UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): JANUARY 26, 1999

HOUSTON INDUSTRIES INCORPORATED
(Exact name of registrant as specified in its charter)

TEXAS	1-3187	74-0694415
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1111 LOUISIANA HOUSTON, TEXAS	77002
(Address of principal executive offices)	(ZIP Code)

Registrant's telephone number, including area code: (713) 207-3000

ITEM 5. OTHER EVENTS.

On January 26, 1999, Houston Industries Incorporated released a statement concerning a recent currency devaluation in Brazil.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

C. EXHIBITS

Exhibit No.	
99a	Press Release - Houston Industries Expects First Quarter Charge from Brazilian Devaluation
99b	Press Release - Houston Industries Incorporated Earnings Release

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HOUSTON INDUSTRIES INCORPORATED
(Registrant)

/s/ MARY P. RICCIARDELLO

Mary P. Ricciardello
Vice President and Comptroller

Date: January 29, 1999

EXHIBIT INDEX

Exhibit No.	
99a	Press Release - Houston Industries Expects First Quarter Charge from Brazilian Devaluation
99b	Press Release - Houston Industries Incorporated Earnings Release

Exhibit 99a

HOUSTON INDUSTRIES EXPECTS FIRST QUARTER CHARGE FROM BRAZILIAN DEVALUATION

HOUSTON, Jan. 26 /PRNewswire/ -- Houston Industries Incorporated (HI) said today that it expects to record a charge to first quarter 1999 earnings as a result of the recent currency devaluation in Brazil. The charge will reflect the impact of changes in the currency exchange value of the Brazilian real on the foreign currency denominated debt (primarily U.S. dollars) of Brazilian corporations in which HI has an ownership interest. The amount of the charge will not be known until the end of the quarter.

HI's international subsidiary, Houston Industries Energy, Inc., owns an 11.69 percent interest in Light -- Servicos de Eletricidade S.A. (Light) and an 8.75 percent indirect interest in Metropolitana Eletricidade de Sao Paulo S.A. (Metropolitana). At December 31, 1998, Light and Metropolitana had total borrowings of approximately $3.2 billion denominated in foreign currencies.

At December 31, 1998, one U. S. dollar could be exchanged for 1.21 Brazilian reais. If the January 25, 1999, exchange rate of 1.79 Brazilian reais were to prevail until the end of the first quarter, HI estimates that its proportionate share of the after-tax charge would be approximately $85 million. This estimate does not reflect the possibility of additional fluctuations in the exchange rate prior to the end of the first quarter and does not include other non-debt-related impacts of devaluation on Light's and Metropolitana's future earnings. Light and Metropolitana currently are evaluating options to mitigate these impacts.

For additional information: Randy Burkhalter, (Investors) (713) 207-3115, Sandy Fruhman (Media) (713) 207-3123.

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Certain statements in this press release constitute "forward looking statements" under the Private Securities Litigation Reform Act of 1995. Assumptions, expectations or beliefs about future events may vary materially from actual results. Some of the factors that could cause actual results to differ include (i) future currency exchange rate fluctuations, (ii) actions by the foreign government and courts in connection with the enforcement of concession agreements, (iii) the impact of local economic and financing conditions on Light's and Metropolitana's future earnings and (iv) future levels of indebtedness incurred by Light and Metropolitana. For a discussion of other factors and qualifications relevant to forward-looking statements, reference is made to Item 5 of the Company's Form 10-Q for the quarterly period ended September 30, 1998.

Exhibit 99b

HOUSTON INDUSTRIES REPORTS 34% INCREASE IN 1998 ADJUSTED EARNINGS

(HOUSTON, TX--JANUARY 28, 1999) Houston Industries Incorporated (HI) today announced a 34% increase in adjusted earnings for 1998. Adjusted earnings were $622 million, or $2.19 per share, compared to adjusted earnings of $463 million, or $1.83 per share, in 1997. HIs reported loss for 1998 of $142 million, or $.50 per share, reflects a $764 million non-cash, unrealized accounting loss on Automatic Common Exchange Securities (ACES) as discussed below. Reported earnings for 1997 included a $79 million loss on ACES, partially offset by $37 million of interest income related to the settlement of a federal income tax dispute.

The increase in adjusted earnings for 1998 as compared to the same period in 1997 was due to strong results from HIs Wholesale Energy Group and from Houston Industries Energy, Inc. (HI Energy), HI's international subsidiary. Earnings included an $80 million, or $.28 per share, gain on the sale of an electric distribution system in Argentina. Also contributing to the increase were earnings from the businesses acquired in the August 1997 HI/NorAm Energy Corp. (NorAm) merger.
These effects were partially offset by additional depreciation of regulated power generation assets in compliance with Houston Lighting & Power Company's (HL&P) rate of return cap as discussed below and increased interest expense primarily related to the merger.

"Houston Industries' 1998 financial results demonstrate our improved earnings power from the successful implementation of strategies to expand our business operations and the markets in which we are active," said Don D. Jordan chairman and chief executive officer. I am confident that the blueprint for success is in place, and we are well on our way to becoming one of the major players in the evolving energy services industry. Nineteen ninety-nine will be an important year for our company as we address challenges in our international operations, embrace new opportunities and help shape both our industry and our position in the marketplace."

HI's adjusted earnings for the fourth quarter of 1998 were $45 million, or $.16 per share, compared to adjusted earnings of $38 million, or $.14 per share, for the fourth quarter of 1997. The increase in adjusted earnings for the quarter is primarily due to lower amortization and depreciation expense for the accelerated recovery of certain HL&P assets.

HIs earnings reflect results of the operations acquired in the NorAm merger since August 6, 1997, the effective date of the merger. Results for periods prior to the acquisition of NorAm are not included in HIs earnings because the acquisition of these units was accounted for under the purchase method. Earnings per share for all periods after the merger have been reduced by the issuance of approximately 48 million shares of common stock in connection with the merger.

ELECTRIC UTILITY OPERATIONS

HL&Ps operating income for the twelve months ended December 31, 1998 was $1,014 million compared to $995 million for 1997. The increase was due to higher revenues from the hot weather in 1998 and customer growth, offset by base rate credits implemented in January 1998 under HL&P's transition to competition plan. Additional depreciation expense of $194 million further reduced 1998 operating income in comparison to 1997. HL&P's earnings are capped at an overall rate of return on a calendar year basis as part of the transition plan approved by the Texas Public Utility Commission in May 1998. Any earnings over the maximum allowed rate of return cap of 9.844 percent on invested capital have been offset by additional depreciation of generation assets.

HL&Ps operating income for the quarter ended December 31, 1998, was $159 million compared to $112 million for same period in 1997. The $47 million increase in operating income is due primarily to reduced depreciation and amortization expense as previously discussed. Firm kilowatt-hour sales increased 5 percent for the three months and 6 percent for the twelve months ended December 1998 compared to the same periods in 1997 as a result of the hotter than normal weather.

INTERNATIONAL

HI Energy's 1998 operating income was $182 million compared to $20 million for 1997. The increase in operating income for 1998 is due primarily to the $138 million pre-tax gain on the sale of HI Energy's 63 percent interest in an Argentine electric distribution system. Also contributing to the increase were equity earnings from new investments in El Salvador and Colombia.

WHOLESALE ENERGY GROUP

HIs Wholesale Energy Group is engaged in the acquisition, development and operation of domestic power generation facilities as well as the wholesale energy trading and marketing, natural gas gathering and interstate pipeline businesses. The group reports earnings under two business segments, interstate pipelines and wholesale energy (which includes all of the group's other businesses).

In 1998, HIs interstate pipeline segment generated operating income of $128 million compared to $32 million for 1997, which included only five months of operations subsequent to the NorAm acquisition.

HIs wholesale energy segment had operating income of $59 million for 1998 compared to operating income for 1997 of approximately $1 million. This increase is primarily due to strong operating results from investment in generating assets and related trading and marketing activities.

NATURAL GAS DISTRIBUTION

In 1998, HIs natural gas distribution segment generated operating income of $138 million compared to $55 million for 1997, which included only five months of operations subsequent to the NorAm acquisition. The operating income for 1998 was negatively impacted by milder weather partially offset by decreased operating expenses.

ACES

In July 1997, HI sold $1.05 billion of Automatic Common Exchange Securities (ACES) to monetize its investment in non-publicly traded preferred stock of Time Warner Inc. (TW) that is convertible into 45.8 million shares of TW common stock. The ACES are 7% debt securities which, at maturity (July 1, 2000), are exchangeable by HI into either TW common stock or cash.

The issuance of the ACES allowed HI to remove its exposure to declines in the price of TW common stock but retain a portion of the benefits of price appreciation. The ACES are structured so that the Company receives the first 21% of price appreciation of TW common stock above the $22.97 face amount (to $27.79, the sharing threshold,) and 17% of any appreciation thereafter . The closing price of TW common stock was $62.062 per share on December 31, 1998 (for consistency, the preceding TW common shares and the related per share prices retroactively reflect a 2 for 1 stock split effective December, 1998).

Increases in the market value of TW common stock above the sharing threshold result in an increase in HIs liability to the ACES holders to reflect the portion of price appreciation which the ACES holders would receive at maturity. This increased liability is reflected on HIs income statement as an unrealized accounting loss.

This unrealized loss is more than offset by the approximately $1.8 billion pre-tax unrecorded, unrealized gain in TW common stock underlying HIs investment in TW Convertible Preferred Stock. The gain is not recognized because HI is required to account for its investment in the underlying TW preferred stock under the cost method.

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HI, headquartered in Houston, Texas, is a diversified international energy services company with 3.9 million electric and natural gas customers in the U.S. and ownership interests in international utilities serving 9.5 million customers. HI also provides retail energy services, invests in the development of power generation projects, and is a major energy services company providing wholesale natural gas and electricity marketing services, gas transportation, supply, gathering, and storage.

HOUSTON INDUSTRIES INCORPORATED AND SUBSIDIARIES
STATEMENTS OF CONSOLIDATED INCOME
(Thousands of Dollars, except per share amounts)
(Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	1998	1997	1998	1997
Revenues:				
Electric Operations	$906,581	$964,427	$4,350,275	$4,251,243
Natural Gas Distribution	531,787	712,281	1,812,676	892,569
Interstate Pipeline	64,605	69,298	282,496	108,333
Wholesale Energy	1,040,111	896,853	4,456,158	1,364,658
International	30,451	30,642	258,945	92,028
Other	199,655	224,922	748,922	339,731
Eliminations	(118,161)	(120,801)	(421,008)	(170,337)
Total	2,655,029	2,777,622	11,488,464	6,878,225
Expenses:				
Fuel and cost of gas sold	1,331,591	1,532,707	4,784,704	2,852,375
Purchased power	342,492	292,247	2,215,049	698,823
Operation and maintenance	464,936	438,400	1,660,531	1,216,126
Taxes other than income taxes	111,499	110,848	494,175	394,526
Depreciation and amortization	178,779	204,985	856,617	651,875
Total	2,429,297	2,579,187	10,011,076	5,813,725
Operating Income	225,732	198,435	1,477,388	1,064,500
Other Income (Expense):				
Unrealized loss on ACES	(692,202)	(121,402)	(1,176,211)	(121,402)
Time Warner dividend income	10,313	10,312	41,250	41,340
Interest income - IRS Refund		56,269	981	56,269
Other - net	8,650	(3,283)	23,870	10,347
Total	(673,239)	(58,104)	(1,110,110)	(13,446)
Interest and Other Charges:				
Interest on long-term debt	105,554	103,331	416,138	320,845
Other interest	30,147	25,289	97,767	77,112
Distribution on trust securities	7,241	7,502	29,201	26,230
Allowance for borrowed funds used during construction	(1,337)	(980)	(4,304)	(2,872)
Preferred dividends of subsidiary				2,255
Total	141,605	135,142	538,802	423,570
Income/(Loss) Before Income Taxes	(589,112)	5,189	(171,524)	627,484
Income Taxes	(184,650)	9,125	(30,432)	206,374
Net Income/(Loss)	(404,462)	(3,936)	(141,092)	421,110
Preferred Dividends	98	97	390	162
Net Income/(Loss) Available for Common Stock	($404,560)	($4,033)	($141,482)	$420,948
Basic and Diluted Earnings/(Loss) Per Common Share	($1.42)	($0.01)	($0.50)	$1.66
Dividends Declared Per Common Share	$0.375	$0.375	$1.500	$1.500
Weighted Average Common Shares Outstanding (000):	284,480	282,767	284,095	253,599

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report of Houston Industries Incorporated. The information furnished is given in response to your request for information concerning the Company and not in connection with any sale or offer for sale of, or solicitation of an offer to buy, any securities.

Selected operating results are summarized below:

HOUSTON INDUSTRIES INCORPORATED
SELECTED DATA FROM STATEMENTS OF CONSOLIDATED INCOME (Thousands of Dollars, except per share amounts) (Unaudited)

	Quarter Ended December 31,		Twelve Months Ended December 31,	
	1998	1997	1998	1997
As Reported:				
Revenues	$2,655,029	$2,777,622	$11,488,464	$6,878,225
Operating Income	$225,732	$198,435	$1,477,388	$1,064,500
Net Income/(Loss) Available for Common Stock	($404,560)	($4,033)	($141,482)	$420,948
Basic and Diluted Earnings/(Loss) Per Common Share	($1.42)	($0.01)	($0.50)	$1.66
Weighted Average Common Shares Outstanding (000)	284,480	282,767	284,095	253,599
As Adjusted for Non-recurring and Other Items:				
Net Income/(Loss) Available for Common Stock	($404,560)	($4,033)	($141,482)	$420,948
Non-recurring and other charges, after tax :				
Unrealized loss on ACES	449,931	78,911	764,537	78,911
Interest income - IRS refund		(36,575)	(638)	(36,575)
Adjusted Earnings	$45,371	$38,303	$622,417	$463,284
Adjusted Basic and Diluted Earnings Per Share	$0.16	$0.14	$2.19	$1.83
Other Items:				
EDELAP Gain: ($000's)			$80,000	
Per Share			$0.28	
Operating Income by Segment (in millions)				
Electric Operations	$159	$112	$1,014	$995
Natural Gas Distribution	63	61	138	55
Interstate Pipeline	36	21	128	32
Wholesale Energy	(9)	1	59	1
International	5	5	182	20
Corporate	(28)	(2)	(44)	(38)
Total	$226	$198	$1,477	$1,065

FOR ADDITIONAL INFORMATION PLEASE CONTACT:

Randy Burkhalter
(713) 207-3115

Dennis Barber
(713) 207-3042