UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K/A
Amendment No. 1

(Mark One)

☑ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM ______ TO ____________

Commission file number 1-3187

CenterPoint Energy Houston Electric, LLC

(Exact name of registrant as specified in its charter)

Texas	**22-3865106**
(State or other jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*
1111 Louisiana	
Houston, Texas 77002	**(713) 207-1111**
(Address and zip code of principal executive offices)	*(Registrant's telephone number, including area code)*

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
9.15% First Mortgage Bonds due 2021	New York Stock Exchange
6.95% General Mortgage Bonds due 2033	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

CenterPoint Energy Houston Electric, LLC meets the conditions set forth in general instruction I(1)(a) and (b) of Form 10-K and is therefore filing this Form 10-K with the reduced disclosure format.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ☑

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☑

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☑ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer o	Accelerated filer o	Non-accelerated filer ☑ (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

The aggregate market value of the common equity held by non-affiliates as of June 30, 2015: None

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Explanatory Note

CenterPoint Energy Houston Electric, LLC (CenterPoint Houston or the Company) hereby amends Items 8 and 9A of Part II and Item 15 of Part IV of its Annual Report on Form 10-K for the year ended December 31, 2015 filed on February 26, 2016 (Form 10-K) to reflect the restatement of the Company's statement of consolidated cash flows as discussed in Note 12 to the Notes to Consolidated Financial Statements in Item 8 of this filing.

For purposes of this Form 10-K/A, and in accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended, each item of the Form 10-K that was affected by the restatement has been amended to the extent affected and restated in its entirety. **No attempt has been made in this Form 10-K/A to update other disclosures as presented in the Form 10-K except as required to reflect the effects of the restatement. Accordingly, this Form 10-K/A should be read in conjunction with the Company's SEC filings made subsequent to the filing of the Form 10-K, including any amendments of those filings.**

PART II

Item 8. ***Financial Statements and Supplementary Data***

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of CenterPoint Energy Houston Electric, LLC and subsidiaries (the "Company", an indirect wholly owned subsidiary of CenterPoint Energy, Inc.) as of December 31, 2015 and 2014, and the related statements of consolidated income, cash flows, and member's equity for each of the three years in the period ended December 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of CenterPoint Energy Houston Electric, LLC and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 12 to the consolidated financial statements, the accompanying 2015 statement of consolidated cash flows has been restated to correct a misstatement.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 26, 2016 (May 12, 2016 as to the effects of the restatement discussed in Note 12 to the consolidated financial statements)

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(An Indirect, Wholly-Owned Subsidiary of CenterPoint Energy, Inc.)

STATEMENTS OF CONSOLIDATED INCOME

	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Revenues	$ 2,846	$ 2,846	$ 2,577
Expenses:			
Operation and maintenance	1,311	1,258	1,053
Depreciation and amortization	705	768	685
Taxes other than income taxes	222	224	225
Total	2,238	2,250	1,963
Operating Income	608	596	614
Other Income (Expense):			
Interest and other finance charges	(118)	(109)	(99)
Interest on transition and system restoration bonds	(105)	(118)	(133)
Other, net	21	14	33
Total	(202)	(213)	(199)
Income Before Income Taxes	406	383	415
Income tax expense	145	131	146
Net Income	$ 261	$ 252	$ 269

See Notes to Consolidated Financial Statements

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(An Indirect, Wholly-Owned Subsidiary of CenterPoint Energy, Inc.)

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2015	2014
	(in millions)	
ASSETS		
Current Assets:		
Cash and cash equivalents ($264 and $290 related to VIEs, respectively)	$ 264	$ 290
Accounts and notes receivable, net ($64 and $58 related to VIEs, respectively), less bad debt reserve of $1 and $3, respectively	234	237
Accounts and notes receivable—affiliated companies	16	119
Accrued unbilled revenues	96	96
Inventory	133	126
Taxes receivable	59	103
Other ($35 and $47 related to VIEs, respectively)	63	74
Total current assets	865	1,045
Property, Plant and Equipment, net	6,933	6,343
Other Assets:		
Regulatory assets ($2,373 and $2,738 related to VIEs, respectively)	2,211	2,629
Other	37	34
Total other assets	2,248	2,663
Total Assets	$ 10,046	$ 10,051
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities:		
Current portion of VIE transition and system restoration bonds long-term debt	$ 391	$ 372
Accounts payable	153	148
Accounts and notes payable—affiliated companies	348	121
Taxes accrued	100	104
Interest accrued	70	75
Other	69	109
Total current liabilities	1,131	929
Other Liabilities:		
Deferred income taxes, net	2,032	1,999
Benefit obligations	192	260
Regulatory liabilities	542	537
Other	59	54
Total other liabilities	2,825	2,850
Long-Term Debt:		
VIE transition and system restoration bonds	2,283	2,674
Other long-term debt	2,206	2,006
Total long-term debt	4,489	4,680
Commitments and Contingencies (Note 10)		
Member's Equity	1,601	1,592
Total Liabilities and Member's Equity	$ 10,046	$ 10,051

See Notes to Consolidated Financial Statements

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(An Indirect, Wholly-Owned Subsidiary of CenterPoint Energy, Inc.)

STATEMENTS OF CONSOLIDATED CASH FLOWS

	Year Ended December 31,		
	2015 (As Restated - See Note 12)	2014	2013
	(in millions)		
Cash Flows from Operating Activities:			
Net income	$ 261	$ 252	$ 269
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	705	768	685
Amortization of deferred financing costs	15	16	16
Deferred income taxes	18	(24)	(75)
Changes in other assets and liabilities:			
Accounts and notes receivable, net	3	15	(46)
Accounts receivable/payable–affiliated companies	(89)	37	(5)
Inventory	(7)	(21)	(11)
Accounts payable	—	(3)	48
Taxes receivable	44	(103)	7
Interest and taxes accrued	(9)	(40)	37
Net regulatory assets and liabilities	3	(28)	(6)
Other current assets	(1)	(2)	(2)
Other current liabilities	(40)	(19)	16
Other assets	(7)	11	(11)
Other liabilities	(1)	5	6
Other, net	—	(6)	—
Net cash provided by operating activities	895	858	928
Cash Flows from Investing Activities:			
Capital expenditures	(929)	(804)	(753)
Decrease (increase) in notes receivable–affiliated companies	107	(107)	1,183
Decrease (increase) in restricted cash of transition and system restoration bond companies	12	(7)	17
Other, net	1	1	(2)
Net cash provided by (used in) investing activities	(809)	(917)	445
Cash Flows from Financing Activities:			
Proceeds from long-term debt	—	600	—
Payments of long-term debt	(372)	(537)	(897)
Long-term revolving credit facility	200	—	—
Dividend to parent	(252)	—	(766)
Increase (decrease) in notes payable–affiliated companies	312	(3)	(148)
Cash paid for debt retirements	—	(1)	(2)
Debt issuance costs	—	(7)	—
Contribution from parent	—	90	—
Other, net	—	—	1
Net cash provided by (used in) financing activities	(112)	142	(1,812)
Net Increase (Decrease) in Cash and Cash Equivalents	(26)	83	(439)
Cash and Cash Equivalents at Beginning of the Year	290	207	646
Cash and Cash Equivalents at End of the Year	$ 264	$ 290	$ 207
Supplemental Disclosure of Cash Flow Information:			
Cash Payments:			
Interest, net of capitalized interest	$ 213	$ 215	$ 238
Income taxes	81	296	147
Non-cash transactions:			
Accounts payable related to capital expenditures	$ 69	$ 64	$ 50

See Notes to Consolidated Financial Statements

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(An Indirect, Wholly-Owned Subsidiary of CenterPoint Energy, Inc.)

STATEMENTS OF CONSOLIDATED MEMBER'S EQUITY

	2015		2014		2013	
	Shares	Amount	Shares	Amount	Shares	Amount
			(in millions, except share amounts)			
Preference Stock, none outstanding	—	$ —	—	$ —	—	$ —
Cumulative Preferred Stock, $0.01 par value; authorized 20,000,000 shares, none outstanding	—	—	—	—	—	—
Common Stock, $0.01 par value; authorized 1,000,000,000 shares						
Balance, beginning of year	1,000	—	1,000	—	1,000	—
Balance, end of year	1,000	—	1,000	—	1,000	—
Additional Paid-in-Capital						
Balance, beginning of year		1,322		1,232		1,231
Contribution from parent		—		90		—
Other		—		—		1
Balance, end of year		1,322		1,322		1,232
Retained Earnings						
Balance, beginning of year		270		18		515
Net income		261		252		269
Dividend to parent		(252)		—		(766)
Balance, end of year		279		270		18
Total Member's Equity		$ 1,601		$ 1,592		$ 1,250

See Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Background

CenterPoint Energy Houston Electric, LLC (CenterPoint Houston) engages in the electric transmission and distribution business in the Texas Gulf Coast area that includes the city of Houston. CenterPoint Houston is an indirect, wholly-owned subsidiary of CenterPoint Energy, Inc. (CenterPoint Energy), a public utility holding company. As of December 31, 2015, CenterPoint Houston had the following subsidiaries: CenterPoint Energy Transition Bond Company, LLC, CenterPoint Energy Transition Bond Company II, LLC, CenterPoint Energy Transition Bond Company III, LLC, CenterPoint Energy Restoration Bond Company, LLC and CenterPoint Energy Transition Bond Company IV, LLC (Bond Company IV) (collectively, the transition and system restoration bond companies). Each is a special purpose Delaware limited liability company formed solely for the purpose of purchasing and owning transition or system restoration property through the issuance of transition bonds or system restoration bonds and activities incidental thereto.

Because CenterPoint Houston is an indirect, wholly-owned subsidiary of CenterPoint Energy, CenterPoint Houston's determination of reportable business segments considers the strategic operating units under which CenterPoint Energy manages sales, allocates resources and assesses performance of various products and services to wholesale or retail customers in differing regulatory environments. The accounting policies of the business segments are the same as those described in the summary of significant accounting policies except that some executive benefit costs have not been allocated to CenterPoint Houston. CenterPoint Houston uses operating income as the measure of profit or loss for its business segments. CenterPoint Houston consists of a single reportable segment: Electric Transmission & Distribution.

(2) Summary of Significant Accounting Policies

(a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(b) Principles of Consolidation

The accounts of CenterPoint Houston and its wholly-owned subsidiaries are included in CenterPoint Houston's consolidated financial statements. All intercompany transactions and balances are eliminated in consolidation. As of December 31, 2015, CenterPoint Houston had variable interest entities (VIEs) consisting of transition and system restoration bond companies, which it consolidates. The consolidated VIEs are wholly-owned bankruptcy remote special purpose entities that were formed specifically for the purpose of securitizing transition and system restoration related property. Creditors of CenterPoint Houston have no recourse to any assets or revenues of the transition and system restoration bond companies. The bonds issued by these VIEs are payable only from and secured by transition and system restoration property and the bondholders have no recourse to the general credit of CenterPoint Houston.

(c) Revenues

CenterPoint Houston records revenue for electricity delivery under the accrual method and these revenues are recognized upon delivery to customers. Electricity deliveries not billed by month-end are accrued based on actual advanced metering system data, daily supply volumes and applicable rates.

(d) Long-Lived Assets and Intangibles

CenterPoint Houston records property, plant and equipment at historical cost. CenterPoint Houston expenses repair and maintenance costs as incurred.

CenterPoint Houston periodically evaluates long-lived assets, including property, plant and equipment, and specifically identifiable intangibles, when events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. The determination of whether an impairment has occurred is based on an estimate of undiscounted cash flows attributable to the assets compared to the carrying value of the assets.

(e) Regulatory Assets and Liabilities

CenterPoint Houston applies the guidance for accounting for regulated operations. CenterPoint Houston's rate-regulated subsidiaries may collect revenues subject to refund pending final determination in rate proceedings. In connection with such revenues, estimated rate refund liabilities are recorded which reflect management's current judgment of the ultimate outcomes of the proceedings.

CenterPoint Houston recognizes removal costs as a component of depreciation expense in accordance with regulatory treatment. As of December 31, 2015 and 2014, these removal costs of $350 million and $353 million, respectively, are classified as regulatory liabilities in CenterPoint Houston's Consolidated Balance Sheets. In addition, a portion of the amount of removal costs that relate to asset retirement obligations has been reclassified from a regulatory liability to an asset retirement liability in accordance with accounting guidance for asset retirement obligations.

(f) Depreciation and Amortization Expense

Depreciation is computed using the straight-line method based on economic lives or a regulatory-mandated recovery period. Transition and system restoration property is being amortized over the expected life of the transition and system restoration bonds (12 to 14 years), based on estimated revenue from transition or system restoration charges, interest accruals and other expenses. Other amortization expense includes amortization of regulatory assets and other intangibles.

(g) Allowance for Funds Used During Construction

Allowance for funds used during construction (AFUDC) is capitalized as a component of projects under construction and is amortized over the assets' estimated useful lives once the assets are placed in service. AFUDC represents the composite interest cost of borrowed funds and a reasonable return on the equity funds used for construction. Although AFUDC increases both utility plant and earnings, it is realized in cash when the assets are included in rates. During 2015, 2014 and 2013, CenterPoint Houston capitalized AFUDC interest of $8 million, $10 million and $10 million, respectively. During 2015, 2014 and 2013, CenterPoint Energy recorded AFUDC equity of $12 million, $14 million and $8 million, respectively, which is included in Other Income in its Statements of Consolidated Income.

(h) Income Taxes

CenterPoint Houston is included in the consolidated income tax returns of CenterPoint Energy. CenterPoint Houston calculates its income tax provision on a separate return basis under a tax sharing agreement with CenterPoint Energy. CenterPoint Houston uses the asset and liability method of accounting for deferred income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. A valuation allowance is established against deferred tax assets for which management believes realization is not considered to be more likely than not. CenterPoint Houston recognizes interest and penalties as a component of income tax expense. Current federal and certain state income taxes are payable to or receivable from CenterPoint Energy.

(i) Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount and do not bear interest. It is the policy of management to review the outstanding accounts receivable monthly, as well as the bad debt write-offs experienced in the past, and establish an allowance for doubtful accounts. Account balances are charged off against the allowance when management determines it is probable the receivable will not be recovered. The provision for doubtful accounts in CenterPoint Houston's Statements of Consolidated Income for 2015, 2014 and 2013 was less than $1 million, $3 million and $2 million, respectively.

(j) Inventory

Inventory consists principally of materials and supplies and is valued at the lower of average cost or market. Materials and supplies are recorded to inventory when purchased and subsequently charged to expense or capitalized to plant when installed.

(k) Statements of Consolidated Cash Flows

For purposes of reporting cash flows, CenterPoint Houston considers cash equivalents to be short-term, highly-liquid investments with maturities of three months or less from the date of purchase. In connection with the issuance of transition bonds and system restoration bonds, CenterPoint Houston was required to establish restricted cash accounts to collateralize the bonds that were issued in these financing transactions. These restricted cash accounts are not available for withdrawal until the maturity of the bonds and are not included in cash and cash equivalents. These restricted cash accounts of $35 million and $47 million as of December 31, 2015 and 2014, respectively, are included in other current assets in CenterPoint Houston's Consolidated Balance Sheets. For additional information regarding transition and system restoration bonds, see Note 8. Cash and cash equivalents included $264 million and $290 million as of December 31, 2015 and 2014, respectively, that was held by CenterPoint Houston's transition and system restoration bond subsidiaries solely to support servicing the transition and system restoration bonds.

(l) New Accounting Pronouncements

In February 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis* (ASU 2015-02). ASU 2015-02 changes the analysis that reporting organizations must perform to evaluate whether they should consolidate certain legal entities, such as limited partnerships. The changes include, among others, modification of the evaluation of whether limited partnerships and similar legal entities are variable interest entities (VIEs) or voting interest entities and elimination of the presumption that a general partner should consolidate a limited partnership. ASU 2015-02 does not amend the related party guidance for situations in which power is shared between two or more entities that hold interests in a VIE. ASU 2015-02 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2015. CenterPoint Houston does not believe that ASU 2015-02 will have a material impact on its financial position, results of operations, cash flows and disclosures.

In April 2015, the FASB issued Accounting Standards Update No. 2015-03, *Interest-Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Cost* (ASU 2015-03). ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by ASU 2015-03. CenterPoint Houston will adopt ASU 2015-03 retrospectively on January 1, 2016, which will result in a reduction of both other long-term assets and long-term debt on its Consolidated Balance Sheets. CenterPoint Houston had debt issuance costs of $22 million and $26 million included in other long-term assets on its Consolidated Balance Sheets as of December 31, 2015 and 2014, respectively.

In April 2015, the FASB issued Accounting Standards Update No. 2015-05, *Intangibles-Goodwill and Other-Internal-Use Software* (*Subtopic 350-40*) (ASU 2015-05). ASU 2015-05 provides guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The guidance will not change a customer's accounting for service contracts. ASU 2015-05 is effective for fiscal years, and interim periods within the fiscal years, beginning after December 15, 2015 and may be adopted either prospectively or retrospectively. CenterPoint Houston will adopt ASU 2015-05 prospectively on January 1, 2016. CenterPoint Houston does not believe that ASU 2015-05 will have a material impact on its financial position, results of operations, cash flows and disclosures.

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* (ASU 2014-09), which supersedes most current revenue recognition guidance. ASU 2014-09 provides a comprehensive new revenue recognition model that requires revenue to be recognized in a manner that depicts the transfer of goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for those goods or services. ASU 2014-09 was initially effective for fiscal years, and interim periods within those years, beginning after December 15, 2016. Early adoption is not permitted, and entities have the option of using either a full retrospective or a modified retrospective adoption approach. In August 2015, the FASB issued Accounting Standard Update No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, which delays the effective date of ASU 2014-09 by one year. CenterPoint Houston is currently evaluating the impact that ASU 2014-09 will have on its financial position, results of operations, cash flows and disclosures, and will adopt ASU 2014-09 on January 1, 2018 as permitted by the new guidance.

In July 2015, the FASB issued Accounting Standards Update No. 2015-11, *Inventory (Topic 330) Simplifying the Measurement of Inventory* (ASU 2015-11). ASU 2015-11 changes the subsequent measurement guidance for inventory accounted for using methods other than the last in, first out (LIFO) and Retail Inventory methods. Companies will subsequently measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using

LIFO or the retail inventory method. ASU 2015-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, with early adoption permitted. CenterPoint Houston does not believe that ASU 2015-11 will have a material impact on its financial position, results of operations, cash flows and disclosures.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17, *Income Taxes (Topic 740): Balance Sheet Classification of Deferred Taxes* (ASU 2015-17). ASU 2015-17 requires deferred tax liabilities and assets be classified as noncurrent in a classified statement of financial position. CenterPoint Houston adopted ASU 2015-17 retrospectively starting with fiscal year 2015. As such, certain prior period amounts have been reclassified to conform to the current presentation. In the Consolidated Balance Sheet as of December 31, 2014, CenterPoint Houston reclassified $2 million from current deferred tax assets to reduce deferred income taxes within non-current liabilities. See Note 9 for additional information.

Management believes that other recently issued standards, which are not yet effective, will not have a material impact on CenterPoint Energy's consolidated financial position, results of operations or cash flows upon adoption.

(m) Other Current Liabilities

Included in other current liabilities in the Consolidated Balance Sheets as of December 31, 2015 and 2014 was $12 million and $24 million, respectively, of customer deposits primarily held by the transition and system restoration bond companies.

(n) Environmental Costs

CenterPoint Houston expenses or capitalizes environmental expenditures, as appropriate, depending on their future economic benefit. CenterPoint Houston expenses amounts that relate to an existing condition caused by past operations that do not have future economic benefit. CenterPoint Houston records undiscounted liabilities related to these future costs when environmental assessments and/or remediation activities are probable and the costs can be reasonably estimated.

(3) Property, Plant and Equipment

(a) Property, Plant and Equipment

Property, plant and equipment includes the following:

	Weighted Average Useful Lives (Years)	December 31, 2015	December 31, 2014
		(in millions)	
Transmission	41	$ 2,196	$ 2,057
Distribution	30	6,556	6,170
Other	16	1,390	1,166
Total		10,142	9,393
Accumulated depreciation		3,209	3,050
Property, plant and equipment, net		$ 6,933	$ 6,343

(b) Depreciation and Amortization

The following table presents depreciation and amortization expense for 2015, 2014 and 2013:

	Year Ended December 31, 2015	2014	2013
		(in millions)	
Depreciation expense	$ 316	$ 295	$ 280
Amortization of securitized regulatory assets	365	441	383
Other amortization	24	32	22
Total depreciation and amortization	$ 705	$ 768	$ 685

(c) Asset Retirement Obligations

A reconciliation of the changes in the asset retirement obligation (ARO) liability is as follows:

	December 31,	
	2015	2014
	(in millions)	
Beginning balance	$ 36	$ 33
Accretion expense	1	1
Revisions in estimates of cash flows	—	2
Ending balance	$ 37	$ 36

CenterPoint Houston recorded AROs associated with the removal of asbestos and asbestos-containing material in its buildings, including substation building structures. CenterPoint Houston also recorded AROs relating to treated wood poles for electric distribution, distribution transformers containing PCB (also known as Polychlorinated Biphenyl), and underground fuel storage tanks. The estimates of future liabilities were developed using historical information, and where available, quoted prices from outside contractors.

The increase of $2 million in the ARO from the revision of estimate in 2014 is primarily attributable to an increase in the expected future cash flows for asbestos remediation. There were no material additions or settlements during the years ended December 31, 2015 and 2014.

(4) Regulatory Matters

The following is a list of regulatory assets/liabilities reflected on CenterPoint Houston's Consolidated Balance Sheets as of December 31, 2015 and 2014:

	December 31,	
	2015	2014
	(in millions)	
Securitized regulatory assets	$ 2,373	$ 2,738
Unrecognized equity return (1)	(393)	(442)
Unamortized loss on reacquired debt	93	104
Pension and postretirement-related regulatory asset	50	107
Other long-term regulatory assets (2)	88	122
Total regulatory assets	2,211	2,629
Estimated removal costs	350	353
Other long-term regulatory liabilities	192	184
Total regulatory liabilities	542	537
Total regulatory assets and liabilities, net	$ 1,669	$ 2,092

(1) As of December 31, 2015, CenterPoint Houston has not recognized an allowed equity return of $393 million because such return will be recognized as it is recovered in rates through 2024. During the years ended December 31, 2015, 2014 and 2013, CenterPoint Houston recognized approximately $49 million, $68 million and $45 million, respectively, of the allowed equity return. The timing of CenterPoint Houston's recognition of the allowed equity return will vary each period based on amounts actually collected during the period. The actual amounts recovered for the allowed equity return are reviewed and adjusted at least annually by the Texas Utility Commission to correct any over-collections or under-collections during the preceding 12 months and to provide for the full and timely recovery of the allowed equity return.

(2) Other regulatory assets that are not earning a return were not material as of December 31, 2015 and 2014.

(5) Employee Benefit Plans

(a) Pension Plans

Substantially all of CenterPoint Houston's employees participate in CenterPoint Energy's non-contributory qualified defined benefit plan. Under the cash balance formula, participants accumulate a retirement benefit based upon 5% of eligible earnings and accrued interest.

CenterPoint Energy's funding policy is to review amounts annually in accordance with applicable regulations in order to achieve adequate funding of projected benefit obligations. Pension expense is allocated to CenterPoint Houston based on covered employees. This calculation is intended to allocate pension costs in the same manner as a separate employer plan. Assets of the plan are not segregated or restricted by CenterPoint Energy's participating subsidiaries. CenterPoint Houston recognized pension expense of $35 million, $26 million and $25 million for the years ended December 31, 2015, 2014 and 2013, respectively.

In addition to the pension plan, CenterPoint Houston participates in CenterPoint Energy's non-qualified benefit restoration plans, which allow participants to receive the benefits to which they would have been entitled under the non-contributory pension plan except for federally mandated limits on qualified plan benefits or on the level of compensation on which qualified plan benefits may be calculated. The expense associated with the non-qualified pension plan was $1 million for each of the years ended December 31, 2015, 2014 and 2013.

(b) Savings Plan

CenterPoint Houston participates in CenterPoint Energy's qualified savings plan, which includes a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended (the Code), and an Employee Stock Ownership Plan (ESOP) under Section 4975(e)(7) of the Code. Under the plan, participating employees may contribute a portion of their compensation, on a pre-tax or after-tax basis, generally up to a maximum of 50% of eligible compensation. CenterPoint Houston matches 100% of the first 6% of each employee's compensation contributed. The matching contributions are fully vested at all times.

Participating employees may elect to invest all (prior to January 1, 2016) or a portion of their contributions to the plan in CenterPoint Energy common stock, to have dividends reinvested in additional shares or to receive dividend payments in cash on any investment in CenterPoint Energy common stock, and to transfer all or part of their investment in CenterPoint Energy common stock to other investment options offered by the plan.

Effective January 1, 2016 the savings plan was amended to limit the percentage of future contributions that could be invested in CenterPoint Energy common stock to 25% and to prohibit transfers of account balances where the transfer would result in more than 25% of a participant's total account balance invested in CenterPoint Energy common stock.

The savings plan has significant holdings of CenterPoint Energy common stock. As of December 31, 2015, 16,942,974 shares of CenterPoint Energy's common stock were held by the savings plan, which represented approximately 17% of its investments. Given the concentration of the investments in CenterPoint Energy's common stock, the savings plan and its participants have market risk related to this investment.

CenterPoint Energy allocates to CenterPoint Houston the savings plan benefit expense related to CenterPoint Houston's employees. Savings plan benefit expense was $14 million, $13 million and $13 million for each of the years ended December 31, 2015, 2014 and 2013.

(c) Postretirement Benefits

CenterPoint Houston's employees participate in CenterPoint Energy's benefit plans which provide certain healthcare and life insurance benefits for retired employees on both a contributory and non-contributory basis. Employees become eligible for these benefits if they have met certain age and service requirements at retirement, as defined in the plans. Under plan amendments effective in early 1999, healthcare benefits for future retirees were changed to limit employer contributions for medical coverage. Such benefit costs are accrued over the active service period of employees.

CenterPoint Houston is required to fund a portion of its obligations in accordance with rate orders. The net postretirement benefit cost includes the following components:

	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Service cost - benefits earned during the period	$ 1	$ 1	$ 1
Interest cost on accumulated benefit obligation	13	14	13
Expected return on plan assets	(6)	(6)	(7)
Amortization of transition obligation	—	4	6
Amortization of prior service credit	(2)	(2)	(1)
Amortization of loss	3	1	4
Net postretirement benefit cost	$ 9	$ 12	$ 16

CenterPoint Houston used the following assumptions to determine net postretirement benefit costs:

	Year Ended December 31,		
	2015	2014	2013
Discount rate	3.90%	4.75%	3.90%
Expected return on plan assets	5.45%	6.00%	6.00%

In determining net periodic benefits cost, CenterPoint Houston uses fair value, as of the beginning of the year, as its basis for determining expected return on plan assets.

Following are reconciliations of CenterPoint Houston's beginning and ending balances of its postretirement benefit plan's benefit obligation, plan assets and funded status for 2015 and 2014. The measurement dates for plan assets and obligations were December 31, 2015 and 2014.

	December 31,	
	2015	2014
	(in millions)	
Change in Benefit Obligation		
Accumulated benefit obligation, beginning of year	$ 347	$ 311
Service cost	1	1
Interest cost	13	14
Benefits paid	(17)	(18)
Participant contributions	3	3
Medicare drug reimbursement	1	1
Plan amendment	(4)	—
Actuarial (gain) loss	(61)	35
Accumulated benefit obligation, end of year	$ 283	$ 347
Change in Plan Assets		
Plan assets, beginning of year	$ 115	$ 114
Benefits paid	(17)	(18)
Employer contributions	9	9
Participant contributions	3	3
Actual investment return	—	7
Plan assets, end of year	$ 110	$ 115
Amounts Recognized in Balance Sheets		
Other liabilities-benefit obligations	$ (173)	$ (232)
Net liability, end of year	$ (173)	$ (232)
Actuarial Assumptions		
Discount rate	4.35%	3.90%
Expected long-term return on assets	5.00%	5.45%
Healthcare cost trend rate assumed for the next year - Pre 65	6.00%	7.25%
Healthcare cost trend rate assumed for the next year - Post 65	5.50%	8.50%
Prescription drug cost trend rate assumed for the next year	11.00%	6.50%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	5.00%	5.00%
Year that the healthcare rate reaches the ultimate trend rate	2024	2024
Year that the prescription drug rate reaches the ultimate trend rate	2024	2024

The discount rate assumption was determined by matching the projected cash flows of CenterPoint Energy's plans against a hypothetical yield curve of high-quality corporate bonds represented by a series of annualized individual discount rates from one-half to 99 years.

The expected rate of return assumption was developed by a weighted-average return analysis of the targeted asset allocation of CenterPoint Energy's plans and the expected real return for each asset class, based on the long-term capital market assumptions, adjusted for investment fees and diversification effects, in addition to expected inflation.

For measurement purposes, medical costs are assumed to increase 6.00% and 5.50% for the pre-65 and post-65 retirees during 2016, respectively, and the prescription cost is assumed to increase 11.00% during 2016, after which these rates decrease until reaching the ultimate trend rate of 5.00% in 2024.

CenterPoint Houston does not have amounts recognized in accumulated other comprehensive income related to its postretirement benefit plans as of December 31, 2015 and 2014. Unrecognized costs were recorded as a regulatory asset because CenterPoint Houston historically and currently recovers postretirement expenses in rates.

Assumed healthcare cost trend rates have a significant effect on the reported amounts for CenterPoint Houston's postretirement benefit plans. A 1% change in the assumed healthcare cost trend rate would have the following effects:

	1% Increase	1% Decrease
	(in millions)	
Effect on the postretirement benefit obligation	$ 9	$ 8
Effect on total of service and interest cost	—	—

In managing the investments associated with the postretirement benefit plans, CenterPoint Houston's objective is to preserve and enhance the value of plan assets while maintaining an acceptable level of volatility. These objectives are expected to be achieved through an investment strategy that manages liquidity requirements while maintaining a long-term horizon in making investment decisions and efficient and effective management of plan assets.

As part of the investment strategy discussed above, CenterPoint Houston has adopted and maintained the following asset allocation ranges for its postretirement benefit plans:

U.S. equity	14–24%
International equity	3–13%
Fixed income	68–78%
Cash	0–2%

The following tables present by level, within the fair value hierarchy, CenterPoint Houston's postretirement plan assets as of December 31, 2015 and 2014, by asset category as follows:

	Fair Value Measurements as of December 31, 2015			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Mutual funds (1)	$ 110	$ 110	$ —	$ —
Total	$ 110	$ 110	$ —	$ —

(1) 73% of the amount invested in mutual funds was in fixed income securities; 19% was in U.S. equities and 8% was in international equities.

	Fair Value Measurements as of December 31, 2014			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(in millions)			
Mutual funds (1)	$ 115	$ 115	$ —	$ —
Total	$ 115	$ 115	$ —	$ —

(1) 73% of the amount invested in mutual funds was in fixed income securities; 19% was in U.S. equities and 8% was in international equities.

CenterPoint Houston expects to contribute $7 million to its postretirement benefits plan in 2016. The following benefit payments are expected to be paid by the postretirement benefit plan:

	Postretirement Benefit Plan	
	Benefit Payments	Medicare Subsidy Receipts
	(in millions)	
2016	$ 20	$ (2)
2017	21	(2)
2018	22	(3)
2019	23	(3)
2020	24	(3)
2021-2025	124	(19)

(d) Postemployment Benefits

CenterPoint Houston participates in CenterPoint Energy's plan which provides postemployment benefits for certain former or inactive employees, their beneficiaries and covered dependents, after employment but before retirement (primarily health care and life insurance benefits for participants in the long-term disability plan). CenterPoint Houston recorded a postemployment credit of $1 million, and expenses of $1 million and $4 million for the years ended December 31, 2015, 2014 and 2013, respectively. Amounts relating to postemployment obligations included in Benefit Obligations in the accompanying Consolidated Balance Sheets as of December 31, 2015 and 2014 were $6 million and $14 million, respectively.

(e) Other Non-Qualified Plans

CenterPoint Houston participates in CenterPoint Energy's deferred compensation plans that provide benefits payable to directors, officers and certain key employees or their designated beneficiaries at specified future dates, upon termination, retirement or death. Benefit payments are made from the general assets of CenterPoint Houston. CenterPoint Houston recorded benefit expense relating to these plans of $1 million in each of the years ended December 31, 2015, 2014 and 2013. Amounts relating to deferred compensation plans included in Benefit Obligations in the accompanying Consolidated Balance Sheets as of December 31, 2015 and 2014 were $11 million and $12 million, respectively.

(f) Other Employee Matters

As of December 31, 2015, CenterPoint Houston had 2,665 full-time employees, of which approximately 51% were subject to a collective bargaining agreement. The collective bargaining agreement with the International Brotherhood of Electrical Workers Local 66 is scheduled to expire in May of 2016. CenterPoint Houston believes it has a good relationship with this bargaining unit and expects to negotiate a new agreement in 2016.

(6) Fair Value Measurements

Assets and liabilities that are recorded at fair value in the Consolidated Balance Sheets are categorized based upon the level of judgment associated with the inputs used to measure their value. Hierarchical levels, as defined below and directly related to the amount of subjectivity associated with the inputs to fair valuations of these assets and liabilities, are as follows:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date. The types of assets carried at Level 1 fair value are investments listed in active markets. At December 31, 2015 and 2014, CenterPoint Houston held Level 1 investments of $32 million and $43 million, respectively, which were primarily investments in money market funds and are included in other current assets in the Consolidated Balance Sheets.

Level 2: Inputs, other than quoted prices included in Level 1, are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar instruments in active markets, and inputs other than quoted prices that are observable for the asset or liability. CenterPoint Houston had no Level 2 assets or liabilities at either December 31, 2015 and 2014.

Level 3: Inputs are unobservable for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability. Unobservable inputs reflect CenterPoint Houston's judgments about the assumptions market participants would use in determining fair value. CenterPoint Houston had no Level 3 assets or liabilities at either December 31, 2015 and 2014.

CenterPoint Houston determines the appropriate level for each financial asset and liability on a quarterly basis and recognizes transfers between levels at the end of the reporting period. For the years ended December 31, 2015 and 2014, there were no transfers between levels.

Estimated Fair Value of Financial Instruments

The fair values of cash and cash equivalents and short-term borrowings are estimated to be approximately equivalent to carrying amounts and have been excluded from the table below. The fair value of each debt instrument is determined by multiplying the principal amount of each debt instrument by the market price. These assets and liabilities, which are not measured at fair value in the Consolidated Balance Sheets but for which the fair value is disclosed, would be classified as Level 1 in the fair value hierarchy.

	December 31, 2015		December 31, 2014	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in millions)			
Financial liabilities:				
Long-term debt, including current portion	$ 4,880	$ 5,108	$ 5,052	$ 5,441

(7) Related Party Transactions and Major Customers

(a) Related Party Transactions

CenterPoint Houston participates in a money pool through which it can borrow or invest on a short-term basis. Funding needs are aggregated and external borrowing or investing is based on the net cash position. The net funding requirements of the money pool are expected to be met with borrowings under CenterPoint Energy's revolving credit facility or the sale of CenterPoint Energy's commercial paper**.** CenterPoint Houston had borrowings from the money pool of $312 million and investments in the money pool of $107 million as of December 31, 2015 and 2014, respectively, which are included in accounts and notes receivable-affiliated companies and accounts and notes payable-affiliated companies, respectively, in the Consolidated Balance Sheets. As of December 31, 2015, CenterPoint Houston's money pool borrowings had a weighted-average interest rate of 0.80%.

For the years ended December 31, 2015, 2014 and 2013, CenterPoint Houston had affiliate related net interest income (expense) of $(1) million, less than $(1) million and $20 million, respectively.

CenterPoint Energy provides some corporate services to CenterPoint Houston. The costs of services have been charged directly to CenterPoint Houston using methods that management believes are reasonable. These methods include negotiated usage rates, dedicated asset assignment and proportionate corporate formulas based on operating expenses, assets, gross margin, employees and a composite of assets, gross margin and employees. CenterPoint Energy Resources Corp. (CERC Corp., and together with its subsidiaries, CERC) provides certain services to CenterPoint Houston. These services are billed at actual cost, either directly or as an allocation and include line locating and other miscellaneous services. Additionally, CenterPoint Houston provides a number of services to CERC. These services are billed at actual cost, either directly or as an allocation and include fleet services, shop services, geographic services, surveying and right-of-way, radio communications, data circuit management and field operations. These charges are not necessarily indicative of what would have been incurred had CenterPoint Houston not been an affiliate. Amounts charged to CenterPoint Houston for these services were as follows and are included primarily in operation and maintenance expenses:

	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Corporate service charges	$ 176	$ 159	$ 147
Charges from CERC for services provided	6	5	9
Billings to CERC for services provided	(18)	(17)	(21)

CenterPoint Houston paid dividends of $252 million, $-0- and $766 million on its common shares to Utility Holding, LLC in 2015, 2014 and 2013, respectively. In 2014, CenterPoint Energy made an equity contribution of $90 million to CenterPoint Houston.

(b) Major Customers

CenterPoint Houston's transmission and distribution revenues from major customers are as follows:

	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Affiliates of NRG	$ 741	$ 735	$ 658
Affiliates of Energy Future Holdings Corp.	$ 220	$ 189	$ 167

(8) Long-term Debt

	December 31, 2015		December 31, 2014	
	Long-Term	Current (1)	Long-Term	Current (1)
	(in millions)			
Long-term debt:				
Bank Loans	$ 200	$ —	$ —	$ —
First mortgage bonds 9.15% due 2021	102	—	102	—
General mortgage bonds 2.25% to 6.95% due 2022 to 2044 (2)	1,912	—	1,912	—
System restoration bonds 3.46% to 4.243% due 2018 to 2022	365	50	415	48
Transition bonds 0.901% to 5.302% due 2017 to 2024	1,918	341	2,259	324
Other	(8)	—	(8)	—
Total long-term debt	$ 4,489	$ 391	$ 4,680	$ 372

(1) Includes amounts due or scheduled to be paid within one year of the date noted.

(2) Debt issued as collateral is excluded from the financial statements because of the contingent nature of the obligation.

Transition and System Restoration Bonds. As of December 31, 2015, CenterPoint Houston had special purpose subsidiaries consisting of transition and system restoration bond companies, which it consolidates. The consolidated special purpose subsidiaries are wholly-owned bankruptcy remote entities that were formed solely for the purpose of purchasing and owning transition or system restoration property through the issuance of transition bonds or system restoration bonds and activities incidental thereto. These transition bonds and system restoration bonds are payable only through the imposition and collection of "transition" or "system restoration" charges, as defined in the Texas Public Utility Regulatory Act, which are irrevocable, non-bypassable charges payable by most of CenterPoint Houston's retail electric customers in order to provide recovery of authorized qualified costs. CenterPoint Houston has no payment obligations in respect of the transition and system restoration bonds other than to remit the applicable transition or system restoration charges it collects. Each special purpose entity is the sole owner of the right to impose, collect and receive the applicable transition or system restoration charges securing the bonds issued by that entity. Creditors of CenterPoint Energy or CenterPoint Houston have no recourse to any assets or revenues of the transition and system restoration bond companies (including the transition and system restoration charges), and the holders of transition bonds or system restoration bonds have no recourse to the assets or revenues of CenterPoint Energy or CenterPoint Houston.

Revolving Credit Facility. As of December 31, 2015 and 2014, CenterPoint Houston had the following revolving credit facility and utilization of such facility:

December 31, 2015			December 31, 2014		
Size of Facility	Loans	Letters of Credit	Size of Facility	Loans	Letters of Credit
(in millions)					
$ 300	$ 200 (1)	$ 4	$ 300	$ —	$ 4

(1) Weighted average interest rate was 1.637% as of December 31, 2015.

CenterPoint Houston's $300 million revolving credit facility, which is scheduled to terminate on September 9, 2019, can be drawn at LIBOR plus 1.125% based on CenterPoint Houston's current credit ratings. The revolving credit facility contains a financial covenant which limits CenterPoint Houston's consolidated debt (excluding transition and system restoration bonds) to an amount not to exceed 65% of CenterPoint Houston's consolidated capitalization. CenterPoint Houston was in compliance with all financial covenants as of December 31, 2015. As of December 31, 2015, CenterPoint Houston's debt (excluding transition and system restoration bonds) to capital ratio, as defined in its credit facility agreement, was 51.7%.

Maturities. CenterPoint Houston has no maturities of long-term debt for 2016 through 2020 other than the maturity of $200 million of bank loans in 2019. CenterPoint Houston's scheduled payments on transition and system restoration bonds are $391 million in 2016, $411 million in 2017, $434 million in 2018, $458 million in 2019 and $231 million in 2020.

Liens. As of December 31, 2015, CenterPoint Houston's assets were subject to liens securing approximately $102 million of first mortgage bonds. Sinking or improvement fund and replacement fund requirements on the first mortgage bonds may be satisfied by certification of property additions. Sinking fund and replacement fund requirements for 2015, 2014 and 2013 have been satisfied by certification of property additions. The replacement fund requirement to be satisfied in 2016 is approximately $223 million, and the sinking fund requirement to be satisfied in 2016 is approximately $1.6 million. CenterPoint Houston expects to meet these 2016 obligations by certification of property additions. As of December 31, 2015, CenterPoint Houston's assets were also subject to liens securing approximately $2.1 billion of general mortgage bonds which are junior to the liens of the first mortgage bonds.

(9) Income Taxes

The components of CenterPoint Houston's income tax expense were as follows:

	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Current income tax expense:			
Federal	$ 106	$ 136	$ 201
State	21	19	20
Total current expense	127	155	221
Deferred income tax expense (benefit):			
Federal	18	(24)	(75)
Total deferred expense (benefit)	18	(24)	(75)
Total income tax expense	$ 145	$ 131	$ 146

A reconciliation of income tax expense using the federal statutory income tax rate to the actual income tax expense and resulting effective income tax rate is as follows:

	Year Ended December 31,		
	2015	2014	2013
	(in millions)		
Income before income taxes	$ 406	$ 383	$ 415
Federal statutory income tax rate	35.0%	35.0%	35.0%
Expected federal income tax expense	142	134	145
Increase (decrease) in tax expense resulting from:			
State income tax expense, net of federal income tax	14	12	13
Decrease in settled and uncertain tax positions	—	—	(5)
Other, net	(11)	(15)	(7)
Total	3	(3)	1
Total income tax expense	$ 145	$ 131	$ 146
Effective tax rate	35.7%	34.2%	35.2%

In 2014, CenterPoint Houston recognized a $6 million reversal of previously accrued taxes as a result of final positions taken in the 2013 income tax returns. CenterPoint Houston recognized a tax benefit of $5 million from favorable audit settlements for the year ended December 31, 2013.

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and liabilities were as follows:

	December 31, 2015	December 31, 2014
	(in millions)	
Deferred tax assets:		
Benefits and compensation	$ 69	$ 92
Loss and credit carryforwards	6	—
Asset retirement obligations	13	12
Other	7	7
Total deferred tax assets	95	111
Deferred tax liabilities:		
Property, plant, and equipment	1,447	1,284
Regulatory assets/liabilities, net	680	826
Total deferred tax liabilities	2,127	2,110
Net deferred tax liabilities	$ 2,032	$ 1,999

Effective December 31, 2015, all deferred taxes for 2014 and 2015 are classified as noncurrent. See Note 2.

CenterPoint Houston is included in the consolidated income tax returns of CenterPoint Energy. CenterPoint Houston calculates its income tax provision on a separate return basis under a tax sharing agreement with CenterPoint Energy.

Uncertain Income Tax Positions. CenterPoint Houston reported no uncertain tax liability as of December 31, 2015 and expects no significant change to the uncertain tax liability over the next twelve months ending December 31, 2016.

Tax Audits and Settlements. CenterPoint Energy's tax years through 2013 have been audited and settled with the Internal Revenue Service (IRS). For 2014 and 2015, CenterPoint Energy is a participant in the IRS's Compliance Assurance Process. CenterPoint Energy has considered the effects of these examinations in its accrual for settled issues and liability for uncertain income tax positions (if any) as of December 31, 2015.

(10) Commitments and Contingencies

(a) Lease Commitments

CenterPoint Houston currently has obligations under non-cancelable long-term operating leases of less than $1 million per year for the years 2016 to 2020. Total lease expense for all operating leases was less than $1 million in each of the years ended December 31, 2015, 2014 and 2013.

(b) Legal and Environmental Matters

Legal Matters

Gas Market Manipulation Cases. CenterPoint Energy, CenterPoint Houston or their predecessor, Reliant Energy, Incorporated (Reliant Energy), and certain of their former subsidiaries have been named as defendants in certain lawsuits described below. Under a master separation agreement between CenterPoint Energy and a former subsidiary, Reliant Resources, Inc. (RRI), CenterPoint Energy and its subsidiaries are entitled to be indemnified by RRI and its successors for any losses, including certain attorneys' fees and other costs, arising out of these lawsuits. In May 2009, RRI sold its Texas retail business to a subsidiary of NRG and RRI changed its name to RRI Energy, Inc. In December 2010, Mirant Corporation merged with and became a wholly-owned subsidiary of RRI, and RRI changed its name to GenOn Energy, Inc. (GenOn). In December 2012, NRG acquired GenOn through a merger in which GenOn became a wholly-owned subsidiary of NRG. None of the sale of the retail business, the merger with Mirant Corporation, or the acquisition of GenOn by NRG alters RRI's (now GenOn's) contractual obligations to indemnify CenterPoint Energy and its subsidiaries, including CenterPoint Houston, for certain liabilities, including their indemnification obligations regarding the gas market manipulation litigation.

A large number of lawsuits were filed against numerous gas market participants in a number of federal and western state courts in connection with the operation of the natural gas markets in 2000–2002. CenterPoint Energy and its affiliates have since been released or dismissed from all but one such case. CenterPoint Energy Services, Inc. (CES), a subsidiary of CERC Corp., is a defendant in a case now pending in federal court in Nevada alleging a conspiracy to inflate Wisconsin natural gas prices in 2000–2002. In July 2011, the court issued an order dismissing the plaintiffs' claims against other defendants in the case, each of whom had demonstrated Federal Energy Regulatory Commission jurisdictional sales for resale during the relevant period, based on federal preemption, and stayed the remainder of the case pending outcome of the appeals. The plaintiffs appealed this ruling to the U.S. Court of Appeals for the Ninth Circuit, which reversed the trial court's dismissal of the plaintiffs' claims. On April 21, 2015, the U.S. Supreme Court affirmed the Ninth Circuit's ruling and remanded the case to the district court for further proceedings, which are now underway. CenterPoint Energy and CES intend to continue vigorously defending against the plaintiffs' claims. CenterPoint Energy does not expect the ultimate outcome of this matter to have a material adverse effect on its financial condition, results of operations or cash flows.

Environmental Matters

Asbestos. Some facilities owned by CenterPoint Energy contain or have contained asbestos insulation and other asbestos-containing materials. CenterPoint Energy or its subsidiaries, including CenterPoint Houston, have been named, along with numerous others, as a defendant in lawsuits filed by a number of individuals who claim injury due to exposure to asbestos. Some of the claimants have worked at locations owned by CenterPoint Energy or CenterPoint Houston, but most existing claims relate to facilities previously owned by CenterPoint Energy's other subsidiaries or CenterPoint Houston. In 2004 and early 2005, CenterPoint Energy sold its generating business, to which most of these claims relate, to a company which is now an affiliate of NRG. Under the terms of the arrangements regarding separation of the generating business from CenterPoint Energy and its sale of that business, ultimate financial responsibility for uninsured losses from claims relating to the generating business has been assumed by the NRG affiliate, but CenterPoint Energy has agreed to continue to defend such claims to the extent they are covered by insurance maintained by CenterPoint Energy, subject to reimbursement of the costs of such defense by the NRG affiliate. CenterPoint Energy anticipates that additional claims like those received may be asserted in the future. Although their ultimate outcome cannot be predicted at this time, CenterPoint Houston or CenterPoint Energy, as appropriate, intends to continue vigorously contesting claims that it does not consider to have merit and, based on its experience to date, CenterPoint Houston does not expect these matters, either individually or in the aggregate, to have a material adverse effect on its financial condition, results of operations or cash flows.

Other Environmental. From time to time, CenterPoint Houston identifies the presence of environmental contaminants on property where it conducts or has conducted operations. Other such sites involving contaminants may be identified in the future. CenterPoint Houston has and expects to continue to remediate identified sites consistent with its legal obligations. From time to time, CenterPoint Houston has received notices from regulatory authorities or others regarding its status as a potentially responsible party in connection with sites found to require remediation due to the presence of environmental contaminants. In addition, CenterPoint Houston has been named from time to time as a defendant in litigation related to such sites. Although the ultimate outcome of such matters cannot be predicted at this time, CenterPoint Houston does not expect, based on its experience to date, these matters, either individually or in the aggregate, to have a material adverse effect on its financial condition, results of operations or cash flows.

Other Proceedings

CenterPoint Houston is involved in other legal, environmental, tax and regulatory proceedings before various courts, regulatory commissions and governmental agencies regarding matters arising in the ordinary course of business. From time to time, CenterPoint Houston is also a defendant in legal proceedings with respect to claims brought by various plaintiffs against broad groups of participants in the energy industry. Some of these proceedings involve substantial amounts. CenterPoint Houston regularly analyzes current information and, as necessary, provides accruals for probable and reasonably estimable liabilities on the eventual disposition of these matters. CenterPoint Houston does not expect the disposition of these matters to have a material adverse effect on CenterPoint Houston's financial condition, results of operations or cash flows.

(11) Unaudited Quarterly Information

Summarized quarterly financial data is as follows:

	Year Ended December 31, 2015			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions)			
Revenues	$ 617	$ 705	$ 827	$ 697
Operating income	101	158	244	105
Net income	31	69	124	37

	Year Ended December 31, 2014			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
	(in millions)			
Revenues	$ 630	$ 698	$ 839	$ 679
Operating income	106	145	232	113
Net income	35	57	119	41

(12) Restatement of Statement of Consolidated Cash Flows

As disclosed in Note 7, CenterPoint Houston participates in a centralized cash management arrangement or money pool with affiliates. Investments in the money pool are included in the consolidated balance sheets as accounts and notes receivable–affiliated companies, while borrowings are included in accounts and notes payable–affiliated companies. Under generally accepted accounting principles, receivables from an affiliate in a centralized cash management arrangement such as the money pool are considered loans, and corresponding changes should be classified in cash flows from investing activities in the statements of consolidated cash flows, while payables are considered borrowings and should be classified in cash flows from financing activities. Subsequent to the issuance of CenterPoint Houston's consolidated financial statements for the year ended December 31, 2015, CenterPoint Houston determined that borrowings from the money pool were incorrectly classified in its statement of consolidated cash flows, resulting in an overstatement of accounts receivable/payable–affiliated companies and net cash provided by operating activities by approximately $312 million, an understatement of increase in notes payable–affiliated companies by approximately $312 million and an overstatement of net cash used in financing activities by approximately $312 million. As a result, the accompanying 2015 statement of consolidated cash flows has been restated from the amounts previously reported to reflect correct cash flow classification of borrowings from the money pool. There was no effect on CenterPoint Houston's previously reported statements of consolidated income, consolidated balance sheets, and statements of consolidated member's equity for 2015.

A summary of the significant effects of the restatement is as follows:

	Year Ended December 31, 2015	
	As Restated	As Previously Reported
	(in millions)	
Statements of Consolidated Cash Flows:		
Cash Flows from Operating Activities:		
Accounts receivable/payable–affiliated companies	$ (89)	$ 223
Net cash provided by operating activities	895	1,207
Cash Flows from Financing Activities:		
Increase in notes payable–affiliated companies	312	—
Net cash used in financing activities	(112)	(424)

Item 9A. *Controls and Procedures*

Disclosure Controls and Procedures

In accordance with Exchange Act Rules 13a-15 and 15d-15, we have re-evaluated, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, the effectiveness of our disclosure controls and procedures (as such term is defined in Rule 13(a)-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, our principal executive officer and principal financial officer concluded that, because of the material weakness in internal control over financial reporting described below, our disclosure controls and procedures were not effective as of December 31, 2015. This conclusion is different than the conclusion disclosed in the original filing of our Annual Report on Form 10-K for the year ended December 31, 2015 in which management concluded that our disclosure controls and procedures were effective. As a result of the material weakness described below, which was identified subsequent to the original filing of our Annual Report on Form 10-K for the year ended December 31, 2015, management has re-evaluated the effectiveness of our disclosure controls and procedures.

As disclosed in Note 7, we participate in a centralized cash management arrangement or money pool with affiliates. Investments in the money pool are included in the consolidated balance sheets as accounts and notes receivable–affiliated companies, while borrowings are included in accounts and notes payable–affiliated companies. Under generally accepted accounting principles, receivables from an affiliate in a centralized cash management arrangement such as the money pool are considered loans, and corresponding changes should be classified in cash flows from investing activities in the statements of consolidated cash flows, while payables are considered borrowings and should be classified in cash flows from financing activities. Subsequent to the issuance of our consolidated financial statements for the year ended December 31, 2015, we determined that borrowings from the money pool were incorrectly classified in our statement of consolidated cash flows, resulting in an overstatement of accounts receivable/payable–affiliated companies and net cash provided by operating activities by approximately $312 million, an understatement of increase in notes payable–affiliated companies by approximately $312 million and an overstatement of net cash used in financing activities by approximately $312 million. As a result, the accompanying 2015 statement of consolidated cash flows has been restated from the amounts previously reported to reflect correct cash flow classification of borrowings from the money pool. In connection with the discovery of the error described above, we concluded that we had a material weakness in the operating effectiveness of internal control over financial reporting related to controls over the preparation and review of our statements of consolidated cash flows.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;

- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Management has designed its internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. Management's assessment included review and testing of both the design effectiveness and operating effectiveness of controls over all relevant assertions related to all significant accounts and disclosures in the financial statements.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our 2015 annual report on Form 10-K, filed on February 26, 2016, our management included "Management's Annual Report on Internal Control Over Financial Reporting," which expressed a conclusion by management that as of December 31, 2015, our internal control over financial reporting was effective. As a result of the restatement of our financial statements, management has concluded that a material weakness in internal control over financial reporting existed as of December 31, 2015 and, accordingly, has revised its assessment of the effectiveness of our internal control over financial reporting as of December 31, 2015.

A material weakness is a deficiency, or a combination of deficiencies, that results in a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected. Due to the circumstances described in Note 12 of the Notes to our Consolidated Financial Statements, management has concluded that a material weakness in internal control over financial reporting existed as of December 31, 2015 as defined under standards established by the Public Company Accounting Oversight Board. Specifically, the controls over the preparation and review of our statement of consolidated cash flows were not operating effectively. This weakness resulted in a material error and the restatement of our statements of consolidated cash flows for the year ended December 31, 2015. Notwithstanding the material weakness in our internal control over financial reporting, we concluded that the consolidated financial statements (as restated) and other financial information included in this report for the year ended December 31, 2015, fairly present in all material respects our financial condition, results of operations and cash flows as of, and for, the periods presented.

In making this revised assessment, management, including our principal executive officer and principal financial officer, used the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on those criteria and management's revised assessment, management concluded that, as a result of the material weakness described above, we did not maintain effective internal control over financial reporting as of December 31, 2015.

This annual report does not include an attestation report of our independent registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our independent registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit us to provide only management's report in this annual report.

Changes in Internal Control Over Financial Reporting

There has been no change in our internal control over financial reporting that occurred during the three months ended December 31, 2015 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Plan for Remediation of Material Weakness

Our management, with oversight from the sole manager, is in the process of developing and implementing remediation plans to address the material weakness described above. The remediation plan will include additional procedures related to the review controls over our statements of consolidated cash flows.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a)(1) Financial Statements.

(a)(2) Financial Statement Schedules for the Three Years Ended December 31, 2015

The following schedules are omitted because of the absence of the conditions under which they are required or because the required information is included in the financial statements:

I, III, IV and V.

(a)(3) Exhibits.

See Index of Exhibits beginning on page 28.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the consolidated financial statements of CenterPoint Energy Houston Electric, LLC and subsidiaries (the "Company", an indirect, wholly-owned subsidiary of CenterPoint Energy, Inc.) as of December 31, 2015 and 2014, and for each of the three years in the period ended December 31, 2015, and have issued our report thereon dated February 26, 2016 (May 12, 2016 as to the effects of the restatement discussed in Note 12 to the consolidated financial statements); such report is included elsewhere in this Form 10-K/A. Our audits also included the financial statement schedule of the Company listed in the index at Item 15(a)(2). This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 26, 2016

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC AND SUBSIDIARIES
(An Indirect, Wholly-Owned Subsidiary of CenterPoint Energy, Inc.)

SCHEDULE II —VALUATION AND QUALIFYING ACCOUNTS
For the Three Years Ended December 31, 2015

Column A	Column B	Column C	Column D	Column E
Description	Balance At Beginning of Period	Additions Charged to Income	Deductions From Reserves (1)	Balance At End Of Period
		(in millions)		
Year Ended December 31, 2015:				
Accumulated provisions:				
Uncollectible accounts receivable	$ 3	$ —	$ 2	$ 1
Year Ended December 31, 2014:				
Accumulated provisions:				
Uncollectible accounts receivable	$ 3	$ 3	$ 3	$ 3
Year Ended December 31, 2013:				
Accumulated provisions:				
Uncollectible accounts receivable	$ 2	$ 2	$ 1	$ 3

(1) Deductions from reserves represent losses or expenses for which the respective reserves were created. In the case of the uncollectible accounts reserve, such deductions are net of recoveries of amounts previously written off.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Houston, the State of Texas, on the 12th day of May, 2016.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC
(Registrant)

By: /s/ SCOTT M. PROCHAZKA
Scott M. Prochazka
Manager

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on May 12, 2016.

Signature	Title
/s/ SCOTT M. PROCHAZKA (Scott M. Prochazka)	Manager and Chairman (Principal Executive Officer)
/s/ WILLIAM D. ROGERS (William D. Rogers)	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ KRISTIE L. COLVIN (Kristie L. Colvin)	Senior Vice President and Chief Accounting Officer (Principal Accounting Officer)

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC

EXHIBITS TO THE ANNUAL REPORT ON FORM 10-K/A
For Fiscal Year Ended December 31, 2015

INDEX OF EXHIBITS

Exhibits included with this report are designated by a cross (+); exhibits previously filed with our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 as filed on February 26, 2016 are designated by two crosses (++); all exhibits not so designated are incorporated herein by reference to a prior filing as indicated.

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference
3(a)	Articles of Conversion of Reliant Energy, Incorporated	Form 8-K dated August 31, 2002 filed with the SEC on September 3, 2002	1-3187	3(a)
3(b)	Restated Certificate of Formation of CenterPoint Energy Houston Electric, LLC ("CenterPoint Houston")	Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011	1-3187	3.1
3(c)	Amended and Restated Limited Liability Company Agreement of CenterPoint Houston	Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011	1-3187	3.2
4(a)(1)	Mortgage and Deed of Trust, dated November 1, 1944 between Houston Lighting and Power Company ("HL&P") and Chase Bank of Texas, National Association (formerly, South Texas Commercial National Bank of Houston), as Trustee, as amended and supplemented by 20 Supplemental Indentures thereto	HL&P's Form S-7 filed on August 25, 1977	2-59748	2(b)
4(a)(2)	Twenty-First through Fiftieth Supplemental Indentures to Exhibit 4(a)(1)	HL&P's Form 10-K for the year ended December 31, 1989	1-3187	4(a)(2)
4(a)(3)	Fifty-First Supplemental Indenture to Exhibit 4(a)(1) dated as of March 25, 1991	HL&P's Form 10-Q for the quarter ended June 30, 1991	1-3187	4(a)
4(a)(4)	Fifty-Second through Fifty-Fifth Supplemental Indentures to Exhibit 4(a)(1) each dated as of March 1, 1992	HL&P's Form 10-Q for the quarter ended March 31, 1992	1-3187	4
4(a)(5)	Fifty-Sixth and Fifty-Seventh Supplemental Indentures to Exhibit 4(a)(1) each dated as of October 1, 1992	HL&P's Form 10-Q for the quarter ended September 30, 1992	1-3187	4
4(a)(6)	Fifty-Eighth and Fifty-Ninth Supplemental Indentures to Exhibit 4(a)(1) each dated as of March 1, 1993	HL&P's Form 10-Q for the quarter ended March 31, 1993	1-3187	4
4(a)(7)	Sixtieth Supplemental Indenture to Exhibit 4(a)(1) dated as of July 1, 1993	HL&P's Form 10-Q for the quarter ended June 30, 1993	1-3187	4
4(a)(8)	Sixty-First through Sixty-Third Supplemental Indentures to Exhibit 4(a)(1) each dated as of December 1, 1993	HL&P's Form 10-K for the year ended December 31, 1993	1-3187	4(a)(8)
4(a)(9)	Sixty-Fourth and Sixty-Fifth Supplemental Indentures to Exhibit 4(a)(1) each dated as of July 1, 1995	HL&P's Form 10-K for the year ended December 31, 1995	1-3187	4(a)(9)
4(b)(1)	General Mortgage Indenture, dated as of October 10, 2002, between CenterPoint Energy Houston Electric, LLC and JPMorgan Chase Bank, as Trustee	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002	1-3187	4(j)(1)
4(b)(2)	Second Supplemental Indenture to Exhibit 4(b)(1), dated as of October 10, 2002	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002	1-3187	4(j)(3)
4(b)(3)	Third Supplemental Indenture to Exhibit 4(b)(1), dated as of October 10, 2002	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002	1-3187	4(j)(4)

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference
4(b)(4)	Fourth Supplemental Indenture to Exhibit 4(b)(1), dated as of October 10, 2002	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002	1-3187	4(j)(5)
4(b)(5)	Fifth Supplemental Indenture to Exhibit 4(b)(1), dated as of October 10, 2002	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002	1-3187	4(j)(6)
4(b)(6)	Sixth Supplemental Indenture to Exhibit 4(b)(1), dated as of October 10, 2002	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002	1-3187	4(j)(7)
4(b)(7)	Seventh Supplemental Indenture to Exhibit 4(b)(1), dated as of October 10, 2002	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002	1-3187	4(j)(8)
4(b)(8)	Eighth Supplemental Indenture to Exhibit 4(b)(1), dated as of October 10, 2002	Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2002	1-3187	4(j)(9)
4(b)(9)	Officer's Certificates dated October 10, 2002, setting forth the form, terms and provisions of the First through Eighth Series of General Mortgage Bonds	CenterPoint Energy, Inc.'s ("CNP's") Form 10-K for the year ended December 31, 2003	1-31447	4(c)(10)
4(b)(10)	Ninth Supplemental Indenture to Exhibit 4(b)(1), dated as of November 12, 2002	CNP's Form 10-K for the year ended December 31, 2002	1-31447	4(e)(10)
4(b)(11)	Officer's Certificate dated November 12, 2002 setting forth the form, terms and provisions of the Ninth Series of General Mortgage Bonds	CNP's Form 10-K for the year ended December 31, 2003	1-31447	4(e)(12)
4(b)(12)	Tenth Supplemental Indenture to Exhibit 4(b)(1), dated as of March 18, 2003	Form 8-K dated March 13, 2003	1-3187	4.1
4(b)(13)	Officer's Certificate dated March 18, 2003 setting forth the form, terms and provisions of the Tenth Series and Eleventh Series of General Mortgage Bonds	Form 8-K dated March 13, 2003	1-3187	4.2
4(b)(14)	Eleventh Supplemental Indenture to Exhibit 4(b)(1), dated as of May 23, 2003	Form 8-K dated May 16, 2003	1-3187	4.1
4(b)(15)	Officer's Certificate dated May 23, 2003 setting forth the form, terms and provisions of the Twelfth Series of General Mortgage Bonds	Form 8-K dated May 16, 2003	1-3187	4.2
4(b)(16)	Twelfth Supplemental Indenture to Exhibit 4(b)(1), dated as of September 9, 2003	Form 8-K dated September 9, 2003	1-3187	4.2
4(b)(17)	Officer's Certificate dated September 9, 2003 setting forth the form, terms and provisions of the Thirteenth Series of General Mortgage Bonds	Form 8-K dated September 9, 2003	1-3187	4.3
4(b)(18)	Thirteenth Supplemental Indenture to Exhibit 4(b)(1), dated as of February 6, 2004	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(16)
4(b)(19)	Officer's Certificate dated February 6, 2004 setting forth the form, terms and provisions of the Fourteenth Series of General Mortgage Bonds	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(17)
4(b)(20)	Fourteenth Supplemental Indenture to Exhibit 4(b)(1), dated as of February 11, 2004	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(18)
4(b)(21)	Officer's Certificate dated February 11, 2004 setting forth the form, terms and provisions of the Fifteenth Series of General Mortgage Bonds	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(19)

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference
4(b)(22)	Fifteenth Supplemental Indenture to Exhibit 4(b)(1), dated as of March 31, 2004	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(20)
4(b)(23)	Officer's Certificate dated March 31, 2004 setting forth the form, terms and provisions of the Sixteenth Series of General Mortgage Bonds	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(21)
4(b)(24)	Sixteenth Supplemental Indenture to Exhibit 4(b)(1), dated as of March 31, 2004	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(22)
4(b)(25)	Officer's Certificate dated March 31, 2004 setting forth the form, terms and provisions of the Seventeenth Series of General Mortgage Bonds	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(23)
4(b)(26)	Seventeenth Supplemental Indenture to Exhibit 4(b)(1), dated as of March 31, 2004	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(24)
4(b)(27)	Officer's Certificate dated March 31, 2004 setting forth the form, terms and provisions of the Eighteenth Series of General Mortgage Bonds	CNP's Form 10-K for the year ended December 31, 2005	1-31447	4(e)(25)
4(b)(28)	Nineteenth Supplemental Indenture to Exhibit 4(b)(1), dated as of November 26, 2008	CNP's Form 8-K dated November 25, 2008	1-31447	4.2
4(b)(29)	Officer's Certificate dated November 26, 2008 setting forth the form, terms and provisions of the Twentieth Series of General Mortgage Bonds	CNP's Form 8-K dated November 25, 2008	1-31447	4.3
4(b)(30)	Twentieth Supplemental Indenture to Exhibit 4(b)(1), dated as of December 9, 2008	Form 8-K dated January 6, 2009	1-3187	4.2
4(b)(31)	Twenty-First Supplemental Indenture to Exhibit 4(b)(1), dated as of January 9, 2009	CNP's Form 10-K for the year ended December 31, 2008	1-31447	4(e)(31)
4(b)(32)	Officer's Certificate dated January 20, 2009 setting forth the form, terms and provisions of the Twenty-First Series of General Mortgage Bonds	CNP's Form 10-K for the year ended December 31, 2008	1-31447	4(e)(32)
4(b)(33)	Twenty-Second Supplemental Indenture to Exhibit 4(b)(1), dated as of August 10, 2012	CNP's Form 10-K for the year ended December 31, 2012	1-31447	4(e)(33)
4(b)(34)	Officer's Certificate, dated August 10, 2012 setting forth the form, terms and provisions of the Twenty-Second Series of General Mortgage Bonds	CNP's Form 10-K for the year ended December 31, 2012	1-31447	4(e)(34)
4(b)(35)	Twenty-Third Supplemental Indenture, dated as of March 17, 2014, to the General Mortgage Indenture, dated as of October 10, 2002, between CenterPoint Houston and the Trustee	CNP's Form 10-Q for the quarter ended March 31, 2014	1-31447	4.1
4(b)(36)	Officer's Certificate, dated as of March 17, 2014, setting forth the form, terms and provisions of the Twenty-Third Series of General Mortgage Bonds	CNP's Form 10-Q for the quarter ended March 31, 2014	1-31447	4.11
4(c)	$300,000,000 Credit Agreement dated as of September 9, 2011 among CenterPoint Houston, as Borrower, and the banks named therein	CNP's Form 8-K dated September 9, 2011	1-31447	4.2
4(d)	First Amendment to Credit Agreement, dated as of September 9, 2013, among CenterPoint Houston, as Borrower, and the banks named therein	CenterPoint Houston's Form 8-K dated September 9, 2013	1-3187	4.2
4(e)	Second Amendment to Credit Agreement, dated as of September 9, 2014, among CenterPoint Houston, as Borrower, and the banks named therein	CenterPoint Houston's Form 8-K dated September 10, 2014	1-3187	4.2

Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, CenterPoint Houston has not filed as exhibits to this Form 10-K/A certain long-term debt instruments, including indentures, under which the total amount of securities authorized does not exceed 10% of the total assets of CenterPoint Houston and its subsidiaries on a consolidated basis. CenterPoint Houston hereby agrees to furnish a copy of any such instrument to the SEC upon request.

Exhibit Number	Description	Report or Registration Statement	SEC File or Registration Number	Exhibit Reference
10	City of Houston Franchise Ordinance	CNP's Form 10-Q for the quarter ended June 30, 2005	1-31447	10.1
++12	Computation of Ratios of Earnings to Fixed Charges			
+23	Consent of Deloitte & Touche LLP			
+31.1	Rule 13a-14(a)/15d-14(a) Certification of Scott M. Prochazka			
+31.2	Rule 13a-14(a)/15d-14(a) Certification of William D. Rogers			
+32.1	Section 1350 Certification of Scott M. Prochazka			
+32.2	Section 1350 Certification of William D. Rogers			
+101.INS	XBRL Instance Document			
+101.SCH	XBRL Taxonomy Extension Schema Document			
+101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document			
+101.DEF	XBRL Taxonomy Extension Definition Linkbase Document			
+101.LAB	XBRL Taxonomy Extension Labels Linkbase Document			
+101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document			

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-193695-02 on Form S-3 of (1) our report relating to the consolidated financial statements of CenterPoint Energy Houston Electric, LLC and subsidiaries dated February 26, 2016, (May 12, 2016 as to the effects of the restatement discussed in Note 12 to the consolidated financial statements), which report expresses an unqualified opinion and includes an explanatory paragraph relating to the restatement discussed in Note 12 and (2) our report related to the financial statement schedule of CenterPoint Energy Houston Electric, LLC and subsidiaries dated February 26, 2016, appearing in the Annual Report on Form 10-K/A of CenterPoint Energy Houston Electric, LLC and subsidiaries for the year ended December 31, 2015.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
May 12, 2016

Exhibit 31.1

CERTIFICATIONS

I, Scott M. Prochazka, certify that:

1. I have reviewed this annual report on Form 10-K/A of CenterPoint Energy Houston Electric, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2016

/s/ Scott M. Prochazka

Scott M. Prochazka
Chairman (Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, William D. Rogers, certify that:

1. I have reviewed this annual report on Form 10-K/A of CenterPoint Energy Houston Electric, LLC;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 12, 2016

/s/ William D. Rogers

William D. Rogers
Executive Vice President and Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of CenterPoint Energy Houston Electric, LLC (the "Company") on Form 10-K/A for the year ended December 31, 2015 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Scott M. Prochazka, Chairman (Principal Executive Officer), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott M. Prochazka

Scott M. Prochazka
Chairman (Principal Executive Officer)
May 12, 2016

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of CenterPoint Energy Houston Electric, LLC (the “Company”) on Form 10-K/A for the year ended December 31, 2015 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, William D. Rogers, Chief Financial Officer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ William D. Rogers

William D. Rogers
Executive Vice President and Chief Financial Officer
May 12, 2016