

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1998

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the transition period from _____ to _____

COMMISSION FILE NUMBER 1-3187

A. Full title of the plan and address of the plan, if different from that of the issuer named below:

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

RELIANT ENERGY, INCORPORATED

(FORMERLY HOUSTON INDUSTRIES INCORPORATED)

1111 LOUISIANA STREET
HOUSTON, TEXAS 77002

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Pursuant to Item 4 of Form 11-K, the financial statements and schedules referred to above have been prepared in accordance with regulations of the Employee Retirement Income Security Act of 1974.

INDEPENDENT AUDITORS' REPORT

NorAm Energy Corp. Employee Savings and Investment Plan:

We have audited the accompanying statements of net assets for benefits of the NorAm Energy Corp. Employee Savings and Investment Plan (the "Plan") as of December 31, 1998 and 1997 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1998 and 1997, and the changes in net assets available for benefits for the years then ended in conformity with generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules, listed in the Table of Contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements, but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental information by fund in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for the purpose of additional analysis rather than to present the net assets available for benefits and the changes in net assets available for benefits of the individual funds. These supplemental schedules and supplemental information by fund are the responsibility of the Plan's management. Such supplemental schedules and supplemental information by fund have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Houston, Texas
June 18, 1999

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1998

(IN THOUSANDS)

	NORAM ENERGY CORP. POOLED GIC FUND	COMPANY COMMON STOCK FUND	AMERICAN EXPRESS TRUST U.S. GOVERNMENT SECURITIES FUND	AMERICAN EXPRESS SELECTIVE FUND	AMERICAN EXPRESS MUTUAL FUND	AMERICAN EXPRESS TRUST EQUITY INDEX FUND	AMERICAN EXPRESS NEW DIMENSIONS FUND	AMERICAN EXPRESS DIVERSIFIED EQUITY INCOME FUND
ASSETS								
INVESTMENTS								
Aetna Life Insurance Contract GIC	\$ 6,626							
Company Common Stock		\$ 92,608						
Equity Funds					\$ 42,635	\$ 51,253	\$ 96,832	\$ 6,312
Fixed Income Funds			\$ 53,041	\$ 21,738				
Loans to Participants	-----	-----	-----	-----	-----	-----	-----	-----
TOTAL INVESTMENTS	6,626	92,608	53,041	21,738	42,635	51,253	96,832	6,312
RECEIVABLES								
Dividends and Interest Fund Transfers, net	-----	40	206 85	(29)	(65)	110	(142)	1
TOTAL RECEIVABLES	-----	40	291	(29)	(65)	110	(142)	1
NET ASSETS AVAILABLE FOR BENEFITS	\$ 6,626 =====	\$ 92,648 =====	\$ 53,332 =====	\$ 21,709 =====	\$ 42,570 =====	\$ 51,363 =====	\$ 96,690 =====	\$ 6,313 =====

	TEMPLETON FOREIGN INCOME FUND	PARTICIPANT LOAN FUND	TOTAL
ASSETS			
INVESTMENTS			
Aetna Life Insurance Contract GIC			\$ 6,626
HII Common Stock			92,608
Equity Funds	\$ 4,243		201,275
Fixed Income Funds			74,779
Loans to Participants	-----	\$ 11,052	11,052
TOTAL INVESTMENTS	4,243	11,052	386,340
RECEIVABLES			
Dividends and Interest Fund Transfers, net	-----	-----	206
TOTAL RECEIVABLES	-----	-----	206
NET ASSETS AVAILABLE FOR BENEFITS	\$ 4,243 =====	\$ 11,052 =====	\$ 386,546 =====

The accompanying notes are an integral part of these financial statements.

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1997

(IN THOUSANDS)

	NORAM ENERGY CORP. POOLED GIC FUND	COMPANY COMMON STOCK FUND	AMERICAN EXPRESS TRUST U.S. GOVERNMENT SECURITIES FUND	AMERICAN EXPRESS SELECTIVE FUND	AMERICAN EXPRESS MUTUAL FUND	AMERICAN EXPRESS TRUST EQUITY INDEX FUND	AMERICAN EXPRESS NEW DIMENSIONS FUND
	-----	-----	-----	-----	-----	-----	-----
ASSETS							
INVESTMENTS							
Federal Income Fund	\$ 144						
Aetna Life Insurance Contract GIC	11,668						
Company Common Stock		\$ 74,254					
Money Market Trust Fund	375	126					
Equity Funds					\$ 41,838	\$ 40,064	\$ 80,258
Fixed Income Funds			\$ 49,947	\$ 20,242			
Loans to Participants	-----	-----	-----	-----	-----	-----	-----
TOTAL INVESTMENTS	12,187	74,380	49,947	20,242	41,838	40,064	80,258
	-----	-----	-----	-----	-----	-----	-----
RECEIVABLES							
Participant Contributions		79	42	28	61	59	119
Employer Contributions		66	33	24	50	47	99
Dividends and Interest	1,284	1,034	236				
	-----	-----	-----	-----	-----	-----	-----
TOTAL RECEIVABLES	1,284	1,179	311	52	111	106	218
	-----	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$13,471	\$ 75,559	\$ 50,258	\$ 20,294	\$ 41,949	\$ 40,170	\$ 80,476
	=====	=====	=====	=====	=====	=====	=====

	AMERICAN EXPRESS DIVERSIFIED EQUITY INCOME FUND	TEMPLETON FOREIGN INCOME FUND	PARTICIPANT LOAN FUND	TOTAL
	-----	-----	-----	-----
ASSETS				
INVESTMENTS				
Federal Income Fund				\$ 144
Aetna Life Insurance Contract GIC				11,668
HII Common Stock				74,254
Money Market Trust Fund				501
Equity Funds	\$ 5,368	\$ 4,881		172,409
Fixed Income Funds				70,189
Loans to Participants	-----	-----	\$ 10,106	10,106
	-----	-----	-----	-----
TOTAL INVESTMENTS	5,368	4,881	10,106	339,271
	-----	-----	-----	-----
RECEIVABLES				
Participant Contributions	14	14		416
Employer Contributions	10	10		339
Dividends and Interest				2,554
	-----	-----	-----	-----

TOTAL RECEIVABLES	24	24		3,309
	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS	\$ 5,392	\$ 4,905	\$ 10,106	\$ 342,580
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 1998

(IN THOUSANDS)

	NORAM ENERGY CORP. POOLED GIC FUND -----	COMPANY COMMON STOCK FUND -----	AMERICAN EXPRESS TRUST U.S. GOVERNMENT SECURITIES FUND -----	AMERICAN EXPRESS SELECTIVE FUND -----	AMERICAN EXPRESS MUTUAL FUND -----	AMERICAN EXPRESS TRUST EQUITY INDEX FUND -----
INVESTMENT INCOME						
Dividends		\$ 4,219		\$ 1,465	\$ 5,768	\$ 2
Interest			\$ 2,624			
Net appreciation (depreciation) in fair value of investments	\$ 571	15,297		201	(1,966)	11,371
	-----	-----	-----	-----	-----	-----
TOTAL	571	19,516	2,624	1,666	3,802	11,373
	-----	-----	-----	-----	-----	-----
CONTRIBUTIONS						
Participant		1,749	1,214	746	1,582	1,737
Employer		1,273	788	598	1,249	1,289
	-----	-----	-----	-----	-----	-----
TOTAL		3,022	2,002	1,344	2,831	3,026
	-----	-----	-----	-----	-----	-----
Rollovers		33	1	11	12	155
Fund Transfers, net	(6,487)	1,005	8,887	1,121	(1,436)	557
Participant distributions	(929)	(6,487)	(10,440)	(2,727)	(4,588)	(3,918)
	-----	-----	-----	-----	-----	-----
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	(6,845)	17,089	3,074	1,415	621	11,193
	-----	-----	-----	-----	-----	-----
NET ASSETS AVAILABLE FOR BENEFITS:						
BEGINNING OF YEAR	13,471	75,559	50,258	20,294	41,949	40,170
	-----	-----	-----	-----	-----	-----
END OF YEAR	\$ 6,626	\$ 92,648	\$ 53,332	\$ 21,709	\$ 42,570	\$ 51,363
	=====	=====	=====	=====	=====	=====
	AMERICAN EXPRESS NEW DIMENSIONS FUND -----	AMERICAN EXPRESS DIVERSIFIED EQUITY INCOME FUND -----	TEMPLETON FOREIGN INCOME FUND -----	PARTICIPANT LOAN FUND -----	TOTAL -----	
INVESTMENT INCOME						
Dividends	\$ 5,605	\$ 704	\$ 471		\$ 18,234	
Interest					2,624	
Net appreciation (depreciation) in fair value of investments	16,378	(49)	(694)		41,109	
	-----	-----	-----	-----	-----	-----
TOTAL	21,983	655	(223)		61,967	
	-----	-----	-----	-----	-----	-----
CONTRIBUTIONS						
Participant	3,344	433	345		11,150	
Employer	2,603	268	231		8,299	
	-----	-----	-----	-----	-----	-----
TOTAL	5,947	701	576		19,449	
	-----	-----	-----	-----	-----	-----
Rollovers	80	60			352	
Fund Transfers, net	(4,242)	360	(711)	946		
Participant distributions	(7,554)	(855)	(304)		(37,802)	

CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	16,214	921	(662)	946	43,966
NET ASSETS AVAILABLE FOR BENEFITS:					
BEGINNING OF YEAR	80,476	5,392	4,905	10,106	342,580
END OF YEAR	\$ 96,690	\$ 6,313	\$ 4,243	\$ 11,052	\$ 386,546

The accompanying notes are an integral part of these financial statements.

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 1997

(IN THOUSANDS)

	NORAM ENERGY CORP. POOLED GIC FUND	COMPANY COMMON STOCK FUND	AMERICAN EXPRESS TRUST U.S. GOVERNMENT SECURITIES FUND	AMERICAN EXPRESS SELECTIVE FUND	AMERICAN EXPRESS MUTUAL FUND	AMERICAN EXPRESS TRUST EQUITY INDEX FUND
INVESTMENT INCOME						
Dividends		\$ 3,568		\$ 1,389	\$ 6,014	
Interest	\$ 520		\$ 2,474			
Net appreciation (depreciation) in fair value of investments	55	17,721		186	579	\$ 9,290
TOTAL	575	21,289	2,474	1,575	6,593	9,290
CONTRIBUTIONS						
Participant		2,193	1,209	820	1,690	1,546
Employer		1,812	1,210	691	1,404	1,232
TOTAL		4,005	2,419	1,511	3,094	2,778
Rollovers	4	7	81	79	51	23
Fund Transfers, net	(23,684)	(14,433)	14,984	2,245	3,134	4,749
Participant distributions	(1,352)	(3,346)	(8,871)	(2,063)	(3,555)	(2,852)
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	(24,457)	7,522	11,087	3,347	9,317	13,988
NET ASSETS AVAILABLE FOR BENEFITS:						
BEGINNING OF YEAR	37,928	68,037	39,171	16,947	32,632	26,182
END OF YEAR	\$ 13,471	\$ 75,559	\$ 50,258	\$ 20,294	\$ 41,949	\$ 40,170

	AMERICAN EXPRESS NEW DIMENSIONS FUND	AMERICAN EXPRESS DIVERSIFIED EQUITY INCOME FUND	TEMPLETON FOREIGN INCOME FUND	PARTICIPANT LOAN FUND	TOTAL
INVESTMENT INCOME					
Dividends	\$ 5,986	\$ 649	\$ 542		\$ 18,148
Interest					2,994
Net appreciation (depreciation) in fair value of investments	8,983	(13)	(491)		36,310
TOTAL	14,969	636	51		57,452
CONTRIBUTIONS					
Participant	3,324	321	327		11,430
Employer	2,710	241	237		9,537
TOTAL	6,034	562	564		20,967
Rollovers	74	29	51		399
Fund Transfers, net	6,385	2,826	2,707	1,087	
Participant distributions	(3,886)	(379)	(124)		(26,428)

CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	23,576	3,674	3,249	1,087	52,390
NET ASSETS AVAILABLE FOR BENEFITS:					
BEGINNING OF YEAR	56,900	1,718	1,656	9,019	290,190
END OF YEAR	\$ 80,476	\$ 5,392	\$ 4,905	\$ 10,106	\$342,580

The accompanying notes are an integral part of these financial statements.

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 1998 AND 1997

1. ACCOUNTING POLICIES

In accordance with the provisions of the NorAm Energy Corp. Employee Savings and Investment Plan ("Plan"), the financial records of the Plan are kept and the valuations of accounts of participating employees ("Participants") are determined on the accrual basis.

The Plan recognizes net appreciation or depreciation in the fair value of its investments. Investments are reflected at fair value in the financial statements. Fair value for securities listed on a national exchange is principally determined using the closing price on the New York Stock Exchange. Fair value for mutual funds is determined using net asset value. The Plan's guaranteed investment contracts are not fully-benefit responsive and, as such are valued at fair value as of December 31, 1998 and 1997.

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions that affect the reported amounts as well as certain disclosures. The Plan's financial statements include amounts that are based on management's best estimates and judgments. Actual results could differ from those estimates.

Certain 1997 balances have been reclassified to conform to the 1998 presentation.

2. SUMMARY OF THE PLAN

DESCRIPTION OF PLAN

The following description of the Plan provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

GENERAL

The Plan is a defined contribution plan covering all qualified Employees' of the Company. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

PARTICIPANT ACCOUNTS

Each participant's account is credited with the Participant's contributions and with allocations of (a) the Reliant Energy Resources, Inc., formerly NorAm Energy Corp. ("Resources") contributions and, (b) Plan earnings. Each Participant's account is also charged with an allocation of administrative expenses. Allocations are based on Participant earnings or account balances, as defined in the Plan. The benefit to which a Participant is entitled is the benefit that could be provided from the Participant's vested account.

PARTICIPATION

Reliant Energy, Incorporated, formerly Houston Industries Incorporated ("Company") acquired Resources during 1997 (see Note 5). The Plan covers eligible employees of Resources excluding certain employees of the Minnegasco Division. The Plan is designed to comply in all material respects with ERISA. An employee is eligible for participation as of the first day of the calendar quarter coincident with or next following (i) his rehire date or (ii) one month and one day following his hire date. Temporary and part-time employees are eligible to participate after completion of at least 1,000 Hours of Service in a year. The Plan excludes nonresident aliens with no earned income from U.S. sources, employees (other than hourly paid Entex Division employees) who are covered by a collective bargaining agreement that does not expressly provide for participation in the Plan, and leased employees. Each Participant may contribute to the Plan annually an amount equal to any whole percentage from 1% to 12% of their compensation.

The maximum amount that a participant may elect to defer as a pre-tax contribution for any taxable year under all cash or deferred arrangements (such as the Plan) in which the participant participates was limited to \$10,000 in 1998 and \$9,500 in 1997. The limit for 1999 is \$10,000, to be adjusted annually thereafter for inflation. The Company matches 100% of a Participant's contributions to a maximum of 6% of a Participant's compensation.

INVESTMENT PROGRAM

In accordance with the Plan, various investment funds are maintained by the trust. Investment of the Plan's assets into each of the separate funds is based on the specifications of the Participant, in 5% increments. The objective of each of the funds is outlined below:

NORAM ENERGY CORP. POOLED GIC FUND: Invested primarily in a guaranteed investment contract with an insurance company.

COMPANY COMMON STOCK FUND (FORMERLY NORAM ENERGY CORP. POOLED COMMON STOCK FUND): Invested primarily in shares of common stock of the Company.

AMERICAN EXPRESS TRUST U.S. GOVERNMENT SECURITIES FUND: Invests in short-term bond or debt instruments guaranteed as to principal and interest by the U.S. Government or its agencies or instrumentalities.

AMERICAN EXPRESS SELECTIVE FUND: Invests in a portfolio of primarily high-quality corporate bonds, government securities and money market securities.

AMERICAN EXPRESS MUTUAL FUND: Invests in a portfolio of common stocks, which offer capital appreciation, and in senior securities, such as bonds and preferred stocks, that offer fixed interest and dividend payments.

AMERICAN EXPRESS TRUST EQUITY INDEX FUND: Invests primarily in medium-to-large, well-established companies offering both long-term capital appreciation and income potential.

AMERICAN EXPRESS NEW DIMENSIONS FUND: Invests in a portfolio of primarily common stocks of U.S. and foreign companies in which powerful economic and technical changes may take place. Such companies may also have demonstrated excellent technology, marketing or management expertise.

AMERICAN EXPRESS DIVERSIFIED EQUITY INCOME FUND: Invests in a portfolio of medium to large, well-established companies that offer long-term capital growth potential as well as reasonable income from dividends and interest.

TEMPLETON FOREIGN INCOME FUND: Invests primarily in common stocks of companies outside the U.S., as well as preferred stocks and certain debt securities.

GUARANTEED INVESTMENT CONTRACT

In accordance with American Institute of Certified Public Accountants issued Statement of Position 94-4, "Reporting of Investment Contracts Held by Health and Welfare Benefit Plans and Defined Contribution Pension Plans" ("Statement"), which was implemented by the Plan during the year ended December 31, 1996. This Statement requires that investment contracts with insurance companies which are fully-benefit responsive be recorded at contract value and contracts which are not fully-benefit responsive are recorded at fair value. The Plan's guaranteed investment contracts are not fully-benefit responsive and, as such are valued at fair value as of December 31, 1998 and 1997. Contract value represents contributions made under the contracts plus interest, less withdrawals made by Participants and distributions to former Participants. Fair value, which does not differ materially from cost, is based upon the net present value of the guaranteed investment contracts at December 31, 1998 and 1997. The Plan's guaranteed investment contracts contain penalties for early withdrawal or termination.

PLAN ADMINISTRATION

The Benefits Committee appointed by the Board of Directors of the Company, is responsible for directing American Express Trust (the "Trustee"), in the day to day administration of the Plan. Any administrative expenses not paid by Resources are borne by the Plan.

DISTRIBUTIONS AND FORFEITURES

A terminated Participant or the beneficiary of a deceased Participant is entitled to a distribution of the value of the Participant's entire account in case of death, disability, or retirement at or after the Participant's attainment of age 65. In case of termination of service for other reasons, a Participant is entitled to a distribution of the entire value of his employee contribution account plus the vested portion of his matching contribution account. Vesting is determined by vesting service years in accordance with the following schedule:

YEARS OF SERVICE	PARTICIPANT'S VESTED PERCENTAGE
Less than 2.....	0%
Two but less than three.....	20%
Three but less than four.....	40%
Four but less than five.....	60%
Five but less than six.....	80%
Six or more.....	100%

Amounts forfeited upon distribution are held separately until the end of the plan year in which the terminated employee incurs five consecutive one year breaks in service. Subsequently, the amount forfeited by a Participant is applied to reduce the Company's contribution to the Plan. Employee forfeitures for the years ended December 31, 1998 and 1997 were not significant to the Plan.

A terminated Participant may receive a lump sum final distribution of the vested amount accumulated in each Participant's account upon written request. Immediate lump sum distributions are made for accounts which do not exceed \$5,000.

PARTICIPANT LOANS

A Participant may borrow against amounts attributable to his vested account balance. The maximum amount that a Participant may borrow is the lesser of (i) \$50,000, reduced by the excess, if any, of the highest outstanding balance of loans to the Participant from all plans maintained by the Company or an affiliated entity during the one-year period ending on the day before the date on which such loan is made over the outstanding balance of loans from the Plan on the date on which such loan is made, or (ii) 50% of the value of the Participant's vested account balance under the Plan. The minimum amount which may be borrowed is \$1,000. A Participant may have only one loan outstanding at any one time. Interest rates are fixed at the prime rate prevailing at the loan's inception plus one percent. Interest rates are fixed for the term of the loan at the time of loan origination and ranged from 7% to 10% for loans outstanding as of December 31, 1998. Principal and interest payments are paid ratably through monthly payroll deductions over a term not to exceed sixty months. Participants' account balances are used as collateral for the loans. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan Fund.

TERMINATION OF THE PLAN

Resources may terminate the Plan at any time and must give written notice to the Trustee. In the event of termination of the Plan, the assets held by the Trustee under the Plan will be valued and each Participant will become fully vested and entitled to distributions respecting his account.

3. FEDERAL INCOME TAXES

No provision for federal income taxes has been made in the financial statements of the Plan. The Internal Revenue Service ("IRS") determined and informed the Company by a letter dated October 10, 1995, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("Code"). Although the Plan was amended subsequent to that date, the Benefits Committee and the Company's counsel believe that the Plan was designed and operated in compliance with the requirements of the Code. As a result, the Participant's Pre-tax Contributions, up to a specified maximum amount each calendar year, and the Employer Contributions to the Trust on behalf of a Participant are not currently taxable to a Participant when made, and income from any source accruing to a Participant's account is not taxable when realized by the Trust. Participant withdrawals of After-tax Contributions made to the Plan prior to 1987, are excludable from the Participant's gross income for federal income tax purposes. The After-tax Contributions made by a Participant will not be deductible by the Participant. However, Participant withdrawals of amounts attributable to earnings on such After-tax Contributions are subject to federal income tax. Participant withdrawals of amounts attributable to Pre-tax Contributions or Employer Contributions are subject to federal income tax when distributed.

4. RELATED PARTY TRANSACTIONS

The Trustee is authorized under contract provisions and by ERISA regulations providing administrative and statutory exemptions, to invest in funds under its control and in securities of the Company. During 1998 and 1997, the Trustee purchased and sold units of the Company's and Resources common stock and American Express Trust Funds as temporary investments, which are shown below:

		1998	1997
		-----	-----
PURCHASES	Company's Common Stock	\$ 25,536,337	\$ 11,497,638
	Trustee	77,159,722	134,156,049
SALES	Company's Common Stock	\$ 22,479,514	\$ 23,155,437
	Trustee	69,118,446	91,680,576

5. MERGER WITH RELIANT ENERGY, INCORPORATED (FORMERLY HOUSTON INDUSTRIES INCORPORATED)

On August 6, 1997, Resources was merged with and into a subsidiary of the Company and became a wholly owned subsidiary of the Company (the "Merger"). Consideration for the purchase of Resources Common Stock was a combination of cash and the Company's Common Stock. As a result of the Merger, the Plan Participants received cash and the Company's Common Stock as Merger consideration in exchange for their Resources Common Stock. The cash portion of the merger consideration was automatically invested based upon Participant investment elections. The Merger Agreement stipulates that the Company, for a period of one year subsequent to the consummation of the Merger will continue or cause to be continued, without adverse change to any employee or former employee, all Resources benefit plans.

6. SUBSEQUENT EVENT

Effective April 1, 1999, the Plan was merged into the Reliant Energy, Incorporated Savings Plan (formerly the Houston Industries Incorporated Savings Plan). The Plan had aggregate net assets available for benefits of approximately \$344 million on April 1, 1999 that were transferred into the Company's Savings Plan. Management believes that the merger was a tax exempt transaction under the applicable provisions of the Internal Revenue Code.

ITEM 27a - Schedule of Assets Held for Investment Purposes
 EIN 74-0694415; PN: 033

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN
 SUPPLEMENTAL SCHEDULE OF INVESTMENTS
 ASSETS HELD FOR INVESTMENT PURPOSES
 DECEMBER 31, 1998
 (in thousands, except shares and units)

DESCRIPTION OF ASSET -----	MATURITY DATE -----	RATE OF INTEREST -----	PAR VALUE/SHARES -----	COST -----	CURRENT VALUE -----
Guaranteed Investment Contracts Aetna #LT-13938	01/04/99	8.75%	6,625,624	\$ 6,626	\$ 6,626
*Company Common Stock Fund			2,883	52,234	92,608
*American Express Trust U.S. Government Securities Fund			53,040,603	53,041	53,041
*American Express Selective Fund			2,344,009	21,389	21,738
*American Express Mutual Fund			3,273,576	43,200	42,635
*American Express Trust Equity Index Fund			1,463,693	29,498	51,253
*American Express New Dimensions Fund			3,356,961	67,380	96,832
*American Express Diversified Equity Income Fund			675,963	6,486	6,312
Templeton Foreign Income Fund			505,733	5,164	4,243
				-----	-----
TOTAL				\$ 285,018	\$ 375,288
				=====	=====
Participant Loans, interest rate at prime plus 1%					\$ 11,052
					=====

*Party-in-interest

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN
SUPPLEMENTAL SCHEDULE OF INVESTMENTS
5% REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 1998

DESCRIPTION -----	PURCHASE PRICE -----	SELLING PRICE -----	COST OF ASSET -----	CURRENT VALUE ON TRANSACTION DATE -----	NET GAIN OR (LOSS) -----
SINGLE TRANSACTIONS					
None					
SERIES OF TRANSACTIONS					
*American Express Mutual Fund					
92 Purchases	\$10,664,125			\$10,664,125	
182 Sales		\$ 7,945,890	\$ 7,400,935		\$ 544,955
*American Express New Dimensions Fund Fund, Inc.					
112 Purchases	17,055,076			17,055,076	
176 Sales		16,919,577	12,001,987		4,917,590
*American Express Trust U.S. Government Securities Fund					
301 Purchases	32,145,719			32,145,719	
130 Sales		29,071,542	29,071,542		
*American Express Trust Equity Index Fund					
108 Purchases	8,219,140			8,219,140	
141 Sales		8,490,963	5,024,227		3,466,736
*Company Common Stock Fund					
83 Purchases	25,536,337			25,536,337	
164 Sales		22,479,514	10,131,436		12,348,078

*Party-in-interest

SIGNATURE

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

NORAM ENERGY CORP. EMPLOYEE SAVINGS AND INVESTMENT PLAN

By /s/ Lee W. Hogan

(Lee W. Hogan, Chairman of the
Benefits Committee of
Reliant Energy, Incorporated,
Plan Administrator)

June 25, 1999

INDEX TO EXHIBITS

Exhibit Number -----	Description -----
23	Independent Auditor's Consent

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-11329 of Reliant Energy Incorporated and Subsidiaries on Form S-8 of our report dated June 18, 1999, appearing in the Annual Report on Form 11-K of the NorAm Energy Corp. Employee Savings and Investment Plan for the year end December 31, 1998.

Deloitte & Touche LLP
/s/ DELOITTE & TOUCHE LLP

Houston, Texas
June 29, 1999