Reconciliation Group will own and reconcile the 111999 General Ledger Account.

Performance Standards:

Pricing Methodology:

SERVICE BILLINGS

- * Remittance Processing Research and Resolution is billed hourly at a standard rate. This rate will be used to bill the Business Unit for processing Accounts Receivable Other (ARO) payments and Competitive Retailer payments.
- * Rate Calculation: The annual cost of service is divided by the total billable hours based on number of employees multiplied by annual estimated time per employee.
- * Actual hours per client will be tracked on a monthly basis.
- * Monthly billing will be calculated using the standard hourly rate times the actual number of hours dedicated to the Business Unit.
- * Rates may be adjusted periodically.
- * The hourly rate does NOT include fees that are/may be directly requested by the Business Unit. These fees are paid directly by each Business Unit.
- * Residual amounts are cleared monthly by planned activities.

Service Cost Drivers:

- * Bank account changes
- * Non-automated validation process for competitive retailers
- * Non-matching funds and payment instructions
- * Non-automated release of files to post
- * ARO payments received prior to account set up
- * Payments made without remittance stub with or without account number or work order written on check.
- * Customers who make payments for multiple BU's with one check.
- * SAP configuration to post to a particular/designated invoice requires manual posting.
- * Contacting sending department for payment information.

Service Provider Initiatives:

- *Standardize ARO client processes



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Financial Services
Service: Check Printing

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Corporate Disbursements provides services necessary for the printing and distribution of checks in compliance with the CNP Check Disbursement Policy. These services will include the following activities:

- * Print checks, insert into envelopes, and prepare for distribution.
- * Assist in the investigation of fraudulent checks.
- * Send stop pay/void instructions to bank upon client request.
- * Provide copies of cashed checks upon client request.
- * Monitor bank Positive Pay and Positive Payee files, which are files sent from SAP to notify the bank of checks issued.
- * Provide ongoing review/investigation of new security features for Company check stock.

Types of check to be printed/disbursed for this client include:

- * Accounts Payable Checks
- * Claims Checks
- * Payroll Checks

Responsibilities

Service Provider:

- * Manually review check registers for special handling and distribute checks as needed (interoffice mail, US Postal Service, overnight courier, or pick-up).
- * Hold selected customer accounts payable checks, per client request.

Business Unit:

- * Provide control totals for incoming print file. Totals to include number of checks and total dollars in file.
- * Notify Corporate Disbursements that print file has been sent and is ready to be downloaded.

Performance Standards:

- * Accounts Payable checks will be mailed within 24 hours after receipt of a correct print file.

Pricing Methodology:

SERVICE BILLINGS

- * Rate Calculation: The annual cost of service for Check Disbursements is divided by total estimated volume of printed checks to determine the standard rate.

* Actual costs are calculated monthly by multiplying the standard rate times the actual check volume.

* Rates may be adjusted periodically.

DIRECT CLIENT INCURRED

* Check courier costs will be charged directly to the client.

Service Cost Drivers:

* Incorrect customer addresses add to lead time for check disbursements.

Service Provider Initiatives:

Increase employee enrollment in Paperless Pay initiative.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Risk Control
Service: Risk Management/Control

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Weather hedges: Risk Control will provide professional services and advice for weather hedges.

Responsibilities

Service Provider:

Weather hedges: Primary responsibilities are:

- * Work with executive leadership to advise of the design and implementation of the seasonal weather hedges
- * Perform the monitoring (daily margining) and evaluation (analysis of effectiveness) of the seasonal weather hedges
- * Develop and prepare weather hedge presentations (as necessary) for respective committees such as the Risk Oversight and Executive committees.

Business Unit:

Weather hedges: Provide consultation regarding potential transaction/transactions when necessary.

Performance Standards:

Active participation in team meetings
Accurate reporting of completed risk evaluations

Pricing Methodology:

Billable hours
Residual amounts are cleared monthly by planned activities.

Service Cost Drivers:

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Risk Control
Service: Enterprise Risk Management

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Enterprise Risk Management: The process activity of Enterprise Risk Management (ERM) covers the enterprise or corporate, business units (CEHE, Regulated Gas Operations and CES) and selected major projects.

For 2017 CenterPoint Energy Risk Management (CNP Risk) manages the risk assessments for the enterprise/corporate risks and the business units. However, effective October 1, 2014, the project risk assessments are covered by the Organizational Readiness/Risk Management team led by Fred K. Smith, III. CNP Risk will provide oversight of the Enterprise Risk Management (ERM) Process to monitor that the Program/Project Risk Management (PRM) Process follows the CNP corporate-adopted ERM model established from the nationally recognized Committee of Sponsoring Organizations (COSO) of the Treadway Commission ERM Model - Integrated Framework.

Responsibilities

Service Provider:

Enterprise Risk Management: CNP Risk will manage the risk assessments for the business units. The primary responsibility of CNP Risk is to periodically monitor the Program/Project Risk, Issues and Actions Management (PRM) Plan; provide advice, guidelines, standards, and methods for program/project-wide risk, issue and action identification and response. Additional responsibilities of CNP Risk support include:

- CNP Risk will manage the risk users for the Organizational Readiness/Risk Management team in the risk tools (Active Risk Manager, ARM and Checkbox survey software)
- Request that the PRM Plan follows the CNP Enterprise Risk Management (ERM) Methodology and Approach.
- Provide standards, guidelines and advice for the management and rollup of Risks, Issues and Actions identified by the Work Streams/project teams, PMO, and interested stakeholders.
- Provide guidance to identify, evaluate, measure, monitor, report risks, issues and actions and as needed, escalate risks, issues and actions through the appropriate leadership channels
- Provide the standards, guidelines and advice for the management and rollup of Risks, Issues and Actions identified by the work streams/project teams, TPMO and interested stakeholders.

Business Unit:

Enterprise Risk Management: Program/project team member's work together to ensure that risks are identified, defined, and reviewed; and that these identified risks do not keep the program/project team from attaining the stated program/project objectives, goals and promised deliverables. Additional responsibilities:

- Upon recognition, input into SharePoint identified Issues, Actions and Risks

- Respond to and manage identified Risks
 - Resolve and complete Issues and Actions
- Risk Owners / Risk Mitigation Owners
- Define identified risks gathered in Risk List and Risk Workshops
 - Provide and identify risk details and risk attributes in the Risk Mitigation Plan
 - Examine and better understand risks, including mitigation plans
 - On-going risk identification, definition and refinement of risk definitions and risk attributes
 - Be available to participate in risk surveys, risk workshops, and any of the risk management processes.

Performance Standards:

- Timely manage users in risk tools (ARM and Checkbox)
- Provide guidance and advice as requested on ERM process

Pricing Methodology:

Billable hours

Service Cost Drivers:

- Strategic plan initiatives.
- Time expenditures for guidance, analysis, review, and monitoring, including number of meetings necessary to complete risk evaluations and activities.
- Board of Directors reporting schedules.
- Staffing and risk skill levels of the Organizational Readiness/Risk Management team.

Service Provider Initiatives:

Enterprise Risk Management and assessment provides a strategic and operational approach for governance and sound management practices. ERM commits to consistently review its existing processes and procedures to ensure that CNP and its Business Units are aware of potential areas of enterprise risk.



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Treasury
Service: Cash Management

Business Unit Information

Business Unit: Houston Electric

Scope of Service

- Determine the daily cash position for CNP and its subsidiaries
- Administer the pooling of funds by CNP and its subsidiaries according to the terms of the money pool agreement(s)
- Initiate borrowings and repayments under bank credit facilities of CNP and its subsidiaries
- Administer commercial paper programs for CNP and CERC
- Invest available cash
- Input and initiate wire transfer payments for CNP and its subsidiaries
- Input and initiate ACH tax payments for CNP and its subsidiaries
- Open, maintain and close banks accounts
- Assist IT with file transmission issues and/or initiatives that involve working with a bank
- Assist with projects that involve banking matters

Responsibilities

Service Provider:

- Determine whether each bank account has funding requirements or excess cash balances each banking day
- Initiate borrowings and repayments under bank credit facilities of CNP and its subsidiaries
- Determine rates for commercial paper offerings and communicate issuance requirement to dealers
- Initiate wire transfers and ACH tax payments on dates requested by CNP and its subsidiaries
- Upload General Ledger information relating to wire transfers and ACH tax payments to SAP each business day
- Prepare and distribute the money pool memo each business day
- Review and allocate fees charged by banks to CNP and its subsidiaries
- Input documents into FileNet Imaging system for use by accounting, bank reconciliation and remittance processing
- Maintain an Emergency Operating Plan that is up-to-date and tested periodically
- Forecast borrowing needs to reduce borrowing costs

Business Unit:

- Submit wire transfer and ACH tax payment requests prior to daily time deadlines stipulated by Treasury
 - Ensure payment requests sent to Treasury for processing include a valid vendor number, a valid SAP General Ledger account number, payee's bank account information validated in SAP and the signature of an authorized signer
 - Reconcile bank accounts timely
 - Provide IT support for XRT Treasury Workstation, SAP, FileNet and LAN
 - Provide forecast information to Treasury
-

Performance Standards:

- Wire transfers made on dates indicated by clients
- ACH tax payments made on dates indicated by clients
- Cash positions of client companies determined each banking day
- Compliance with the borrowing and investing terms of money pool agreements
- Credit facility borrowings and repayments made each banking day by the time deadlines specified in each facility agreement
- Credit facility fees paid and notices provided in accordance with the terms of each facility agreement
- Commercial paper issuance and repayments executed timely and accurately
- No defaults resulting from failure to pay principal, interest or fees
- Investments made in accordance with CNP Short Term Investment Policy
- Distribution of the money pool memo each business day
- Reasonable bank fees when compared to bank fees of peers
- Accurate, timely and retrievable FileNet images

Pricing Methodology:

- Billable hours
- Direct costs associated with maintenance of bank accounts
- Non-interest related costs associated with Money Pool borrowings

Service Cost Drivers:

- Number of subsidiaries
- Number of credit facilities
- Number of bank accounts and number of different banks utilized by CNP and its subsidiaries
- Number of wire transfer and ACH tax payment transactions
- Number of companies making external investments
- Number of commercial paper programs and associated dealers
- Number and complexity of exceptions during daily upload of GL posting data to SAP and next day exceptions which appear on daily SAP settlement reports
- Extent of client counseling on the processes to follow when completing wire transfer and ACH tax payment requests
- Source of borrowed funds (commercial paper or bank loans) which is affected by credit ratings
- Federal and State regulatory requirements
- Whether CNP (on a consolidated basis) is in a borrowing position or an investment position

Service Provider Initiatives:

- Periodically conduct benchmarking studies of service charges to ensure that current fees are reasonable
- Continue to reduce the number of bank service providers and to consolidate services in order to reduce costs



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Treasury
Service: Risk Management/Insurance

Business Unit Information

Business Unit: Houston Electric

Scope of Service

The Risk Management (Insurance) department protects the Company's human, physical and financial assets against accidental loss in the most cost-effective manner available either through transfer of risk via a conventional insurance product, alternative risk transfer mechanisms, third party contractual transfers, retention of risk, or a combination of these techniques. Services shall include consulting on insurance requirements in contracts and agreements and procurement of surety bonds.

Responsibilities

Service Provider:

- Analyze exposures to determine the appropriate risk transfer mechanism
- Select insurance companies, sureties and insurance brokers and manage their performance
- Procure insurance policies in accordance with approved retention levels and limits
- Procure surety and notary bonds
- Obtain and distribute workers' compensation posters, automobile liability insurance cards, state issued automobile liability self-insurance certificates and/or various proof of financial responsibility documents
- Procure, conduct, coordinate and/or monitor loss control activities associated with the various insurance policies in an effort to reduce frequency and severity of claims.
- Report claims on all lines of insurance to underwriters, except those reported by CNP Claims department. Coordinate and facilitate communications between parties and the Legal Department
- Claims administration will be accomplished using outside vendors where the expertise and related costs are justified
- Assist in obtaining collateral to support insurance and surety programs
- Review and recommend insurance terms in contracts and provide consultation as requested
- Manage issuance of the Company's certificates of insurance
- Consult with the Business Units with respect to mergers, acquisitions and/or divestitures and develop estimated cost of risk
- Prepare budgets, disseminate information to Business Units, answer budget RFIs.
- Assist with rate cases as respects insurance matters.
- Special projects as needed/requested

Business Unit:

- Advise Risk Management of new exposures and/or operations for determination of proper risk treatment
- Report claims timely and assist with gathering data to substantiate the claim
- Provide underwriting information as requested for new and/or renewal of insurance policy
- Assist with loss control; provide business unit expertise.
- Provide bond form and required information to execute bonds

- Provide contracts/agreements timely for review of insurance terms and conditions.
- Advise of any special projects
- Involve Risk Management in mergers, acquisitions and/or divestitures activities

Performance Standards:

- Renew insurance policies and surety bonds without lapse in coverage
- Report claims timely to avoid sanctions from the various states and to avoid prejudicing insurer
- Review standard single contracts/agreements and provide commentary within one week of receipt. Response time for Master Service Agreements and large contracts may require additional time to respond
- Procure license and permit bonds when requested. Financial guarantee and construction bonds (i.e. payment and performance bonds) may take longer or may not be available from the surety market.
- Provide certificates of insurance when requested
- Provide railroad protective liability binders when requested

Pricing Methodology:

- Workers' compensation includes the actual claims cost plus an allocation premium, third party claims administrator fees, risk management information system fees, assessments and taxes
- Broker, loss control and claim consulting services includes a negotiated fee based upon competitive bidding
- Insurance policy premium and associated taxes and fees are allocated on the basis of exposure and loss experience
- Surety bonds billed on premium
- Notary bonds include the premium and notary supplies
- Department hours are billed in accordance with Corporate Cost Model

Service Cost Drivers:

- Business Unit's basis of exposures
- Financial credit rating of the Company
- Insurance market financial condition and capacity
- Limits and retentions purchased
- Policy terms and conditions
- Claims experience including frequency and severity
- Broker, loss control and claim consulting service fees based upon volume and complexity of services
- Surety market financial condition and capacity
- Governmental compliance
- Contractual obligations

Service Provider Initiatives:

- Encourage and support compliance with safety requirements
- Transfer risks to another stakeholder through contractual agreements with insurance terms and conditions appropriate for the scope of work envisioned
- Provide collateral in the form of Company guarantee in lieu of bonds, letters of credit or cash where possible.
- Collaboration with key stakeholders addressing initiatives to minimize physical risk to company



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Finance
Location: Houston
Center: Treasury
Service: Financing and Investment Management

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Finance seeks to ensure compliance with regulatory and legal requirements, support the decision making process associated with the investment of funds held in trust, administer trust fund investments and implement appropriate financings to ensure liquidity.

Responsibilities

Service Provider:

- Evaluate and implement financing alternatives
- Administer investment of benefit plan assets and other funds held in trust
- Provide support for investment decisions relating to funds held in trust
- Ensure compliance with legal agreements
- Support filing requirements under the 1934 Act

Business Unit:

Performance Standards:

- Timely execution of financings to meet cash needs
- Effective support for decisions made by the Benefits Committee
- Comply with requirements in existing financing agreements

Pricing Methodology:

- Costs associated with outstanding debt of a company
- Actual costs incurred in connection with a financing
- Billable hours
- Residual amounts are cleared monthly by planned activities

Service Cost Drivers:

- Amount of debt outstanding
- Number of financings
- Complexity of financings
- Aggregate principal amount of financings
- Time needed to administer benefit plan investments and other investments
- Number and complexity of regulatory filings including 1934 Act filings and rate cases

Service Provider Initiatives:

- Refinancing of existing debt
- Execution of pre-issuance interest rate hedging to reduce interest rate risk associated with future financings



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Human Resources
Location: Houston
Center: Compensation & Benefits
Service: Compensation & Benefits

Business Unit Information

Business Unit: Houston Electric

Scope of Service

General activities and costs to support the Compensation, Benefits and Disability Management and Employee Services groups:

- * Salaries and related expenses
- * Design, price and administer benefit plans
- * Negotiate and manage vendor contracts relating to the provision of and administration of benefits
- * Manage day to day occupational and non-occupational illnesses and injuries and Family Medical Leave Act (FMLA)
- * Monitor Long Term Disability referrals, active cases and appeals including all SAP requirements and annual enrollment
- * Ensure regulatory compliance with the many laws and regulations impacting Compensation and Benefits (Internal Revenue Service, Department of Labor, and Security and Exchange Commission)
- * Coordinate annual benefit enrollment activities
- * Monitor competitive developments and conduct annual market pricing
- * Design and administer base, variable and long-term pay
- * Coordinate, review and analyze total company benefits budget
- * Adhere to internal controls documentation requirements
- * Conduct merger and acquisition cost benefit analyses and recommendations

Responsibilities

Service Provider:

- * Provide and manage employee benefits
- * Design, develop, communicate and maintain compensation programs designed to attract, motivate and retain human capital
- * Manage employee financial security plans in a cost effective manner
- * Maintain vendor relations

Business Unit:

Align operations with the company's strategic objectives and adhere to Human Resources standards and policies.

Performance Standards:

Pricing Methodology:

Direct charges are tracked and charged directly to the applicable business unit.
All remaining cost are allocated to business units proportionally based on number of employees.

Service Cost Drivers:

Cost drivers for Human Resources include:

Compensation:

- * Number of surveys in which we participate in and purchase data. (We seek three credible sources for general industry jobs and seek at least one credible source for specialty jobs such as gas, pipeline or electric industry specific jobs.)
- * Functionality required from compensation planning system. (Annually we endeavor to improve the Compensation Planning System in order to deliver a user friendly and robust planning tool.)
- * Degree to which special studies and analysis are required including the pricing of new positions and reevaluation of existing positions and progressions.
- * Degree to which special educational programs are requested which require design and development of educational materials regarding compensation programs and strategies.

Financial Security and Benefits Administration:

- * Required compliance activities related to Employee Retirement Income Security Act of 1974, Health Insurance Portability and Accountability Act of 1996, etc. such as Summary Plan Descriptions, Summary of Material Modifications, Form 5500s, etc.
- * Degree to which multiple vendors are required to provide benefit options for active and retired employees located in non-urban locations
- * Plan design studies, analysis and contract reviews necessary to maintain cost effective benefit options
- * Communications and systems required to conduct user friendly annual enrollment activities
- * Ability and need to investigate and address specific employee or retiree concerns in addition to plan appeal procedures

Disability Management:

- * Frequency and severity of occupational and non-occupational cases to be managed
- * Degree of support provided for FMLA administration
- * Safety practices and general overall wellness of employees (long-term disability)

Employee Services:

- * Number of severances and degree to which termination documentation is prepared and made available to the vendor, timeliness of vendor requests for termination information (unemployment insurance)
- *Complexity of an amount of participation in programs administered within this area.

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Human Resources
Location: Houston
Center: Compensation & Benefits
Service: Wellness Center

Business Unit Information

Business Unit: Houston Electric

Scope of Service

To maintain and enhance employee fitness and health through maintenance of a fitness facility, a recreation area, and sponsorship of various health related activities, such as Weight Watchers at Work.

Responsibilities

Service Provider:

To maintain the Wellness Center facility and provide related health services.

Business Unit:

Use of the facility by the client employees in an appropriate manner.

Performance Standards:

Pricing Methodology:

All costs are allocated to SBU's with employees in the CNP Tower based on number of employees in the SBU (actives). Costs are partially offset by employee and non-employee dues.

Service Cost Drivers:

Cost drivers include:
* Utilization of and membership in the Wellness Center facility
* Classes offered
* Health initiatives undertaken (for example, flu shots)

Service Provider Initiatives:

* Health education for employees
* Membership drives



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Human Resources
Location: Houston
Center: HR for CNP Business Operations
Service: Labor Relations

Business Unit Information

Business Unit: Houston Electric

Scope of Service

- * Labor Relations activities include, planning and leading the collective bargaining process for the business unit, interpreting labor agreements, and providing direction for the proper application of the agreements to management.
- * Labor Relations partners with Human Resource Generalists on employee relations issues and processes. It manages grievances, coordinates arbitrations with Legal and other departments.
- * Develops and delivers Labor Relations Training to management and non-exempt employees as required.
- * Labor Relations provides consultation to management on labor issues, implements and develops labor strategies, and coordinates labor relations within CNP.
- * Labor Relations participates in industry and regional labor relations activities and builds relationships.
- * Labor Relations leads, coordinates and executes comprehensive union avoidance activities within unrepresented work groups when faced with organizing activities.

Responsibilities

Service Provider:

- * To provide a full array of Labor Relations expertise and support to CenterPoint Energy.
- * Services are designed to meet the needs specified by management and include mitigation of risk, advancement of labor relationships and optimization of each contract relationship, as well as developing tactics tailored to each business unit while meeting overall corporate interests.

Business Unit:

- * To adhere to our contractual obligations and assist in the consistent application of corporate and business unit Labor Relations strategies.
- * Work in coordination with corporate Labor Relations to ensure compliance with senior management business objectives.

Performance Standards:

Align operations with the company's strategic objectives and provide value added labor relations services.

Pricing Methodology:

Direct charges are tracked and charged directly to the applicable business unit.
All remaining costs are assigned based on number of Union employees.

Service Cost Drivers:

Cost drivers are:

- * Percent of organized workforce
- * New unionization activities
- * Market trends
- * Change issues
- * Cost controls

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Human Resources
Location: Houston
Center: HR for CNP Business Operations
Service: Client Direct Support

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Provide direct Human Resources consulting services as follows:

1. Employee Relations
 - * Conduct employee investigations.
 - * Interpret and administer corporate policies and labor contracts (as applicable).
 - * Counsel employees and management on issues related to disciplinary actions, terminations, promotions, selection and hiring, etc.
2. Compensation and Benefits – in collaboration with the Corp. HR groups
 - * Administer base and variable pay process and budgets.
 - * Provide education, communication and training to managers and employees on comp matters.
 - * Support job documentation process, and assist management in use of salary surveys.
 - * Provide salary recommendations.
3. Organizational Effectiveness
 - * Facilitate leadership and employee development activities.
 - * Conduct assessments of training and development needs.
 - * Partner with leadership by collaborating, coaching and influencing to achieve top organizational performance.
4. Disability Management – Coordinate personal disability management activities with the Corp. HR disability management group
5. Coordinate additional activities such as employee transfers, relocations, staffing and selection, drug and alcohol testing, etc.
6. Workforce Diversity and Inclusion

Responsibilities

Service Provider:

Satisfy client needs in a timely and cost effective manner.

Business Unit:

Partner with HR to identify needs and implement solutions.

Performance Standards:

Client satisfaction feedback (formal and informal).

Pricing Methodology:

Direct charges are tracked and charged directly to the applicable business unit.
All remaining cost are assigned based on number of employees.

Service Cost Drivers:

- * Client Demand
- * Litigation
- * Policy/Regulatory Changes
- * Employee Investigations
- * Travel Costs

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Human Resources
Location: Houston
Center: HR Technology & Compliance
Service: HR Tech & Compliance

Business Unit Information

Business Unit: Houston Electric

Scope of Service

- * Provide in-depth knowledge and understanding of HR processes, systems, resources, and key personnel.
- * Serves as liaison between HR/HR users and Information Technology.
- * Provide clarity around HR data for users.
- * Research and resolve data integrity issues
- * Advise and assist management in handling organizational changes and related employee changes
- * Coordinate and design various HR Form changes or creation of new forms that support processes and systems.
- * Train Company personnel on the use of HR applications and processes through systems demonstration and customized training classes. Prepare and design training materials/manuals.
- * Analyze, propose and execute enhancements to improve functionality & increase effectiveness of systems including incorporation of changes as the Company pursues new business opportunities.
- * Interface with clients to determine their technical needs and requirements for configuration and enhancements to the various HR systems.
- * Work with the technical support teams to provide input and coordination of activities related to routine systems, interfaces, third party bolt-on, production support activities and customization requests and programs.
- * Monitor and audit data integrity issues in HR applications
- * Evaluate web-sites that are restricted to determine if site should remain locked or is legitimate for business use.
- * Manage the security process for the HR applications and other non-HR applications that retrieve HR data. Design new security roles when business process dictates.
- * Coordinate/Administer DOT drug/alcohol testing
- * Create and maintain Affirmative Action Plans and EEO compliance

Responsibilities

Service Provider:

- * Provide subject matter expertise on SAP and related HR applications
- * Provide training on use of HR reporting tools
- * Provide skills of business analyst & Project Manager for SAP efficiency
- * Liaison between HR business units and Information Technology
- * Create and maintain Affirmative Action Plans and EEO Compliance
- * Administer DOT drug/alcohol testing

Business Unit:

Align operations with the company's strategic objectives and adhere to Human Resources standards and policies.

Performance Standards:

Pricing Methodology:

Internal labor charges are assigned based on the number of employees in the applicable business unit.

Service Cost Drivers:

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Human Resources
Location: Houston
Center: Learning and Organizational Development
Service: Learning and Organizational Development

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Provide services to support Corporate HR strategy including, but not limited to:

- * Consulting and support for learning management system
- * Corporate culture initiatives
- * Employee and leadership development through CNP University
- * Corporate Critical Succession Planning
- * Employee survey design/administration
- * Change management services
- * Consulting services - management and team development (assessments and teambuilding), analysis and diagnosis of organization issues (develop and implement solutions)

Responsibilities

Service Provider:

Provide services and satisfy client needs in a timely and cost efficient manner

Business Unit:

- * Partner with Human Resources to identify needs and implement solutions
- * Timely request of services

Performance Standards:

Provide value added service within the timeframe and cost agreed upon at the time of the request

Pricing Methodology:

Direct charges from items such as Birkmans, IMS workshops, late cancellation/no show fees, etc. are tracked and charged directly to the business unit; all remaining costs are allocated to business units proportionally based on number of employees.

Service Cost Drivers:

- * Number of trainees
- * Number of Corporate initiatives
- * Provider and client driven travel expenses

Service Provider Initiatives:

- * Leadership Development for Succession Planning Candidates



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Human Resources
Location: Houston
Center: Talent Acquisition Services
Service: HR Talent Acquisition

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Provide leadership with support and advisory assistance, and ensure execution of day-to-day functions for the following:

- * Serve as primary contact for all levels of management, business unit and functional leadership for all talent acquisition activities
- * Develop and adhere to compliant sourcing and recruiting processes that include
 - a) Advertising and branding
 - b) Candidate evaluation and assessment
 - c) Skills testing (skilled trades and technical)
 - d) Post offer screening (background checks, drug screen, physicals and motor vehicle records)
 - e) Onboarding
- * University/College Relations department participates in:
 - a) Provide qualified candidates for Internships, Co-Op and entry-level positions
 - b) Responsible for the management of the college recruiting contributions
- * Vendor management and program administration (applicant tracking system, technical support, relocation, outplacement, contingent staffing, background services and digital interviewing)
- * Employee records maintenance and administration
- * Support compliance and diversity efforts
- * Support military initiatives

Responsibilities

Service Provider:

Provide services and satisfy client needs in a timely and cost efficient manner

Business Unit:

- * Partner with Talent Acquisition and HR Business Partners to identify needs and implement solutions
- * Timely request of services

Performance Standards:

- * Provide value added service within the timeframe and cost agreed upon at the time of the request
- * Provide qualified candidates for open positions based on timeframe agreed upon with hiring manager

Pricing Methodology:

Talent Acquisition

Costs are allocated based on headcount

Talent Acquisition Services:

Direct charges from items such as post offer screens, contingent staffing, placement relocation and outplacement fees are tracked and charged directly to the business unit. Remaining costs are allocated to business units proportionally based on number of employees.

Service Cost Drivers:

Talent Acquisition:

- * Demand for corporate and Business Unit initiatives
- * Compliance requirements
- * Level of service requested and required

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Legal
Location: Houston
Center: Legal
Service: Records Management

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Records Management is the discipline of creating, using, maintaining, and eventually deleting or disposing of an organization's records and information based on daily business needs and legal requirements. The goal of the Integrated Records and Information Management (IRIM) Program is to build a comprehensive, robust and defensible company-wide program that ensures records and information is available to appropriate personnel when necessary.

Responsibilities

Service Provider:

- Develop and implement policies and procedures to ensure the company's records and information (electronic, paper, etc.) are created, captured, stored, retained, destroyed and/or archived appropriately to support business operations and meet regulatory and legal requirements
- Identify risks and issues related to records management and develop risk mitigation solutions and issue resolutions
- Oversee and manage Integrated Records and Information Management Governance Committee meetings, including agenda setting
- Analyze business processes and workflows to help business units develop enhancements and solutions for the methods by which they create, store, use, maintain, archive and destroy company records and information (physical and electronic) based on daily business needs and legal requirements
- Assist business units with file plan development and electronic data deletion (structured and unstructured)
- Oversee the development and maintenance of the Corporate Records Retention Schedule to meet operational and legal requirements
- Manage and coordinate offsite storage services, including retrieval of boxes and files and archiving of new boxes
- Manage and coordinate digital media destruction and the hardcopy paper Shred-All Program, including the servicing of shred containers containing company information and sensitive documents
- Monitor billing and services of storage/shredding vendor
- Educate and train employees on procedures for maintaining, storing, retrieving, and destroying company information and records (paper and electronic.)
- Coordinate Annual Records Compliance Cleanup Program initiatives for all CenterPoint Energy locations

Business Unit:

- Create the records necessary to facilitate business operations
- Store records in safe, secure and approved CenterPoint Energy repositories and facilities

- All records are subject to specified retention periods and are then destroyed or transferred, as required, in a timely and efficient manner (i.e., Record Retention Schedule)
- Maintain all tracking information for records placed in offsite storage
- Follow storage archiving procedures, including proper indexing of records sent to offsite storage
- Follow proper disposition procedures for both paper and electronic records, including cooperation with the Shred-All Program

Performance Standards:

Key Metrics:

- Annual percentage of records destroyed vs. total records eligible for destruction (excluding records on hold)
- Number of boxes sent to storage on a yearly basis
- Operate within the approved budget, subject to changes in scope by client
- Number of training courses per year
- Environmental savings for Shred-All Program
- Number of internal process enhancements and/or system improvements, including touch points where IRIM interacts with the business and the IRIM intranet site

Pricing Methodology:

Service Billing Calculation Method for Offsite Storage and Document Shredding:

- Offsite Storage: Rate multiplied by number of boxes stored for specific clients. Billed monthly at 1/12 of the total cost to appropriate business unit
 - Document Shredding: Rate multiplied by the number of shred containers serviced per account
- Assignable internal labor charges are billed directly to the applicable business unit. All other costs are assigned based on Composite Ratio Formula.

Service Cost Drivers:

Potential for increased storage costs will occur when:

- Rush requests are placed for retrieval, delivery or pickup of boxes from offsite storage

Service Provider Initiatives:

- Training to employees on records management policies and procedures
- Shred-All Program initiatives
- Annual Compliance Cleanup initiative



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Legal
Location: Houston
Center: Legal
Service: Legal

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Areas of responsibility include:

- * Corporate and securities law
- * Employment/Benefits law
- * Regulatory law
- * Contract and Patent law
- * Litigation
- * Manage outside counsel from various firms

Responsibilities

Service Provider:

Legal will be responsible for the provision of legal advice and counsel and the retention of outside counsel or inside counsel depending on efficiency and expertise.

Business Unit:

Business Unit will act in accordance with CenterPoint Energy, Inc. Legal Services Policy and other policies governing involvement by Legal in matters involving the Business Unit.

Performance Standards:

Pricing Methodology:

Direct charges for legal are tracked and charged directly to the applicable business unit. All remaining costs are assigned based on operating expense (less fuel) of the Business Units. Governance costs are allocated on the composite ratio formula.

Service Cost Drivers:

Cost Drivers for Outside Legal Fees:

- * SEC Reporting
- * Financings
- * Regulatory matters
- * Contracts
- * Bankruptcy and credit
- * Dispute resolution
- * Litigation

Service Provider Initiatives:



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CNP Properties
Organization: CNP Properties
Location: Houston
Center: CNP Properties
Service: Building Operations

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Facilities Management Operations Division will provide building operations services at CNP Tower and ECDC as follows:

- Building exterior and interior repairs and maintenance
- Building systems repairs & maintenance
- Site repairs & maintenance such as fencing and paving
- Operational needs such as grounds keeping, janitorial services, pest control, ice machine maintenance and other tenant services
- Utilities:
 - Electricity Management (procurement leadership, budget/usage monitoring & analysis, account management, billing reconciliations)
 - Water & sewer
- Furniture at CNP Tower and ECDC for use by the client business unit
- Assist Facilities Project Management Division with employee relocations/moves
- Assist Facilities Project Management Division with projects
- Billing of security services costs from Corporate Security
- Billing of base rent
- Billing of furniture rent

Responsibilities

Service Provider:

- Furniture standards have been developed and are in place for each location.
- Furniture will be maintained by Facilities Management

Business Unit:

Alterations of CNP Properties facilities (CNP Tower and ECDC)

1. All alterations, additions or improvements to CNP Properties owned facilities shall be designed and managed by Facilities Management on behalf of the client.

2. The cost of each project shall be borne by the client (or its corporate entity) and includes work such as:

- Building modifications
 - Non-building standard furniture purchases
 - Reconfiguration of existing work stations
 - Relocation costs associated with the above types of projects
 - Facilities Project Management man-hours associated with the above types of projects
 - Information Technology overtime man-hours associated with personnel relocations
3. All alterations, physical additions or improvements (except furniture or other personal property) shall become the property of the landlord upon completion.

4. At Facilities Management's option, client shall bear the cost to return the premises to its previous use once vacated by the client.

Furniture

- Client is responsible for taking good care of the furniture consistent with normal office use. Repairs associated with other damaged shall be charged to client.
- Client shall notify Facilities Management of any furniture issues or needs.

Performance Standards:

KEY METRIC

- Operate within the approved budget, subject to changes in scope by client.

Pricing Methodology:

This service consists of three components: base rent, furniture rent, and building operations:

- The base rent rate is calculated by dividing the building's annual depreciation and allowed return on investment by the building's total net rentable area.
- The building operations rate is calculated by dividing the building's annual operations budget by the building's total net rentable area. These rates per square foot are multiplied by the number of square feet occupied by each client and billed accordingly, 1/12th per month.
- Furniture rent is calculated by dividing the furniture's annual depreciation and allowed return on investment by each building's net rentable area that is populated with CNP Properties owned furniture (i.e., areas with business unit owned furniture or no furniture are excluded). The resulting rate per square foot is multiplied by the number of square feet occupied by each client (less any square footage equipped with their own or no furniture) and billed accordingly, 1/12th per month.

Service Cost Drivers:

- Client occupancy
- Frequencies of services requested- Requests for out-of-scope services (i.e., extra janitorial services)
- Requests for after-hours work

Service Provider Initiatives:

- Continue to achieve the most cost-effective services available while maintaining levels of services requested by clients
- Develop new metric at CNP-Tower, "Square foot per design occupant" for future use. It will be reported by Business Unit and total occupancy.
- Manage quality of outsourced services through use of quality control audits.
- Facilities Management will make every effort to fully utilize company owned furniture and avoid the purchase of new furniture.



CenterPoint Energy Service Company, LLC
Service Level Agreement
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Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Regulated Operations
Location: Minnesota
Center: Customer Service
Service: Contact Center

Business Unit Information

Business Unit: Houston Electric

Scope of Service

Scope of Service:

The Customer Service Contact Center is the primary channel by which electric customers (both end-use customers and Competitive Retail electricity providers) initiate service requests and report outages or emergencies. Customer Service provides 24-hour staffing seven days a week.

Responsibilities

Service Provider:

The Contact Center is responsible for the front-line communication with our customers. The primary means of communication with most customers is by telephone. Web-based applications are also utilized to allow customers 24/7 electronic access to specific information and transactions. The Contact Center provides full services from 7:00am to 7:00pm Monday through Friday, however customer service advisors are available 24 hours a day, 7 days a week to receive emergency calls. An automated interactive voice response unit is also available 24/7 to handle certain types of calls. The Contact Center will utilize the interactive voice response unit to handle various transactions. Customer Service will provide the following:

- Adequate staffing levels to meet call volume demands
- Training and Quality Assurance teams to provide initial and ongoing training to Contact Center personnel. The group is also responsible for monitoring and evaluating customer calls to identify coaching and development opportunities for customer service advisors and assure business rules and processes are followed.
- The Workforce Management teams are responsible for optimizing the productivity and staffing of the Contact Center operation through critical call volume and staffing forecasting reports, finding cost-effective solutions to customer needs and expectations.
- Could supplement Contact Center staffing with a third party vendor and/or Automated Technology Tool to handle certain call types and utilize as a resource in the business continuance plan.

The following types of calls are handled by the Contact Center to resolve customer requests and inquiries:

- Request or check the status of various service orders
- Request remove meter, customer meter and lockband removal and install
- Report emergencies
- Request meter reading and usage information on customer bills
- Inquiries concerning meter reads
- Discuss construction requirements

Business Unit:

Houston Electric Operations should maintain an open line of communication with the Contact Center to exchange pertinent information on field practices and/or events which may impact predefined expectations relayed to customers by Contact Center service advisors.

Performance Standards:

- Operate within the approved budget
- Service Level Measurements include: Average Speed of Answer, Call Handling Time, and Quality Assurance process to measure both technical and interpersonal Skill Levels of Contact Center personnel

Pricing Methodology:

While our Contact Center handles calls from both gas and electric utility customers, we are able to track electrical and gas call volumes and directly assign costs to each utility.

Service Cost Drivers:

- Increases or decreases in call volumes will affect costs
- Internally managed service levels
- Average handle time

Service Provider Initiatives:

- Provide staffing to handle incoming calls impacting other Business Unit operations
- Provide training to update our staff on Business Unit operation practices/changes
- Provide training to update other Business Units on Contact Center practices and procedures



CenterPoint Energy Service Company, LLC
Service Level Agreement
The best source of business services for CenterPoint Energy clients.

Year: 2018

Service Provider Information

Company: CenterPoint Energy Service Co LLC
Organization: CNP Regulated Operations
Location: Houston
Center: Customer Service
Service: Insert Operations

Business Unit Information

Business Unit: Houston Electric

Scope of Service

- * Insert and mail high volume mailings using high speed inserting equipment.
- * Order and stock envelopes.
- * Obtain/maintain lowest applicable postage rate for mailings.
- * Meet all U.S. Postal Service preparation requirements for high volume mailers.
- * Maintain documentation required to support high volume mailings for Postal discount.
- * Provide consultation on Company and U.S. Postal Service requirements for mailings.
- * Provide presort vendor and USPS postage account reconciliations and replenish postage accounts.
- * Maintain and coordinate disaster recovery contract with 3rd party vendor.
- * Contingency: If equipment failure causes delays and backlogs, Insert Operations will make a reasonable effort to eliminate the backlog as quickly as possible by expanded hours of operations to include weekends and/or use 3rd party vendor as needed.

Responsibilities

Service Provider:

- * Meet all US Postal Service preparation requirements for Postal discounts.
- * Comply with negotiated mail schedule.

Business Unit:

- * Consult with provider for guidance on creating inserts within specifications for machinability.
- * Provide 100% of inserts by the negotiated delivery date to ensure same day mailing.
- * Notify provider as soon as possible of anticipated delays in bill processing.

Performance Standards:

Measures:

- * Each special mailing will be completed based on negotiated mailing schedule.
- * Documentation identifying volume, mail date, and postage cost will be maintained.
- * If the negotiated print schedule is not met, no assurance is made for meeting the mailing schedule.
- * Operate within the approved budget, subject to changes in scope by client.

Variation:

- * Special mailings not associated with customer bills will be negotiated.