

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**Form 10-K**

(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, 2018**

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 **333-121505**

**CenterPoint Energy Transition Bond Company II, LLC**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**59-3790472**  
(I.R.S. Employer  
Identification Number)

**1111 Louisiana, Suite 4655B**  
**Houston, Texas 77002**  
(Address and zip code of principal executive offices)

**(713) 207-5222**  
(Registrant's telephone number, including area code)

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

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  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  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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) 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, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The aggregate market value of the member's equity held by non-affiliates of the registrant as of June 29, 2018: None

Documents incorporated by reference: None.

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**PART I**

**Item 3. Legal Proceedings.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**PART II**

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

There is no established public trading market for our equity securities. All of our equity is owned by CenterPoint Energy Houston Electric, LLC ("Houston Electric"). As of December 31, 2018, the sole record holder of the transition bonds was Cede & Co., as nominee of the Depository Trust Company. The transition bonds are not listed on any national securities exchange.

**PART III**

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.**

None.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

None.

**PART IV**

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

Exhibits not incorporated by reference to a prior filing are designated by a cross (+); all exhibits not so designated are incorporated herein by reference to a prior filing as indicated.

<u>Exhibit Number</u>	<u>Description</u>	<u>Report or Registration Statement</u>	<u>SEC File or Registration Number</u>	<u>Exhibit References</u>
3.1	<a href="#">Limited Liability Company Agreement of CenterPoint Energy Transition Bond Company II, LLC</a>	Amendment No. 1 to the Company's Registration Statement on Form S-3 filed with the SEC on September 12, 2005	333-121505	3.2
3.2	<a href="#">Certificate of Formation of CenterPoint Energy Transition Bond Company II, LLC</a>	Amendment No. 1 to the Company's Registration Statement on Form S-3 filed with the SEC on September 12, 2005	333-121505	3.1
3.3	<a href="#">Amended and Restated Certificate of Formation of CenterPoint Energy Transition Bond Company II, LLC</a>	Current Report on Form 8-K filed with the SEC on December 16, 2005	333-121505	3.1
3.4	<a href="#">Amended and Restated Limited Liability Company Agreement of CenterPoint Energy Transition Bond Company II, LLC</a>	Current Report on Form 8-K filed with the SEC on December 16, 2005	333-121505	3.2
4.1	<a href="#">Indenture dated as of December 16, 2005</a>	Current Report on Form 8-K filed with the SEC on December 16, 2005	333-121505	4.1
4.2	<a href="#">First Supplemental Indenture relating to the transition bonds dated as of December 16, 2005</a>	Current Report on Form 8-K filed with the SEC on December 16, 2005	333-121505	4.3

<b>Exhibit Number</b>	<b>Description</b>	<b>Report or Registration Statement</b>	<b>SEC File or Registration Number</b>	<b>Exhibit References</b>
4.3	<a href="#">Form of the transition bonds (included in Exhibit 4.2 hereto)</a>	Current Report on Form 8-K filed with the SEC on December 16, 2005	333-121505	4.3
10.1	<a href="#">Transition Property Sale Agreement</a>	Current Report on Form 8-K filed with the SEC on December 16, 2005	333-121505	10.1
10.2	<a href="#">Transition Property Servicing Agreement</a>	Current Report on Form 8-K filed with the SEC on December 16, 2005	333-121505	10.2
10.3	<a href="#">Administration Agreement</a>	Current Report on Form 8-K filed with the SEC on December 16, 2005	333-121505	10.3
10.4	<a href="#">Semiannual Servicer's Certificate, dated as of July 30, 2018, as to the transition bond balances, the balances of the collection account and its sub-accounts, and setting forth transfers and payments to be made on the August 1, 2018 payment date</a> (Incorporated by reference into this Annual Report on Form 10-K)	Current Report on Form 8-K filed with the SEC on August 1, 2018	333-121505	99.1
10.5	<a href="#">Semiannual Servicer's Certificate, dated as of January 30, 2019, as to the transition bond balances, the balances of the collection account and its sub-accounts, and setting forth transfers and payments to be made on the February 1, 2019 payment date</a> (Incorporated by reference into this Annual Report on Form 10-K)	Current Report on Form 8-K filed with the SEC on February 1, 2019	333-121505	99.1
+31.1	<a href="#">Certification of Carla Anita Kneipp</a>			
+31.2	<a href="#">Annual Statement of Servicer Compliance</a>			
99.1	<a href="#">Application for the Financing Order</a>	Amendment No. 1 to the Company's Registration Statement on Form S-3 filed with the SEC on September 12, 2005	333-121505	99.1
99.2	<a href="#">Financing Order</a>	Amendment No. 1 to the Company's Registration Statement on Form S-3 filed with the SEC on September 12, 2005	333-121505	99.2
99.3	<a href="#">State of Texas Comptroller of Public Accounts rulings relating to the transition bonds</a>	Amendment No. 1 to the Company's Registration Statement on Form S-3 filed with the SEC on September 12, 2005	333-121505	99.3
+99.4	<a href="#">Report of Independent Registered Public Accounting Firm with Management's Assertion of Compliance with Servicing Standards attached</a>			

**Item 16. Form 10-K Summary.**

None.



**CERTIFICATION**

I, Carla Anita Kneipp, certify that:

1. I have reviewed this annual report on Form 10-K, and all reports on Form 8-K containing distribution or servicing reports filed in respect of periods included in the year covered by this annual report, of CenterPoint Energy Transition Bond Company II, LLC;
2. Based on my knowledge, the information in these reports, taken as a whole, 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 as of the last day of the period covered by this annual report;
3. Based on my knowledge, the distribution or servicing information required to be provided to the trustee by the servicer under the pooling and servicing, or similar, agreement, for inclusion in these reports is included in these reports;
4. Based on my knowledge and upon the annual compliance statement included in the report and required to be delivered to the trustee in accordance with the terms of the Transition Property Servicing Agreement dated December 16, 2005 between CenterPoint Energy Transition Bond Company II, LLC, as Issuer, and the servicer (the "Transition Property Servicing Agreement"), and except as disclosed in the reports, the servicer has fulfilled its obligations under the Transition Property Servicing Agreement; and
5. The reports disclose all significant deficiencies relating to the servicer's compliance with the minimum servicing standards based upon the report provided by an independent public accountant, after conducting a review in compliance with the Uniform Single Attestation Program for Mortgage Bankers or similar procedure, as set forth in the pooling and servicing, or similar, agreement, that is included in these reports.

/s/ Carla Anita Kneipp

Carla Anita Kneipp  
Vice President and Treasurer  
(Senior Officer in Charge of Servicing Function)  
CenterPoint Energy Houston Electric, LLC, as servicer  
March 25, 2019

**OFFICERS' CERTIFICATE**

The undersigned, Carla Anita Kneipp, Vice President and Treasurer, and Robert McRae, Assistant Treasurer, of CenterPoint Energy Houston Electric, LLC ("Houston Electric"), hereby certify pursuant to Section 3.06 of the Transition Property Servicing Agreement, dated as of December 16, 2005, between CenterPoint Energy Transition Bond Company II, LLC ("TBC II"), as Issuer, and Houston Electric, as Servicer (the "Agreement") that

- (i) a review of the activities of the Servicer during the period January 1, 2018 through December 31, 2018 and of its performance under the Agreement has been made under our supervision, and
- (ii) to the best of our knowledge, based on such review, the Servicer has fulfilled all its obligations under the Agreement throughout such period except as set forth below.

In connection with its November 1, 2018 Calculation Date statement, the Servicer failed to remit the Calculation Date statement for the TBC II Senior Secured Transition Bonds, Series A (the "Bonds") to the Public Utility Commission of Texas (the "PUCT") due to inadvertent error. However, the Calculation Date statement was timely remitted to the Trustee and each rating agency for the Bonds. The Servicer remitted the Calculation Date statement to the PUCT, which cured the default, on January 2, 2019.

March 25, 2019  
Date

/s/ Carla Anita Kneipp  
Carla Anita Kneipp  
Vice President and Treasurer

March 25, 2019  
Date

/s/ Robert McRae  
Robert McRae  
Assistant Treasurer

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have examined management of CenterPoint Energy Houston Electric, LLC's assertion, included in the accompanying Management's Assertion of Compliance with Servicing Standards, that CenterPoint Energy Houston Electric, LLC (the "Company") complied with its minimum servicing standards (the "servicing standards"), for the Transition Property Servicing Agreement, dated as of December 16, 2005, by and between CenterPoint Energy Transition Bond Company II, LLC and the Company, listed in Appendix II, as of and for the year ended December 31, 2018. Management is responsible for the Company's compliance with the servicing standards and its assertion. Our responsibility is to express an opinion on the Company's compliance with the servicing standards based on our examination.

Our examination was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Company complied, in all material respects, with the servicing standards, and, accordingly, included examining, on a test basis, evidence about the Company's compliance with the servicing standards, including tests on a sample basis of the servicing activities related to the servicing standards, determining whether the Company performed those selected activities in compliance with the servicing standards during the specified period, and performing such other procedures as we considered necessary in the circumstances. Our procedures were limited to selected servicing activities performed by the Company during the period covered by this report and, accordingly, such samples may not have included servicing activities related to each asset-backed transaction included in the servicing standards. Further, an examination is not designed to detect noncompliance arising from errors that may have occurred prior to the period specified above that may have affected the balances or amounts calculated or reported by the Company during the period covered by this report. We believe that the evidence we obtained in our examination is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Company's compliance with the servicing standards.

Our examination disclosed the following material noncompliance with Criterion V.5 applicable to the Company during the year ended December 31, 2018. The Company failed to timely remit certain reports to the Public Utility Commission of Texas.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Company complied, in all material respects, with the aforementioned servicing standards as of and for the year ended December 31, 2018.

Management's assessment includes management's responses to the material noncompliance identified in our examination. Such responses have not been subjected to the procedures applied in our examination and, accordingly, we do not express an opinion or provide any form of assurance on the appropriateness of the responses or the effectiveness of any corrective actions described therein.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas  
March 25, 2019



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MANAGEMENT'S ASSERTION OF COMPLIANCE WITH SERVICING STANDARDS

Except as set forth in Appendix I, as of and for the year ended December 31, 2018, CenterPoint Energy Houston Electric, LLC (the "Company") has complied, in all material respects, with the Company's established minimum servicing standards for the Transition Property Servicing Agreement dated as of December 16, 2005 by and between CenterPoint Energy Transition Bond Company II, LLC, as Issuer, and the Company, as Servicer, as set forth in Appendix II attached hereto.

Dated: March 25, 2019

/s/ Carla Anita Kneipp

Carla Anita Kneipp

Vice President and Treasurer

CenterPoint Energy Houston Electric, LLC

**LIST OF SERVICER DEFAULTS**

The following Servicer Defaults, or events which with the giving of notice, the lapse of time, or both, would become Servicer Defaults known to the undersigned, relating to criterion V.5 of the minimum servicing standards listed in Appendix II, occurred during the year ended December 31, 2018:

Nature of Default	Status
In connection with its November 1, 2018 Calculation Date Statement, the Servicer failed to remit the Calculation Date Statement for the TBC II Senior Secured Transition Bonds, Series A (the "Bonds") to the Public Utility Commission of Texas (the "PUCT") due to inadvertent error. However, the Calculation Date Statement was timely remitted to the Trustee and each rating agency for the Bonds.	The Servicer remitted the Calculation Date Statement to the PUCT, which cured the default, on January 2, 2019.

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## APPENDIX II

### CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC'S MINIMUM SERVICING STANDARDS

#### I. GENERAL SERVICING AND ADMINISTRATION

1. Policies and procedures are instituted to monitor whether or not a Servicer Default has occurred under the Transition Property Servicing Agreement dated as of December 16, 2005, by and between CenterPoint Energy Transition Bond Company II, LLC, as Issuer (the "Issuer"), and CenterPoint Energy Houston Electric, LLC, as Servicer (the "Servicing Agreement").

#### II. MAINTENANCE OF COLLATERAL OR SECURITY

1. Collateral or security on the Senior Secured Transition Bonds, Series A of the Issuer (the "Transition Bonds") is maintained as required by the Servicing Agreement. (Servicing Agreement § 3.04(f))

2. Deposit amounts are analyzed, in accordance with the Public Utility Commission of Texas ("PUCT") rules no more frequently than quarterly, upon the request of either the retail electric provider ("REP") or the Servicer, to ensure that any deposits for REPs required under the Financing Order of the PUCT under Docket No. 30485 (the "Financing Order") accurately reflect two months' maximum collections. (Annex 1 to the Servicing Agreement § 8(a)(ii))

3. Deposits held in trust for an REP are returned to the REP within ten (10) calendar days of a reduction in activity qualifying for a deposit reduction as set forth in the Servicing Agreement. (Annex 1 to the Servicing Agreement § 8(a)(ii)) The Servicer's procedure is to notify the REP when it holds funds in excess of current required deposit amounts and act in accordance with the REP's instructions as to return of the funds.

#### III. TRUE-UP OF TRANSITION CHARGES

1. A true-up of transition charges is prepared and filed annually (as provided in the definition of Calculation Date) with the PUCT. (Annex 1 to the Servicing Agreement § 7)

#### IV. BILLING, COLLECTION AND REMITTANCE OF TRANSITION CHARGES

1. The Servicer calculates and bills the transition charges to the REPs. (Servicing Agreement § 3.01(a)(i))

2. Payments of transition charges made by the REPs are remitted to the Trustee (as defined in the Servicing Agreement) on or before the second business day after receipt. (Servicing Agreement § 5.11)

3. Accrued Interest (as defined in the Servicing Agreement) is paid by the Servicer from the date or dates transition charges were received to the date such transition charges were remitted to the Trustee. (Servicing Agreement § 3.03(a))

4. Pursuant to the Servicing Agreement, the Servicer charges a five percent (5%) penalty on all transition charges billed to an REP but not paid by the close of business on the 35th day following each billing by the Servicer to the REP. (Servicing Agreement § 3.02(c))

5. An REP is considered to be in default after 45 calendar days, after which time the Servicer will direct the application of the security deposit to the transition charges the REP has failed to remit and avail itself of such legal remedies as may be appropriate to collect any remaining unpaid transition charges and associated penalties. (Annex 1 to the Servicing Agreement § 9(b))

6. For each REP, a reconciliation of the amount held back for uncollectible transition charges and the amount actually written off as uncollectible during the time period is performed annually and the resulting balance is either remitted to or collected from the REP. (Annex 1 to the Servicing Agreement § 4(b))

#### V. INVESTOR AND TRUSTEE REPORTING

1. Semiannual Servicer's Certificates are prepared in the timeframe set forth in and delivered to the parties required under the Servicing Agreement. (Servicing Agreement § 3.05 and Annex 1 to the Servicing Agreement § 6)

2. Semiannual Servicer's Certificates provide the information specified by and calculated in accordance with the terms of the Servicing Agreement. (Annex 1 to the Servicing Agreement § 6)

3. Servicer's Annual Statement as to Compliance is prepared in the timeframe set forth in and delivered to the parties required under the Servicing Agreement. (Servicing Agreement § 3.06)

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4. The Servicer causes a registered public accounting firm to prepare, and the Servicer delivers the Annual Accountant's Report in the timeframe set forth in and delivered to the parties required under the Servicing Agreement. (Servicing Agreement § 3.07)

5. Servicer's Calculation Date Statement is prepared in the timeframe set forth in and delivered to the parties required under the Servicing Agreement. (Annex 1 to the Servicing Agreement § 3)

6. Servicer's Calculation Date Statement provides the information specified in Annex 1 to the Servicing Agreement. (Annex 1 to the Servicing Agreement § 3)

#### VI. OPINIONS OF COUNSEL

1. The Servicer causes counsel to prepare, and the Servicer delivers an opinion of counsel to the parties required under the Servicing Agreement promptly after the execution and delivery of each amendment to the Servicing Agreement. (Servicing Agreement § 3.11(a))

2. The Servicer causes counsel to prepare, and the Servicer delivers an opinion of counsel to the parties required under the Servicing Agreement within ninety (90) days after the beginning of each calendar year per the Servicing Agreement. (Servicing Agreement § 3.11(b))

#### VII. MAINTENANCE OF RECORDS

1. The Servicer conducts, or causes to be conducted, periodic audits of the Transition Property Documentation (as defined in the Servicing Agreement) held by it under the Servicing Agreement and of the related accounts, records and computer systems and provides the audit report to the Issuer and the Trustee. (Servicing Agreement § 3.09(a))