

**Semiannual Servicer's Certificate**  
**CenterPoint Energy Transition Bond Company II, LLC**  
**\$1,851,000,000 Series A Transition Bonds**

Pursuant to Section 6 of Annex 1 to the Transition Property Servicing Agreement (the "Agreement"), dated as of December 16, 2005, between CenterPoint Energy Houston Electric, LLC, as Servicer, and CenterPoint Energy Transition Bond Company II, LLC, as Issuer, the Servicer does hereby certify as follows:

Capitalized terms used in this Semiannual Servicer's Certificate have their respective meanings as set forth in the Agreement. References herein to certain sections and subsections are references to the respective sections and subsections of the Agreement.

Collection Periods: December 16, 2005 through July 31, 2006  
Payment Date: August 1, 2006  
Today's Date: July 31, 2006

**1. Collections Allocable and Aggregate Amounts Available for Current Payment Date:**

i.	Remittances for the December 16 through 31, 2005 Collection Period	0.00	
ii.	Remittances for the January 1 through 31, 2006 Collection Period	402,331.87	
iii.	Remittances for the February 1 through 28, 2006 Collection Period	8,525,308.39	
iv.	Remittances for the March 1 through 31, 2006 Collection Period	13,256,556.72	
v.	Remittances for the April 1 through 30, 2006 Collection Period	11,861,743.19	
vi.	Remittances for the May 1 through 31, 2006 Collection Period	12,588,621.39	
vii.	Remittances for the June 1 through 30, 2006 Collection Period	16,704,170.09	
viii.	Remittances for the July 1 through 31, 2006 Collection Period	16,301,727.85	
ix.	Net Earnings on Collection Account	<u>805,287.33</u>	[12/16/05 through 6/30/06]
x.	General Subaccount Balance (sum of i through ix above)	80,445,746.83	
xi.	Excess Funds Subaccount Balance as of Closing Date	0.00	
xii.	Capital Subaccount Balance as of Closing Date	<u>9,255,000.00</u>	
xiii.	Collection Account Balance (sum of x through xii above)	<u>89,700,746.83</u>	

**2. Outstanding Amounts as of Closing Date:**

i.	Tranche A-1 Principal Balance	250,000,000.00
ii.	Tranche A-2 Principal Balance	368,000,000.00
iii.	Tranche A-3 Principal Balance	252,000,000.00
iv.	Tranche A-4 Principal Balance	519,000,000.00
v.	Tranche A-5 Principal Balance	<u>462,000,000.00</u>
vi.	Aggregate Principal Balance of all Series A Transition Bonds	<u>1,851,000,000.00</u>

**3. Required Funding/Payments as of Current Payment Date:**

<u>Series A Principal</u>		Projected Principal Balance	Semiannual Principal Due	
i.	Tranche A-1	231,435,317.00	18,564,683.00	
ii.	Tranche A-2	368,000,000.00	0.00	
iii.	Tranche A-3	252,000,000.00	0.00	
iv.	Tranche A-4	519,000,000.00	0.00	
v.	Tranche A-5	<u>462,000,000.00</u>	<u>0.00</u>	
vi.	For all Series A Transition Bonds	<u>1,832,435,317.00</u>	<u>18,564,683.00</u>	
		Transition Bond Interest Rate	Days in Interest Period (1)	Interest Due
vii.	Required Tranche A-1 Interest	4.840%	225	7,562,500.00
viii.	Required Tranche A-2 Interest	4.970%	225	11,431,000.00
ix.	Required Tranche A-3 Interest	5.090%	225	8,016,750.00
x.	Required Tranche A-4 Interest	5.170%	225	16,770,187.50
xi.	Required Tranche A-5 Interest	5.302%	225	15,309,525.00

(1) On 30/360 Day basis.

	<u>Required Level</u>	<u>Funding Required</u>
xii. Capital Subaccount	9,255,000.00	0.00

**4. Allocation of Remittances as of Current Payment Date Pursuant to Section 8.02(d) of Indenture:**

i. Trustee Fees and Expenses	2,500.00	
ii. Servicing Fee	578,437.50 (1)	
iii. Administration Fee and Independent Managers Fee	62,500.00 (2)	
iv. Operating Expenses	40,323.76 (3)	
v. Semiannual Interest (including any past-due Semiannual Interest for prior periods)		
		Per \$1,000 of Original
<u>Series A</u>	<u>Aggregate</u>	<u>Principal Amount</u>
1. Tranche A-1 Interest Payment	7,562,500.00	30.25
2. Tranche A-2 Interest Payment	11,431,000.00	31.06
3. Tranche A-3 Interest Payment	8,016,750.00	31.81
4. Tranche A-4 Interest Payment	16,770,187.50	32.31
5. Tranche A-5 Interest Payment	15,309,525.00	33.14
vi. Principal Due and Payable as a result of Event of Default or on Final Maturity Date		
		Per \$1,000 of Original
<u>Series A</u>	<u>Aggregate</u>	<u>Principal Amount</u>
1. Tranche A-1 Principal Payment	0.00	0.00
2. Tranche A-2 Principal Payment	0.00	0.00
3. Tranche A-3 Principal Payment	0.00	0.00
4. Tranche A-4 Principal Payment	0.00	0.00
5. Tranche A-5 Principal Payment	0.00	0.00
vii. Semiannual Principal		
		Per \$1,000 of Original
<u>Series A</u>	<u>Aggregate</u>	<u>Principal Amount</u>
1. Tranche A-1 Principal Payment	18,564,683.00	74.26
2. Tranche A-2 Principal Payment	0.00	0.00
3. Tranche A-3 Principal Payment	0.00	0.00
4. Tranche A-4 Principal Payment	0.00	0.00
5. Tranche A-5 Principal Payment	0.00	0.00
viii. Amounts Payable to Credit Enhancement Providers (if applicable)	N/A	
ix. Operating Expenses not Paid under Clause (iv) above	0.00	
x. Funding of Capital Subaccount (to required level)	0.00	
xi. Net Earnings in Capital Subaccount Released to Issuer	224,170.06	
xii. Deposit to Excess Funds Subaccount	1,883,170.01	
xiii. Released to Issuer upon Series Retirement: Collection Account	0.00	

(1) Servicing fee:  $\$1,851,000,000 \times .05\% \times 225/360 = \$578,437.50$

(2) Administration fee:  $\$100,000 \times 225/360 = \$62,500.00$

(3) Reimbursement to Administrator for fees/expenses paid to independent accountant (\$15,000.00), rating agency (\$10,000.00) and L/C issuing bank (\$15,323.76)

**5. Subaccount Withdrawals as of Current Payment Date**  
**(if applicable, pursuant to Section 8.02(d) of Indenture):**

i.	Excess Funds Subaccount (available for 4.i. through 4.xi.)	0.00
ii.	Capital Subaccount (available for 4.i. through 4.ix.)	<u>0.00</u>
iii.	Total Withdrawals	<u>0.00</u>

**6. Outstanding Amounts and Collection Account Balance as of Current Payment Date**  
**(after giving effect to payments to be made on such Payment Date):**

	<u>Series A</u>	
i.	Tranche A-1 Principal Balance	231,435,317.00
ii.	Tranche A-2 Principal Balance	368,000,000.00
iii.	Tranche A-3 Principal Balance	252,000,000.00
iv.	Tranche A-4 Principal Balance	519,000,000.00
v.	Tranche A-5 Principal Balance	<u>462,000,000.00</u>
vi.	Aggregate Principal Balance for all Series A Transition Bonds	<u>1,832,435,317.00</u>
vii.	Excess Funds Subaccount Balance	1,883,170.01
viii.	Capital Subaccount Balance	<u>9,255,000.00</u>
ix.	Aggregate Collection Account Balance	<u>11,138,170.01</u>

**7. Shortfalls In Interest and Principal Payments as of Current Payment Date**  
**(after giving effect to payments to be made on such Payment Date):**

i.	Semiannual Interest	
	<u>Series A</u>	
	1. Tranche A-1 Bond Interest Payment	0.00
	2. Tranche A-2 Bond Interest Payment	0.00
	3. Tranche A-3 Bond Interest Payment	0.00
	4. Tranche A-4 Bond Interest Payment	0.00
	5. Tranche A-5 Bond Interest Payment	0.00
ii.	Semiannual Principal	
	<u>Series A</u>	
	1. Tranche A-1 Principal Payment	0.00
	2. Tranche A-2 Principal Payment	0.00
	3. Tranche A-3 Principal Payment	0.00
	4. Tranche A-4 Principal Payment	0.00
	5. Tranche A-5 Principal Payment	0.00

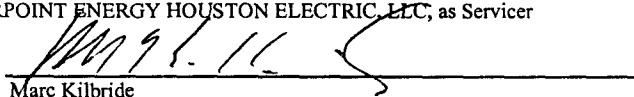
**8. Shortfall in Required Subaccount Level as of Current Payment Date**  
**(after giving effect to payments to be made on such Payment Date):**

i.	Capital Subaccount	0.00
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IN WITNESS HEREOF, the undersigned has duly executed and delivered this  
Semiannual Servicer's Certificate this 31st day of July, 2006.

CENTERPOINT ENERGY HOUSTON ELECTRIC, LLC, as Servicer

by:

  
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Marc Kilbride  
Vice President and Treasurer