

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:

HOUSTON INDUSTRIES INCORPORATED
SAVINGS 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

Houston Industries Incorporated Savings Plan:

We have audited the accompanying statements of net assets for benefits of the Houston Industries Incorporated Savings 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

HOUSTON INDUSTRIES INCORPORATED SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1998

	PARTICIPANT INVESTMENT FUNDS					
	COMPANY COMMON STOCK FUND	ALLOCATED ESOP FUND	CAPITAL APPRECIATION EQUITY FUND	GROWTH & INCOME EQUITY FUND	INTERNATIONAL EQUITY FUND	BALANCED FUND
ASSETS						
INVESTMENTS						
Common stock	\$ 421,383,721	\$ 166,000,476				
Mutual funds			\$ 93,798,186	\$ 97,609,045	\$ 27,798,438	\$ 19,586,842
Cash and cash equivalents	4,287,875	3,078,722				17,501,426
Other assets						
TOTAL	425,671,596	169,079,198	93,798,186	97,609,045	27,798,438	37,088,268
RECEIVABLES						
Dividends and Interest	20,890	9,971				85,285
Investment sales			1,929,049	1,906,785		
Contributions						
Employer		137,591				
Participant	304,731		58,238	193,457	24,903	74,771
TOTAL	325,621	147,562	1,987,287	2,100,242	24,903	160,056
TOTAL ASSETS	425,997,217	169,226,760	95,785,473	99,709,287	27,823,341	37,248,324
LIABILITIES						
PAYABLES						
Administrative expenses	(4,386)	(1,976)	(1,211)	(1,327)	(654)	(741)
Interest on ESOP loans from Company						
ESOP loans from Company						
TOTAL LIABILITIES	(4,386)	(1,976)	(1,211)	(1,327)	(654)	(741)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 425,992,831	\$ 169,224,784	\$ 95,784,262	\$ 99,707,960	\$ 27,822,687	\$ 37,247,583

	PARTICIPANT INVESTMENT FUNDS					
	FIXED INCOME FUND	MONEY MARKET FUND	PARTICIPANT LOAN FUND	TOTAL	UNALLOCATED ESOP FUND	TOTAL
ASSETS						
INVESTMENTS						
Common stock				\$ 587,384,197	\$ 375,166,865	\$ 962,551,062
Mutual funds	\$ 10,138,557			248,931,068		248,931,068
Cash and cash equivalents		\$ 33,088,908		57,956,931	5,745,942	63,702,873
Other assets			\$ 31,229,646	31,229,646		31,229,646
TOTAL	10,138,557	33,088,908	31,229,646	925,501,842	380,912,807	1,306,414,649
RECEIVABLES						
Dividends and Interest	53,286			169,432	15,494	184,926
Investment sales		148,064		3,983,898		3,983,898
Contributions						
Employer				137,591		137,591
Participant	35,072	176,899		868,071		868,071
TOTAL	88,358	324,963		5,158,992	15,494	5,174,486
TOTAL ASSETS	10,226,915	33,413,871	31,229,646	930,660,834	380,928,301	1,311,589,135

	-----	-----	-----	-----	-----	-----
LIABILITIES						
PAYABLES						
Administrative expenses	(496)	(706)		(11,497)		(11,497)
Interest on ESOP loans from Company					(8,162,079)	(8,162,079)
ESOP loans from Company					(240,431,715)	(240,431,715)
TOTAL LIABILITIES	(496)	(706)		(11,497)	(248,593,794)	(248,605,291)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 10,226,419	\$ 33,413,165	\$ 31,229,646	\$ 930,649,337	\$ 132,334,507	\$1,062,983,844
	=====	=====	=====	=====	=====	=====

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

HOUSTON INDUSTRIES INCORPORATED SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 1997

	PARTICIPANT INVESTMENT FUNDS				
	COMPANY COMMON STOCK FUND	ALLOCATED ESOP FUND	CAPITAL APPRECIATION EQUITY FUND	GROWTH & INCOME EQUITY FUND	INTERNATIONAL EQUITY FUND
ASSETS					
INVESTMENTS					
Common stock	\$ 338,664,722	\$ 125,867,057	--	--	--
Mutual funds	--	--	\$ 76,615,551	\$ 93,016,707	\$ 25,659,496
Cash and cash equivalents	2,003,994	1,039,573	--	--	--
Other assets	--	--	--	--	--
TOTAL	340,668,716	126,906,630	76,615,551	93,016,707	25,659,496
RECEIVABLES					
Dividends and Interest	4,754,337	1,796,895	--	--	--
Investment sales	--	--	--	1,818,574	--
Contributions					
Employer	--	262,752	--	--	--
Participant	108,896	--	127,140	143,754	54,336
TOTAL	4,863,233	2,059,647	127,140	1,962,328	54,336
TOTAL ASSETS	345,531,949	128,966,277	76,742,691	94,979,035	25,713,832
LIABILITIES					
PAYABLES					
Administrative expenses	(5,895)	(2,407)	(1,720)	(2,041)	(835)
Interest on ESOP loans from Company	--	--	--	--	--
ESOP loans from Company	--	--	--	--	--
TOTAL LIABILITIES	(5,895)	(2,407)	(1,720)	(2,041)	(835)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 345,526,054	\$ 128,963,870	\$ 76,740,971	\$ 94,976,994	\$ 25,712,997

	PARTICIPANT INVESTMENT FUNDS				
	BALANCED FUND	FIXED INCOME FUND	MONEY MARKET FUND	PARTICIPANT LOAN FUND	TOTAL
ASSETS					
INVESTMENTS					
Common stock	--	--	--	--	\$ 464,531,779
Mutual funds	\$ 34,732,269	\$ 7,712,680	--	--	237,736,703
Cash and cash equivalents	--	--	\$ 28,962,593	--	32,006,160
Other assets	--	--	--	\$ 30,437,985	30,437,985
TOTAL	34,732,269	7,712,680	28,962,593	30,437,985	764,712,627
RECEIVABLES					
Dividends and Interest	91,650	41,191	141,577	--	6,825,650
Investment sales	--	--	--	--	1,818,574
Contributions					
Employer	--	--	--	--	262,752
Participant	54,915	11,505	28,971	--	529,517
TOTAL	146,565	52,696	170,548	--	9,436,493

TOTAL ASSETS	34,878,834	7,765,376	29,133,141	30,437,985	774,149,120
LIABILITIES					
PAYABLES					
Administrative expenses	(990)	(513)	(908)	--	(15,309)
Interest on ESOP loans from Company	--	--	--	--	--
ESOP loans from Company	--	--	--	--	--
TOTAL LIABILITIES	(990)	(513)	(908)	--	(15,309)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 34,877,844	\$ 7,764,863	\$ 29,132,233	\$ 30,437,985	\$ 774,133,811

	UNALLOCATED ESOP FUND	TOTAL
ASSETS		
INVESTMENTS		
Common stock	\$ 330,619,455	\$ 795,151,234
Mutual funds	--	237,736,703
Cash and cash equivalents	4,671,858	36,678,018
Other assets	--	30,437,985
TOTAL	335,291,313	1,100,003,940
RECEIVABLES		
Dividends and Interest	4,611,125	11,436,775
Investment sales	--	1,818,574
Contributions		
Employer	--	262,752
Participant	--	529,517
TOTAL	4,611,125	14,047,618
TOTAL ASSETS	339,902,438	1,114,051,558
LIABILITIES		
PAYABLES		
Administrative expenses	--	(15,309)
Interest on ESOP loans from Company	(7,119,607)	(7,119,607)
ESOP loans from Company	(248,301,638)	(248,301,638)
TOTAL LIABILITIES	(255,421,245)	(255,436,554)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 84,481,193	\$ 858,615,004

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

HOUSTON INDUSTRIES INCORPORATED SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 1998

	PARTICIPANT INVESTMENT FUNDS			
	COMPANY COMMON STOCK FUND	ALLOCATED ESOP FUND	CAPITAL APPRECIATION EQUITY FUND	GROWTH & INCOME EQUITY FUND
INVESTMENT INCOME				
Dividends				
Common stock	\$ 19,247,560	\$ 7,481,947		
Mutual funds			\$ 3,281,324	\$ 1,819,711
Interest	176,233			
Net appreciation in fair value of investments	65,340,475	25,296,573	15,108,354	5,419,492
TOTAL	84,764,268	32,778,520	18,389,678	7,239,203
CONTRIBUTIONS				
Participant	8,592,157		6,502,380	7,518,707
Employer				
Allocation of ESOP stock		13,879,078		
ESOP contribution				
TOTAL	8,592,157	13,879,078	6,502,380	7,518,707
Fund transfers, net	4,434,167	(323,098)	(2,814,305)	(5,512,655)
Administrative expenses	(77,217)	(1,976)	(15,439)	(17,462)
Benefit payments	(17,246,598)	(6,071,610)	(3,019,023)	(4,496,827)
Interest on ESOP loans				
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	80,466,777	40,260,914	19,043,291	4,730,966
NET ASSETS AVAILABLE FOR PLAN BENEFITS				
BEGINNING OF PERIOD	345,526,054	128,963,870	76,740,971	94,976,994
END OF PERIOD	\$ 425,992,831	\$ 169,224,784	\$ 95,784,262	\$ 99,707,960

	PARTICIPANT INVESTMENT FUNDS			
	INTERNATIONAL EQUITY FUND	BALANCED FUND	FIXED INCOME FUND	MONEY MARKET FUND
INVESTMENT INCOME				
Dividends				
Common stock	\$ 755,511	\$ 536,913		
Mutual funds				
Interest		1,029,987	\$ 541,399	\$ 1,706,672
Net appreciation in fair value of investments	2,467,397	1,289,386	11,452	
TOTAL	3,222,908	2,856,286	552,851	1,706,672

CONTRIBUTIONS

Participant Employer	2,684,418	2,582,958	512,336	1,199,367
Allocation of ESOP stock ESOP contribution	-----	-----	-----	-----
TOTAL	----- 2,684,418	----- 2,582,958	----- 512,336	----- 1,199,367
Fund transfers, net	(2,622,315)	(1,756,669)	2,217,004	5,586,210
Administrative expenses	(8,042)	(9,272)	(5,649)	(8,485)
Benefit payments	(1,167,279)	(1,303,564)	(814,986)	(4,202,832)
Interest on ESOP loans	-----	-----	-----	-----
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	2,109,690	2,369,739	2,461,556	4,280,932
NET ASSETS AVAILABLE FOR PLAN BENEFITS				
BEGINNING OF PERIOD	----- 25,712,997	----- 34,877,844	----- 7,764,863	----- 29,132,233
END OF PERIOD	=====	=====	=====	=====

PARTICIPANT INVESTMENT FUNDS

	PARTICIPANT LOAN FUND	TOTAL	UNALLOCATED ESOP FUND	TOTAL
	-----	-----	-----	-----
INVESTMENT INCOME				
Dividends				
Common stock		\$ 26,729,507	\$ 19,775,491	\$ 46,504,998
Mutual funds		6,393,459		6,393,459
Interest		3,454,291		3,454,291
Net appreciation in fair value of investments		114,933,129	53,831,321	168,764,450
TOTAL		----- 151,510,386	----- 73,606,812	----- 225,117,198
CONTRIBUTIONS				
Participant Employer		29,592,323		29,592,323
Allocation of ESOP stock ESOP contribution		13,879,078	(13,879,078) 11,800,169	11,800,169
TOTAL		----- 43,471,401	----- (2,078,909)	----- 41,392,492
Fund transfers, net	791,661			
Administrative expenses		(143,542)		(143,542)
Benefit payments		(38,322,719)		(38,322,719)
Interest on ESOP loans			(23,674,589)	(23,674,589)
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	791,661	156,515,526	47,853,314	204,368,840
NET ASSETS AVAILABLE FOR PLAN BENEFITS				
BEGINNING OF PERIOD	----- 30,437,985	----- 774,133,811	----- 84,481,193	----- 858,615,004
END OF PERIOD	=====	=====	=====	=====

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

HOUSTON INDUSTRIES INCORPORATED SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 1997

	PARTICIPANT INVESTMENT FUNDS			
	COMPANY COMMON STOCK FUND	ALLOCATED ESOP FUND	CAPITAL APPRECIATION EQUITY FUND	GROWTH & INCOME EQUITY FUND
INVESTMENT INCOME				
Dividends				
Common stock	\$ 20,517,489	\$ 7,644,282		
Mutual funds			\$ 1,225,483	\$ 3,003,484
Interest				
Net appreciation in fair value of investments	50,357,694	18,909,106	15,766,743	19,662,247
TOTAL	70,875,183	26,553,388	16,992,226	22,665,731
CONTRIBUTIONS				
Participant	9,736,936		6,505,232	7,031,322
Employer				
Allocation of ESOP stock		15,664,412		
Cash		453,639		
ESOP Contribution				
TOTAL	9,736,936	16,118,051	6,505,232	7,031,322
Fund transfers, net	(21,121,233)	(283,653)	5,733,200	14,168,268
Administrative expenses	(92,166)	(753)	(18,815)	(22,094)
Transfer to STPNOC	(33,919,460)	(24,081,169)	(14,950,572)	(18,394,982)
Benefit payments	(21,692,518)	(7,297,304)	(3,568,486)	(5,683,308)
Interest on ESOP loans				
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	3,786,742	11,008,560	10,692,785	19,764,937
NET ASSETS AVAILABLE FOR PLAN BENEFITS				
BEGINNING OF PERIOD	341,739,312	117,955,310	66,048,186	75,212,057
END OF PERIOD	\$ 345,526,054	\$ 128,963,870	\$ 76,740,971	\$ 94,976,994

	PARTICIPANT INVESTMENT FUNDS			
	INTERNATIONAL EQUITY FUND	BALANCED FUND	FIXED INCOME FUND	MONEY MARKET FUND
INVESTMENT INCOME				
Dividends				
Common stock	\$ 175,869	\$ 1,302,781	\$ 484,565	
Mutual funds				
Interest				\$ 1,763,644
Net appreciation in fair value of investments	2,103,474	3,782,020	46,129	
TOTAL	2,279,343	5,084,801	530,694	1,763,644

CONTRIBUTIONS

Participant Employer Allocation of ESOP stock Cash ESOP Contribution	2,944,829	2,826,070	577,443	1,871,287
	-----	-----	-----	-----
TOTAL	2,944,829	2,826,070	577,443	1,871,287
	-----	-----	-----	-----
Fund transfers, net	201,886	(766,298)	572,991	958,942
Administrative expenses	(9,986)	(11,310)	(5,827)	(10,644)
Transfer to STPNOC	(5,148,850)	(6,080,629)	(886,193)	(2,984,272)
Benefit payments	(1,238,233)	(2,168,287)	(944,489)	(5,728,034)
Interest on ESOP loans				
	-----	-----	-----	-----
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	(971,011)	(1,115,653)	(155,381)	(4,129,077)
NET ASSETS AVAILABLE FOR PLAN BENEFITS				
BEGINNING OF PERIOD	26,684,008	35,993,497	7,920,244	33,261,310
	-----	-----	-----	-----
END OF PERIOD	\$ 25,712,997	\$ 34,877,844	\$ 7,764,863	\$ 29,132,233
	=====	=====	=====	=====

PARTICIPANT INVESTMENT FUNDS

	PARTICIPANT LOAN FUND	TOTAL	UNALLOCATED ESOP FUND	TOTAL
	-----	-----	-----	-----
INVESTMENT INCOME				
Dividends				
Common stock		\$ 28,161,771	\$ 19,260,588	\$ 47,422,359
Mutual funds		6,192,182		6,192,182
Interest		1,763,644		1,763,644
Net appreciation in fair value of investments		110,627,413	49,289,685	159,917,098
	-----	-----	-----	-----
TOTAL		146,745,010	68,550,273	215,295,283
	-----	-----	-----	-----
CONTRIBUTIONS				
Participant Employer Allocation of ESOP stock Cash ESOP Contribution		31,493,119		31,493,119
		15,664,412	(15,664,412)	
		453,639		453,639
			19,431,067	19,431,067
	-----	-----	-----	-----
TOTAL		47,611,170	3,766,655	51,377,825
	-----	-----	-----	-----
Fund transfers, net	535,897			
Administrative expenses		(171,595)		(171,595)
Transfer to STPNOC	(7,404,652)	(113,850,779)		(113,850,779)
Benefit payments		(48,320,659)		(48,320,659)
Interest on ESOP loans			(24,986,977)	(24,986,977)
	-----	-----	-----	-----
CHANGE IN NET ASSETS AVAILABLE FOR BENEFITS	(6,868,755)	32,013,147	47,329,951	79,343,098
NET ASSETS AVAILABLE FOR PLAN BENEFITS				
BEGINNING OF PERIOD	37,306,740	742,120,664	37,151,242	779,271,906
	-----	-----	-----	-----
END OF PERIOD	\$ 30,437,985	\$ 774,133,811	\$ 84,481,193	\$ 858,615,004
	=====	=====	=====	=====

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

HOUSTON INDUSTRIES INCORPORATED SAVINGS PLAN

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

1. ACCOUNTING POLICIES

In accordance with the provisions of the Houston Industries Incorporated Savings Plan (the "Plan"), the financial records of the Plan are generally 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 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 employees of Reliant Energy, Incorporated formerly Houston Industries Incorporated (the "Company") and each subsidiary of the Company that has adopted the Plan except (i) building trades workers under a construction industry collective bargaining agreement providing specifically for retirement benefit payments to be made thereunder for such building trades workers, (ii) leased employees, (iii) independent contractors. Employees on the payroll of Reliant Energy Resources Corp. or any of its divisions or subsidiaries are not covered by the Plan. 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 the Company's contributions and Plan earnings. Each Participant's account is also charged with an allocation of administrative expenses. Allocations are based on Participant compensation or account balances, as defined. The benefit to which a Participant is entitled is the amount that can be provided from the Participant's vested accounts.

INVESTMENT PROGRAM

The Plan has seven investment funds (Funds), as follows:

COMPANY COMMON STOCK FUND: Invested primarily in shares of common stock of the Company.

CAPITAL APPRECIATION EQUITY FUND: Invested in a pool of stock mutual funds that have a goal of long-term growth with little emphasis on current income. The mutual funds seek to buy stocks of rapidly growing companies or companies with potential for above average growth, including small company and international stocks.

GROWTH AND INCOME EQUITY FUND: Invested in a pool of stock mutual funds that have a goal of long-term growth and current income. The mutual funds buy stocks of growing companies and companies that have a history of paying dividends.

INTERNATIONAL EQUITY FUND: Invested in a pool of international stock mutual funds that have a goal of long-term growth with little emphasis on current income. The mutual funds buy stocks of growing and established companies that have their principal business activities and interests outside of the United States and which show the potential for growth.

BALANCED FUND: Invested in both stock and bond mutual funds. The Fund uses a bond mutual fund investing in high-quality bonds and stock mutual funds investing in a wide variety of companies.

FIXED INCOME FUND: Invested in a fixed income mutual fund. The mutual fund invests in high-quality government and corporate bonds and other fixed income securities.

MONEY MARKET FUND: Invested in a money market fund. The mutual fund invests in high-quality government and corporate fixed income securities with maturities of less than one year.

Investments in the funds are assigned units of participation. The unit value of the funds are determined daily based upon the fair market value of the underlying net assets. The total units assigned to participants at December 31, 1998 were as follows:

Fund	Units	Market Value Per Unit	Total Market Value
Company Common Stock Fund and Allocated ESOP Fund	32,345,071.13	18.4021	595,217,615
Capital Appreciation Equity Fund	4,923,685.86	19.4538	95,784,262
Growth and Income Equity Fund	5,498,414.37	18.1340	99,707,960
International Equity Fund	1,921,030.28	14.4832	27,822,687
Balanced Fund	2,584,002.76	14.4147	37,247,583
Fixed Income Fund	829,308.50	12.3313	10,226,419
Money Market Fund	2,787,751.06	11.9857	33,413,165

Pending the acquisition of an investment in an orderly manner for the Funds, the Trustee (as hereinafter defined) may temporarily hold funds uninvested or in short-term investments.

The assets of the Plan are held in trust by The Northern Trust Company ("Trustee"). The Benefits Committee ("Committee"), appointed by the Board of Directors of the Company as the administrator of the Plan. The Committee retains an independent investment consultant to provide investment advice with respect to the Funds. The fees charged by the Trustee and the investment consultant are paid by the Trustee out of the Funds.

A Participant has the right to direct the Trustee to invest his contributions, but not matching contributions made by the employer ("Employer Contributions"), in 1% increments in any or all of the Funds.

All Employer Contributions to the Plan were invested in the ESOP (as hereinafter defined).

EMPLOYEE STOCK OWNERSHIP PLAN

The employee stock ownership component ("ESOP") of the Plan is a funding mechanism for a portion of the Employer Contributions to the Plan. In connection with the ESOP, the Company was party to an ESOP Trust Agreement between the Company and State Street Bank ("Prior ESOP Trustee"). The Prior ESOP Trustee purchased shares of the Company's common stock in open market transactions with funds provided by loans ("Loans") from the Company. The Prior ESOP Trustee completed the purchases of shares of the Company's common stock in December 1991 after purchasing 18,762,184 shares at a cost of approximately \$350 million. At December 31, 1998 and 1997, the balance of the Loans was approximately \$240 million and \$248 million, respectively. The Loans bear interest at a fixed rate of 9.783%. The Loans are expected to be repaid over a period of up to twenty years.

The Company makes periodic cash contributions ("ESOP Contributions") to the Unallocated ESOP (as hereinafter defined) portion of the Trust (as hereinafter defined). The ESOP Contributions, together with the earnings received on the investments included in the Unallocated ESOP and dividend income from the Unallocated ESOP and Allocated ESOP are used to pay principal and interest on the Loans. The dividend income from the Allocated ESOP used is replaced with released shares. As debt service payments on the Loans are made, the Company releases shares of common stock from the pledge securing the Loans and such shares are available for allocation to Participants' accounts as Employer Contributions. All released shares must be allocated to Participants' accounts at year-end. No allocated shares serve as collateral for the Loans.

In addition to the ESOP Contributions, the Company may elect to make Employer Contributions to the Allocated ESOP (as hereinafter defined) in the form of cash which may be used to purchase shares of the Company's common stock in the open market. Dividend income received on shares of the Company's common stock that were purchased in the open market and placed in the Allocated ESOP is not available for debt service payments.

That portion of the ESOP which has been allocated to Participants ("Allocated ESOP") as Employer Contributions and that portion of the ESOP which has not been allocated to Participants ("Unallocated ESOP") are presented separately in the accompanying financial statements.

FUNDING

Participants may make contributions to the Plan through (i) payroll deductions on a pre-tax ("Pre-tax Contributions") or an after-tax ("After-tax Contributions") basis, (ii) a combination of After-tax and Pre-tax Contributions or (iii) a rollover of pre-tax contributions from another qualified plan.

Contributions to the Plan are made by Participants and by the Company and each subsidiary of the Company that has adopted the Plan. Each Participant may contribute to the Plan annually an amount equal to any whole percentage up to and including 6% of his total eligible compensation. This amount, referred to as the Participant's "Basic Contributions", could be made up of Pre-tax and/or After-tax Contributions provided that the total amount contributed does not exceed 6% of the Participant's compensation. Employer Contributions are in an amount equal to 70% of Participant's Basic Contributions.

Each Participant may make excess contributions annually to the Plan in an amount equal to any whole percentage up to and including 10% of his total eligible compensation. This amount, referred to as the Participant's "Excess Contributions", may be made up of Pre-tax and After-tax Contributions, provided that the total amount contributed does not exceed 10% of the Participant's compensation. The Company does not match Excess Contributions.

Pre-tax Contributions made to the Plan decrease a Participant's income for federal income tax purposes by the amount of such Participant's Pre-tax Contributions. Pre-tax Contributions are, however, subject to Federal Insurance Contributions Act withholding tax.

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 \$9,500 in 1997. The limit for 1998 was \$10,000. Such amount may be adjusted thereafter for inflation. If the total amount of Pre-tax Contributions exceeds the maximum limit during any calendar year, such excess will be included in the participant's gross income for the year to which the deferrals relate, and will be returned to the Participant, plus any income or minus any loss allocable thereto, by April 15 of the following year.

PARTICIPATION

Any eligible employee may participate in the Plan as soon as is practicable after employment commences. Ineligible employees include persons not regularly and principally employed by the Company or a participating subsidiary, building trades workers under a construction industry collective bargaining agreement providing specifically for retirement benefit payments thereunder for such building trades workers, leased employees, independent contractors and employees on the payroll of Reliant Energy Resources Corp. or any of its divisions or subsidiaries. Former Participants who are reemployed by the Company may recommence participation in the Plan as soon as practicable after reemployment. Their vesting service will be reinstated, and any portion of their interest in the Employer Contributions that was forfeited will be reinstated in accordance with the terms of 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 (as hereinafter defined). Retirement is termination of service at the later of (i) Participant's attainment of age 65 or (ii) the fifth anniversary of the Participant's commencement of participation in the Plan. In case of termination of service for other reasons, a Participant is entitled to a distribution of the entire value of his contribution account plus the vested portion of his Employer Contribution account. Vesting is determined by vesting service years in accordance with the following schedule:

Vesting Service Years* -----	Vested Percentage -----
Less than two.....	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%

*Generally, a vesting service year is each Plan year during which an employee completed at least 1,000 hours of service.

Any portion of the value of Employer Contributions not vested will be forfeited. The amount forfeited by a Participant is applied to reduce the respective Company's subsequent contribution to the Plan. Employee forfeitures for the years ended December 31, 1998 and 1997 were not significant to the Plan.

A terminated Participant receives a lump sum final distribution from the Plan upon written request any time after such termination. If no request is received, an automatic distribution will be made to the terminated Participant and mailed to his last known address within 60 days after the end of the Plan year in which he reaches age 65. Immediate lump sum distributions are made, however, for accounts which do not exceed \$5,000.

PARTICIPANT WITHDRAWALS AND LOANS

A Participant may make in-service withdrawals from amounts attributable to his After-tax Contributions. A Participant with less than five years of service who withdraws Basic After-tax Contributions will be suspended from Plan participation for six months.

A Participant may borrow against amounts attributable to his Pre-tax Contributions. The maximum amount that a Participant may borrow from his Pre-tax Contribution account 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, (ii) 50% of the value of the Participant's vested account balance under the Plan or (iii) 100% of the value of the Participant's Pre-tax Contribution account.

The loans are to be secured by the pledge of a portion of the Participant's right, title and value of the Participant's vested account balance under the Plan as determined immediately after the loan is made. Loans may be repaid over a period of up to five years, except loans made before January 1, 1994 must be repaid over a period of up to four years. No loan will be made for a sum of less than \$500. Interest rates are fixed at the prime rate prevailing at the loan's inception plus one percent.

Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Loan fund.

DIVERSIFICATION OF INVESTMENTS

A Participant who is 55 years of age or older as of any December 31 and who has service in the Plan for at least ten years is qualified to diversify ("Qualified Participant"), in any subsequent calendar year, the investments in his ESOP account and his Employer Contribution account by transferring up to 25% of the sum of the balances of those accounts (less any amount previously transferred) to any of the other Funds. After five years as a Qualified Participant, the maximum percentage increases to 50% (less any amount previously transferred). A Qualified Participant must make this election in the first 90 days of any calendar year following qualification to diversify. The transfer will be effective on the last business day in March. Second or subsequent elections will cause transfers only to the extent the permissible election exceeds amounts previously transferred.

TERMINATION OF THE PLAN

Although it has not expressed any intent to do so, the Company may terminate the Plan at any time subject to the provisions of ERISA 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 in his account.

3. FEDERAL INCOME TAXES

The Internal Revenue Service (IRS) determined and informed the Company by letter dated December 3, 1994 that the Plan, as amended and restated effective January 1, 1994 ("Prior Plan"), was qualified and the trust fund (Trust) established under the Prior Plan was tax-exempt under the appropriate sections of the Internal Revenue Code of 1986, as amended (Code). Although the Plan was amended and restated subsequent to that date, the 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. The After-tax Contributions made by a Participant will not be deductible by the Participant. The continued status of the Trust as a tax-exempt trust and the Plan as a qualified plan are contingent upon the continuing operation of the Trust and the Plan in accordance with applicable provisions of the Code.

4. RELATED PARTY TRANSACTIONS

During 1998 and 1997, the Plan purchased and sold shares of the Company's Common Stock and units of short-term investment funds managed by the Trustee as temporary investments (party-in-interest transactions) as shown below:

		1998 ----	1997 ----
PURCHASES	Company's Common Stock	\$ 26,984,642	\$ 25,325,767
	Short-term Funds	277,166,783	216,664,199
SALES	Company's Common Stock	\$ 16,622,986	\$ 37,473,072
	Short-term Funds	266,219,707	226,647,363

As of December 31, 1998, an aggregate of 29,962,679 shares of the Company's common stock was held by the Plan, including shares held in the Unallocated ESOP. As of December 31, 1997, an aggregate of 29,794,894 shares of the Company's common stock was held by the Plan, including shares held in the Unallocated ESOP. These shares represented 10.10% and 10.09%, respectively, of the Company's common stock outstanding at December 31, 1998 and December 31, 1997.

See Note 5 regarding transfer of plan assets to a South Texas Project Nuclear Operating Company Savings Plan.

5. TRANSFER OF PLAN ASSETS TO THE SOUTH TEXAS PROJECT NUCLEAR OPERATING COMPANY SAVINGS PLAN

In 1997, the Company and the other three owners of the South Texas Project Electric Generating Station ("South Texas Project") completed the transfer of the Company's responsibilities for operation of the South Texas Project to a Texas non-profit corporation formed by the owners and known as the STP Nuclear Operating Company ("STPNOC"). STPNOC was formed exclusively for the purpose of operating the South Texas Project, and certain of the Company's officers and employees who had been responsible for day-to-day operation and management of the South Texas Project were transferred to STPNOC effective in October, 1997. STPNOC created its own savings plan to which Plan assets, in the amount of \$113,850,779, were transferred in October, 1997 which represented the account balances of Participants who became employees of STPNOC.

6. SUBSEQUENT EVENT

Effective January 1, 1999, the employer matching contribution increased from 70% to 75% of Participant's Basic Contributions. In addition, the employer may contribute up to an additional 50 cents for every \$1 of the Participant's Basic Contribution. The Company may make this contribution during the first quarter of each year based on the Company's performance for the previous year.

The Plan's new vesting schedule effective January 1, 1999 is as follows:

Vesting Service Years -----	Vested Percentage -----
Less than two.....	0%
Two but less than three.....	25%
Three but less than four.....	50%
Four but less than five.....	75%
Five and more.....	100%

Effective April 1, 1999, the NorAm Corp. Employee Savings and Investment Plan and the Minnegasco Division Employees' Retirement Savings Plan (the "Merged Plans") were merged into the Plan. Net assets available for benefits of approximately \$462 million were transferred into the Plan on April 1, 1999. Management believes that the merger was a tax exempt transaction under the applicable provisions of the Internal Revenue Code.

Effective April 1, 1999, the Plan offered a new fund, S&P 500 Index Fund. This fund seeks to track investment performance of the Standard & Poor's 500 Composite Index. The mutual fund invests in stock of large U.S. companies following a simple, cost-effective, index-matching strategy.

Beginning April 1, 1999, the Plan was renamed as the Reliant Energy, Incorporated Savings Plan.

Item 27a -- Schedule of assets Held for Investment Purposes
 EIN 74-0694415; PN: 015

HOUSTON INDUSTRIES INCORPORATED SAVINGS PLAN
 SUPPLEMENTAL SCHEDULE OF INVESTMENTS
 ASSETS HELD FOR INVESTMENT PURPOSES
 DECEMBER 31, 1998

DESCRIPTION OF ASSET	SHARES	COST	CURRENT VALUE

COMPANY COMMON STOCK FUND			
*Company Common Stock	13,117,003	\$ 230,311,443	\$ 421,383,721
*Northern Trust Collective			
Short-Term Investment Fund	4,287,875	4,287,875	4,287,875
		-----	-----
TOTAL COMPANY COMMON STOCK FUND INVESTMENTS		234,599,318	425,671,596
		-----	-----
ALLOCATED ESOP			
*Company Common Stock	5,167,330	97,531,188	166,000,476
*Northern Trust Collective			
Short-Term Investment Fund	3,078,722	3,078,722	3,078,722
		-----	-----
TOTAL ALLOCATED ESOP INVESTMENTS		100,609,910	169,079,198
		-----	-----
CAPITAL APPRECIATION EQUITY FUND			
Mutual Funds			
Acorn Fund - Inc. Cap. Open End Fd.	1,722,256	24,554,317	29,020,020
Harbor Capital Fund - Cap. Appreciation U.S. Equities	823,961	29,242,364	31,289,147
Janus Fund - Inc. Cap. Open End Fd.	995,216	27,785,934	33,489,019
		-----	-----
TOTAL CAPITAL APPRECIATION EQUITY FUND INVESTMENTS		81,582,615	93,798,186
		-----	-----
GROWTH AND INCOME EQUITY FUND			
Mutual Funds			
Davis New York Venture Fund Class A	1,508,694	22,337,435	37,732,445
Dodge & Cox Stock Fund	302,823	27,313,979	27,478,090
ICAP Fund - Inc. Equity Portfolio	838,688	30,894,401	32,398,510
		-----	-----
TOTAL GROWTH & INCOME EQUITY FUND INVESTMENTS		80,545,815	97,609,045
		-----	-----
INTERNATIONAL EQUITY FUND			
Mutual Funds			
American Funds EuroPacific Growth Fund	355,576	8,685,688	10,098,357
GAM Fund - International Fund	257,378	7,682,742	7,716,201
Lazard International Equity Portfolio	655,540	8,734,466	9,983,880
		-----	-----
TOTAL INTERNATIONAL EQUITY FUND INVESTMENTS		25,102,896	27,798,438
		-----	-----
BALANCED FUND			
Mutual Funds			
Acorn Fund - Inc. Cap. Open End Fd.	347,695	5,311,094	5,858,663
American Funds EuroPacific Growth Fund	110,543	2,693,358	3,139,420
Davis New York Venture Fund Class A	279,177	5,157,276	6,982,224
ICAP Fund - Inc. Equity Portfolio	93,361	3,600,000	3,606,535
Vanguard Fixed Income Securities - Short-Term Corp. Portfolio	1,325,137	14,283,507	14,364,484
*Northern Trust Collective			
Short-Term Investment Fund	3,136,942	3,136,942	3,136,942
		-----	-----
TOTAL BALANCED FUND INVESTMENTS		34,182,177	37,088,268
		-----	-----
FIXED INCOME FUND			
Mutual Fund			
Vanguard Fixed Income Securities - Short-Term Corp. Portfolio	935,291	10,128,290	10,138,557
		-----	-----
TOTAL FIXED INCOME FUND INVESTMENT		10,128,290	10,138,557
		-----	-----
MONEY MARKET FUND			
*Northern Trust Collective			
Short-Term Investment Fund	33,088,908	33,088,908	33,088,908
		-----	-----
TOTAL MONEY MARKET FUND INVESTMENT		33,088,908	33,088,908
		-----	-----
TOTAL PARTICIPANT INVESTMENTS		599,839,929	894,272,196
		-----	-----

UNALLOCATED ESOP			
*Company Common Stock	11,678,346	217,282,448	375,166,865
*Northern Trust Collective			
Short-Term Investment Fund	5,745,942	5,745,942	5,745,942
		-----	-----
TOTAL UNALLOCATED ESOP INVESTMENTS		223,028,390	380,912,807
		-----	-----
TOTAL SAVINGS PLAN INVESTMENTS		\$ 822,868,319	\$1,275,185,003
		=====	=====
PARTICIPANT LOANS, interest rate at prime plus 1%			\$ 31,229,646
			=====

*Party-in-interest

ITEM 27d - Schedule of Reportable Transactions
 EIN 74-0694415; PN: 015

HOUSTON INDUSTRIES INCORPORATED
 SUPPLEMENTAL SCHEDULE OF INVESTMENTS
 LINE 27(d)--SCHEDULE OF 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--SAME SECURITY					
Capital Appreciation Equity Fund					
Mutual Fund - Janus Fund -					
Inc. Cap. Open End Fd.					
133 Purchases	\$33,945,860			\$33,945,860	
127 Sales		\$27,744,779	\$26,706,895	27,744,779	\$1,037,884
* Company Common Stock Fund					
11 Purchases	26,984,642			26,984,642	
5 Sales		16,622,986	10,073,701	16,622,986	6,549,285
* The Northern Trust Collective					
Short-Term Investment Fund					
444 Purchases	277,166,783			277,166,783	
419 Sales		266,219,707	266,219,707	266,219,707	

*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.

HOUSTON INDUSTRIES INCORPORATED SAVINGS 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

Exhibits	Description
-----	-----
23	Independent Auditors' Consent

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-11329 of Reliant Energy, Incorporated (formerly Houston Industries Incorporated) on Form S-8 of our report dated June 18, 1999, appearing in this Annual Report on Form 11-K of the Houston Industries Incorporated Savings Plan for the year ended December 31, 1998.

/s/ Deloitte & Touche LLP
DELOITTE & TOUCHE LLP

Houston, Texas
June 29, 1999