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): MARCH 15, 2002

RELIANT ENERGY, INCORPORATED
(Exact name of registrant as specified in its charter)

TEXAS	1-3187	74-0694415
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS 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.

ANNOUNCEMENT OF 2001 RESULTS

On March 15, 2002, Reliant Energy, Incorporated ("Reliant Energy" and, together with its subsidiaries, the "Company") reported fourth quarter 2001 and year 2001 earnings. For additional information regarding Reliant Energy's fourth quarter 2001 earnings and its year 2001 earnings, please refer to Reliant Energy's press release attached to this report as Exhibit 99.1 (the "Press Release"), which Press Release, other than the information therein under the caption "Outlook for 2002," is incorporated by reference herein. Reliant Energy also announced changes to its second and third quarter 2001 earnings. For additional information regarding these restated earnings, please see the Press Release under the caption "Restatement of Earnings for Second and Third Quarters of 2001" as well as "Restatement of Second and Third Quarter Results" below.

RESTATEMENT OF SECOND AND THIRD QUARTER RESULTS

The Company is providing information concerning a required restatement of its Quarterly Reports on Form 10-Q ("Interim Financial Statements") for the quarters ended June 30, 2001 and September 30, 2001. As a result, the previously issued financial statements for these periods should not be relied upon.

Background. In early 2001, the Company's forecasts indicated a substantial increase in earnings as a result of price volatility in the California power markets. The Company did not believe that the early 2001 price levels were sustainable over subsequent years. As a result, the Company determined that its key financial metrics would be improved if it entered into physical delivery contracts with end-user customers in which the Company would sell power at a levelized price over the 2001-2003 or longer time frame. The result of this type of transaction would have provided the end-user with a favorable price in 2001 and provided the Company with a favorable price in subsequent years. This energy marketing approach would have advantages for both parties to the long-term contracts. The Company would have reduced the variability of future cash flows and the end-user would have reduced pricing volatility. The Company had been in negotiations with a large end-user customer over precisely such an arrangement since late 2000. By late Spring 2001, it became clear that a final agreement with that customer was unlikely. At this point, the Company began to look for similar deals with other end user customers, a process that evolved into the structured transactions discussed below.

Discussion of Accounting Restatement. On February 5, 2002, the Company announced that it was restating its earnings for the second and third quarters of 2001. As more fully described below, the restatement relates to a correction in accounting treatment for a series of four structured transactions that were inappropriately accounted for as cash flow hedges for the period of May 2001 through September 2001.

During the May 2001 through September 2001 time frame, the Company entered into a series of four structured transactions that were intended to increase future cash flow and earnings and to increase certainty associated with future cash flow and earnings, albeit at the expense of 2001 cash flow and earnings. It was contemplated that the structured transactions would qualify for hedge accounting under the Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended ("SFAS No. 133"). The transactions were recorded in the Company's cash flow hedge accounting records and were, in effect, overlaid on existing contracts entered into as hedges. In general, each structured transaction involved a series of forward contracts to buy and sell an energy commodity in 2001 and to buy and sell an energy commodity in 2002 or 2003. Each series of contracts in a structure were executed contemporaneously with the same counterparty and were for the same commodities, quantities and locations. The contracts in each structure were offsetting in terms of physical attributes. In two of the four structured transactions, a series of contracts were entered into with the same counterparty to mitigate credit exposure (the "credit mitigation contracts"). These credit mitigation contracts mirrored the cash flows and terms from the other contracts in the structure, except for an upfront demand payment made to the counterparty in these two transactions. In addition, in contemplation of one of the structured transactions, in August 2001, the Company entered into forward contracts with a different counterparty to buy and sell natural gas, a portion of which was inappropriately recorded in the fourth quarter of 2001. The counterparties to all of the structured transactions were independent third parties that are regularly engaged in the energy trading business.

While each contract in each structure was not at market at inception, the contracts were intended to be at market in total, so the structure had little or no fair value at inception. Under the original accounting treatment, however, the Company recorded each applicable contract in its hedge accounting records on an individual basis, resulting in the recognition of a non-trading derivative asset or liability on the balance sheet with an offsetting entry in accumulated other comprehensive income at inception for each contract. Such accounting treatment resulted in a net loss being recorded in 2001 and ultimately would result in income being recorded for 2002 and 2003 related to these four structured transactions. In this situation, the recognition of other comprehensive income was in error, because the fair value of each contract in each structure resulted not from changes in the fair value of any anticipated transaction, but rather from the fact that the individual contracts were not at market at inception.

Having further reviewed the transactions, the Company now believes the contracts should have been accounted for as a unit within each structured transaction rather than separately and that, viewed as such, they did not qualify as cash flow hedges under SFAS No. 133. Consequently, these contracts should have been accounted for as derivatives with changes in fair value recognized through the income statement.

As a result, the Company's Interim Financial Statements and related disclosures as of June 30, 2001 and September 30, 2001 and for the three months ended June 30, 2001 and September 30, 2001, will be restated from amounts previously reported to appropriately account for the transactions as described above. Therefore, the Company will report an increase in net income as compared to earnings shown in previously issued Interim Financial Statements filed on Form 10-Q for the quarters ended June 30, 2001 and September 30, 2001 of $42 million and $65 million, respectively.

Audit Committee Review. At the time of the Company's public announcement of its intention to restate its reporting of the structured transactions, the Audit Committee of the Company instructed the Company to conduct an internal audit review to determine whether there were any other transactions included in the asset books as cash flow hedges that failed to meet the cash flow hedge requirements under SFAS No. 133. This targeted internal audit review found no other similar transactions. The Audit Committee also directed an internal investigation by outside legal counsel of the facts and circumstances leading to the restatement, which investigation has been completed. To address the issues identified in that process, the Company expects to take remedial actions, including, among other things, changes in organizational structure and enhancement of internal controls and procedures.

The effects of the restatement are outlined in the tables below:

RELIANT ENERGY, INCORPORATED

	THREE MONTHS ENDED JUNE 30, 2001		SIX MONTHS ENDED JUNE 30, 2001	
	AS PREVIOUSLY REPORTED	AS RESTATED	AS PREVIOUSLY REPORTED	AS RESTATED
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)			
Revenues	$ 11,986	$ 11,974	$ 25,271	$ 25,259
Expenses:				
Fuel and cost of gas sold	5,314	5,389	12,981	13,056
Purchased power	5,077	5,077	9,184	9,184
Other expenses	986	986	2,037	2,037
Total	11,377	11,452	24,202	24,277
Operating Income	609	522	1,069	982
Other Expense, net	(77)	(77)	(218)	(218)
Minority Interest	(34)	(23)	(34)	(23)
Income Tax Expense	(182)	(148)	(294)	(260)
Income from Continuing Operations Before Cumulative Effect of Accounting Change and Preferred Dividends	316	274	523	481
Loss on Disposal of Discontinued Operations, net of tax	--	--	(7)	(7)
Cumulative effect of accounting change, net of tax	--	--	62	62
Preferred Dividends	--	--	--	--
Net Income Attributable to Common Shareholders	$ 316	$ 274	$ 578	$ 536
BASIC EARNINGS PER SHARE:				
Income from Continuing Operations	$ 1.09	$ 0.94	$ 1.82	$ 1.67
Loss on Disposal of Discontinued Operations, net of tax	--	--	(0.03)	(0.03)
Cumulative effect of accounting change, net of tax	--	--	0.22	0.22
Net Income Attributable to Common Shareholders	$ 1.09	$ 0.94	$ 2.01	$ 1.86
DILUTED EARNINGS PER SHARE:				
Income from Continuing Operations	$ 1.08	$ 0.93	$ 1.81	$ 1.66
Loss on Disposal of Discontinued Operations, net of tax	--	--	(0.03)	(0.03)
Cumulative effect of accounting change, net of tax	--	--	0.21	0.21
Net Income Attributable to Common Shareholders	$ 1.08	$ 0.93	$ 1.99	$ 1.84

RELIANT ENERGY, INCORPORATED

	JUNE 30, 2001	
	AS PREVIOUSLY REPORTED	AS RESTATED
	(IN MILLIONS)	
ASSETS		
CURRENT ASSETS:		
Price risk management assets	$ 2,514	$ 2,514
Non-trading derivative assets	2,033	2,047
Other	5,426	5,426
Total current assets	9,973	9,987
PROPERTY, PLANT AND EQUIPMENT, NET	15,826	15,826
OTHER ASSETS:		
Price risk management assets	543	543
Non-trading derivative assets	619	711
Other	6,171	6,171
Total other assets	7,333	7,425
TOTAL ASSETS	$ 33,132	$ 33,238
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Price risk management liabilities	$ 2,420	$ 2,420
Non-trading derivative liabilities	1,800	1,809
Accumulated deferred income taxes	409	412
Other	8,608	8,608
Total current liabilities	13,237	13,249
OTHER LIABILITIES:		
Accumulated deferred income taxes	2,691	2,694
Price risk management liabilities	489	564
Non-trading derivative liabilities	678	677
Other		

....
1,944 1,944 -------- -------- Total other liabilities
.... 5,802 5,879 -------- --
------ LONG-TERM DEBT
.... 5,449
5,449 -------- -------- MINORITY INTEREST IN CONSOLIDATED
SUBSIDIARIES .... 1,232 1,221 -------- ---
----- COMPANY OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES
OF SUBSIDIARY TRUSTS
....
705 705 -------- -------- STOCKHOLDERS' EQUITY: Cumulative preferred
stock .... 10 10 Common
stock ....
3,869 3,869 Treasury stock
.... (113)
(113) Unearned ESOP
.... (144)
(144) Retained earnings
.... 2,881
2,839 Accumulated other comprehensive income
.... 204 274 -------- --------
Stockholders' equity ....
6,707 6,735 -------- -------- TOTAL LIABILITIES AND STOCKHOLDERS'
EQUITY .... $ 33,132 $ 33,238 ======== ========

RELIANT ENERGY, INCORPORATED

	THREE MONTHS ENDED SEPTEMBER 30, 2001		NINE MONTHS ENDED SEPTEMBER 30, 2001	
	AS RESTATED	AS PREVIOUSLY REPORTED	AS RESTATED	AS PREVIOUSLY REPORTED
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)			
Revenues	$ 12,510	$ 12,467	$ 37,781	$ 37,726
Expenses:				
Fuel and cost of gas sold	3,928	4,018	16,909	17,074
Purchased power	6,695	6,695	15,879	15,879
Other expenses	1,108	1,108	3,145	3,145
Total	11,731	11,821	35,933	36,098
Operating Income	779	646	1,848	1,628
Other Expense, net	(133)	(133)	(351)	(351)
Minority Interest	(42)	(26)	(76)	(49)
Income Tax Expense	(249)	(197)	(542)	(456)
Income from Continuing Operations Before Cumulative Effect of Accounting Change and Preferred Dividends	355	290	879	772
Loss on Disposal of Discontinued Operations, net of tax	--	--	(7)	(7)
Cumulative effect of accounting change, net of tax	--	--	62	62
Preferred Dividends	--	--	--	--
Net Income Attributable to Common Shareholders	$ 355	$ 290	$ 934	$ 827
BASIC EARNINGS PER SHARE:				
Income from Continuing Operations	$ 1.22	$ 1.00	$ 3.04	$ 2.67
Loss on Disposal of Discontinued Operations, net of tax	--	--	(0.03)	(0.03)
Cumulative effect of accounting change, net of tax	--	--	0.22	0.22
Net Income Attributable to Common Shareholders	$ 1.22	$ 1.00	$ 3.23	$ 2.86
DILUTED EARNINGS PER SHARE:				
Income from Continuing Operations	$ 1.21	$ 0.99	$ 3.02	$ 2.65
Loss on Disposal of Discontinued Operations, net of tax	--	--	(0.03)	(0.03)
Cumulative effect of accounting change, net of tax	--	--	0.21	0.21
Net Income Attributable to Common Shareholders	$ 1.21	$ 0.99	$ 3.20	$ 2.83

RELIANT ENERGY, INCORPORATED

SEPTEMBER 30, 2001	AS RESTATED	AS PREVIOUSLY REPORTED
ASSETS	(IN MILLIONS)	
CURRENT ASSETS:		
Price risk management assets	$ 2,128	$ 2,128
Non-trading derivative assets	1,339	1,425
Other	4,369	4,369
Total current assets	7,836	7,922
PROPERTY, PLANT AND EQUIPMENT, NET	16,343	16,343
OTHER ASSETS:		
Price risk management assets	690	690
Non-trading derivative assets	543	630
Other	5,924	5,924
Total other assets	7,157	7,244
TOTAL ASSETS	$ 31,336	$ 31,509
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Price risk management liabilities	$ 2,089	$ 2,157
Non-trading derivative liabilities	1,236	1,415
Accumulated deferred income taxes	438	376
Other	7,730	7,730
Total current liabilities	11,493	11,678
OTHER LIABILITIES:		
Accumulated deferred income taxes	2,497	2,497
Price risk management liabilities	653	731
Non-trading derivative liabilities	579	579
Other	1,983	1,983
Total other liabilities	5,712	5,790
LONG-TERM DEBT	5,401	5,401
MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES	1,254	1,227
COMPANY OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUSTS	706	706
STOCKHOLDERS' EQUITY:		
Cumulative preferred stock	10	10
Common stock	3,887	3,887
Treasury stock	(113)	(113)
Unearned ESOP	(138)	(138)
Retained earnings	3,127	3,020
Accumulated other comprehensive (loss) income	(3)	41
Stockholders' equity	6,770	6,707
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 31,336	$ 31,509

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS. (c) Exhibits. The following exhibits are filed herewith: 99.1 Press Release issued March 15, 2002 regarding Reliant Energy's 2001 earnings. ITEM 9. REGULATION FD DISCLOSURE. Reliant Energy incorporates by reference into this Item 9 the information in the Press Release under the caption "Outlook for 2002." The information in Item 9 of this report is being furnished, not filed, pursuant to Regulation FD. Accordingly, the information in Item 9 of this report will not be incorporated by reference into any registration statement filed by Reliant Energy under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by Reliant Energy, that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of Reliant Energy or any of its affiliates. Some of the statements in this report and the exhibits hereto are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although Reliant Energy believes that the expectations and the underlying assumptions reflected in its forward-looking statements are reasonable, there can be no assurance that these expectations will prove to be correct. Forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the forward-looking statements. References in this Current Report to the terms "we," "us" or other similar terms mean the Company. In addition to the matters described in this report and the exhibits hereto, the following are some of the factors that could cause actual results to differ materially from those expressed or implied in Reliant Energy's forward-looking statements: o state, federal and international legislative and regulatory developments, including deregulation, re-regulation and restructuring of the electric utility industry, and changes in or application of environmental and other laws and regulations to which we are subject, o the timing of the implementation of the business separation plan of Reliant Energy, o the effects of competition, including the extent and timing of the entry of additional competitors in our markets, o the degree to which we are able to successfully integrate the operations and assets of Orion Power Holdings into our Wholesale Energy segment, o industrial, commercial and residential growth in our service territories, o our pursuit of potential business strategies, including acquisitions or dispositions of assets, o state, federal and other rate regulations in the United States and in foreign countries in which we operate or into which we might expand our operations, o the timing and extent of changes in commodity prices and interest rates, o weather variations and other natural phenomena, o political, legal and economic conditions and developments in the United States and in foreign countries in which we operate or into which we might expand our operations, including the effects of fluctuations in foreign currency exchange rates, o financial market conditions and the results of our financing efforts, o the bankruptcy or other financial distress of our trading counterparties, o actions by rating agencies with respect to us or our competitors, o acts of terrorism or war, o the availability and price of insurance, o the reliability of the systems, procedures and other infrastructure necessary to operate our retail electric business, including the systems owned and operated by the Electric Reliability Council of Texas, Inc., o the performance of our projects undertaken and the success of our efforts to invest in and develop new opportunities, o market conditions in deregulating power markets, including the extent to which the energy crisis in the state of California is resolved, and o other factors we discuss in our other filings with the SEC. The words "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal" and other similar words are intended to identify Reliant Energy' forward-looking statements.

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. RELIANT ENERGY, INCORPORATED Date: March 15, 2002 By: /S/ MARY P. RICCIARDELLO ---------------------------------- Mary P. Ricciardello Senior Vice President and Chief Accounting Officer

EXHIBIT INDEX EXHIBIT NUMBER EXHIBIT DESCRIPTION ------- -------------------
99.1 Press Release issued March 15, 2002 regarding Reliant Energy's 2001 earnings. 11

EXHIBIT 99.1

FOR FURTHER INFORMATION: Sandy Fruhman, Media (713) 207-3123
Marianne Paulsen, Investors (713) 207-6500
Dennis Barber, Investors (713) 207-3042

FOR IMMEDIATE RELEASE: March 15, 2002

RELIANT ENERGY REPORTS 2001 EARNINGS

HOUSTON, TX. - Reliant Energy, Incorporated (NYSE: REI) today reported net income for the year ended December 31, 2001, of $980 million, or $3.35 per diluted share, compared to net income of $447 million, or $1.56 per diluted share, for 2000. Reliant Energy's earnings reflect its approximately 83 percent interest in Reliant Resources, Inc. (NYSE: RRI).

For the fourth quarter of 2001, reported net income was $46 million, or $.16 per diluted share, compared to a reported net loss of $299 million, or a loss of $1.04 per diluted share, for the fourth quarter of 2000.

In the 2001 and 2000 periods, there were a number of unusual items that are detailed below on a diluted earnings per share, net of tax, basis. Giving effect to these items, adjusted diluted earnings per share were $3.41 for the year 2001 and $0.19 for the fourth quarter 2001. This compares to adjusted diluted earnings per share of $2.92 for the year 2000 and $0.25 for the fourth quarter 2000.

QUARTER ENDED
YEAR ENDED
DECEMBER 31,
DECEMBER 31, --

- 2001 2000
2001 2000 -----
- ------ ------
------ Gain
related to
valuation of
NEA, an
indirect equity
$ .05 $ -- $
.14 $ --
investment, net
of minority
interest Net
gain related to
the settlement
of certain
European energy
.10 -- .10 --
segment
stranded cost
indemnification
rights, net of
minority
interest
Benefit plan
restructuring
charge -- --
(.22) -- Charge
relating to
exiting
communications
business, net
of (.04) --
(.12) --
minority
interest Losses
on/impairments
of Latin
America assets
(.15) (1.06)
(.17) (1.15)
Extraordinary
gain -- -- --
.03 Net
unrealized loss

on indexed debt
securities and
AOL Time --
(.23) -- (.23)
Warner
investment
Cumulative
effect of
accounting
change -- --
.21 --

In addition to the items noted on the previous page, the company took charges related to the Enron bankruptcy of $0.18 and $0.17 during the year and the fourth quarter 2001, respectively, on a diluted per share, net of tax, basis.

The increase in net income for the year ended December 31, 2001, was largely driven by improved performance from the company's wholesale and retail energy segments, partially offset by a decline in operating income from the electric operations segment due to milder weather and reduced customer usage during the second half of 2001. Operating income from the European energy segment also decreased during 2001. The company's interest expense declined in 2001 compared to the prior year resulting from decreased levels of borrowing and lower interest rates.

"We're pleased that Reliant Energy was able to post strong results for 2001 despite a very challenging business environment," said Steve Letbetter, chairman, president and chief executive officer of Reliant Energy. "We're moving forward with plans to separate into two separately owned public companies. Reliant Energy received a favorable ruling from the Internal Revenue Service in late January, and we expect to complete the formation of CenterPoint Energy as the new holding company and the spin-off of Reliant Resources to Reliant Energy shareholders once we receive approval of the restructuring from the Securities and Exchange Commission. We're confident that each company has a very solid foundation on which to build value for shareholders."

RESTATEMENT OF EARNINGS FOR SECOND AND THIRD QUARTERS OF 2001

The company previously announced on February 5, 2002, that earnings for the second and third quarters of 2001 would be restated. Revised earnings for the second quarter are $316 million, or $1.08 per diluted share, and for the third quarter are $355 million, or $1.21 per diluted share. The net effect of the restatement is the recording of an additional $108 million of net income for the first nine months of 2001. The restatement relates to a correction in accounting treatment for a series of structured transactions that were inappropriately accounted for as cash flow hedges for the period of May 2001 through September 2001. These transactions should have been accounted for as derivatives with changes in fair value recognized in the company's income statement. Information regarding these transactions is available in the company's report on Form 8-K filed today with the Securities and Exchange Commission.

OPERATING INCOME BY SEGMENT DETAILED

ELECTRIC OPERATIONS

The electric operations segment generated operating income of $1.1 billion in 2001, down from $1.2 billion in 2000. Milder weather and reduced customer usage were important factors in the 2001 results, which were also impacted by a decrease in revenues resulting from lower rates charged to some governmental agencies as mandated by the Texas restructuring legislation. A pre-tax charge of $20 million, or $0.04 per diluted share, net of tax, was taken in the fourth quarter resulting from the early termination of an accounts receivable factoring agreement due to electric restructuring. Higher employee benefit costs versus last year were offset by reduced amortization of regulatory assets recorded as a result of the impairment associated with its generating assets. The electric operations segment experienced strong growth in the number of customers for the full year period.

Operating income from electric operations during the fourth quarter of 2001 was $127 million compared to $203 million for the same period of last year. The decline was due primarily to lower sales attributable to the quarter's particularly mild weather and reduced customer usage on a weather-adjusted basis. Also contributing to the decline in the fourth quarter of 2001 was the factoring termination charge as described above. Partially offsetting these impacts was continued strong growth in the number of customers. Operating expenses increased in the fourth quarter primarily related to contract maintenance services and employee benefits, partially offset by reduced System Benefit Fund expenses.

WHOLESALE ENERGY

Operating income for the wholesale energy segment rose $420 million in 2001 to $899 million. The increase was primarily due to increased power generation sales volumes and margins, particularly in the Western region, and strong growth in trading and marketing volumes and margins for the year. Natural gas trading margins in 2001 increased significantly compared to 2000. Partially offsetting these improvements were a charge of $68 million related to the Enron bankruptcy, increased operation and maintenance costs related to our Mid-Atlantic power generation operations, increased corporate overhead allocations, legal and other expenses related to the energy crisis in California and higher depreciation costs.

For the fourth quarter of 2001, the wholesale energy segment had an operating loss of $13 million, compared to operating income of $15 million in the fourth quarter of 2000. This decrease was due primarily to reduced trading margins, the Enron charge discussed above, California legal and other expenses and increased overhead allocations. Partially offsetting this decline were a decrease in bonus expense, decreased operations and maintenance expenses, decreased emission amortization expense and increased power generation margins. In addition, in the fourth quarter of 2000, a charge of $39 million was recorded against California receivables, while no such charge was recorded in the fourth quarter of 2001.

Our wholesale energy segment reported income from equity investments in 2001 of $7 million compared to $43 million in 2000. The equity income in both periods primarily resulted from an investment in the El Dorado generating plant in Nevada, which became operational in May 2000. The equity income declined in 2001 primarily due to higher plant outages and reduced power prices realized by the project company.

In 2001, power volumes increased by 88% for the year 2001 and 59% for the fourth quarter, compared to the 2000 periods. Natural gas volumes also increased by 52% for the year and by 36% for the fourth quarter.

NATURAL GAS DISTRIBUTION

Operating income from the natural gas distribution segment rose to $130 million in 2001. This compares to operating income of $118 million in 2000 when results reflected expenses incurred in connection with exiting non-rate regulated natural gas business activities outside the company's established market areas.

For the fourth quarter of 2001, operating income from natural gas distribution was essentially flat at $68 million in comparison to the same period in 2000. The natural gas distribution segment offset a substantial negative weather impact in the fourth quarter of 2001 in part with a reduction in bad debt expenses. Collections improved during the fourth quarter, reversing the negative trend in prior quarters of 2001. The company's natural gas distribution service territories experienced record mild weather during the fourth quarter of 2001, compared to colder than normal temperatures in the same period in the prior year.

PIPELINES AND GATHERING

Operating income for the pipelines and gathering segment was flat at $137 million in both 2001 and 2000. The gathering business generated strong results with volume growth of 4% for the year.

For the fourth quarter of 2001, the pipelines and gathering segment reported operating income of $31 million compared to $38 million for the same period in 2000. Increased franchise tax expenses and costs related to a rate case contributed to the decline in fourth quarter operating income.

EUROPEAN ENERGY

The European energy segment produced operating income of $56 million in 2001, a decrease of $33 million compared to 2000. The decrease in operating income was primarily the result of a previously anticipated decline in margins from our Dutch generating assets in connection with the start of wholesale competition in the Netherlands on January 1, 2001. In addition, our European energy segment took a reserve of $17 million related to the Enron bankruptcy and experienced higher general and administrative and information technology costs largely related to the rapidly growing trading operation.

Operating income benefited in 2001 from a $37 million net gain recorded in the fourth quarter related to a settlement of the stranded cost indemnity obligations of the former shareholders of REPGB B.V. (formerly UNA) and $30 million in efficiency and energy payments recorded in the second quarter from NEA B.V. (formerly SEP), which was the coordinating body for the Dutch generating sector prior to wholesale competition. Operating income also benefited from increased ancillary services and district heating revenues as well as improved power trading margins, excluding the Enron charge.

In addition, the European energy segment recorded a gain of $51 million related to the valuation of NEA B.V., in which the company owns a 22.5 percent interest. This item is reported as equity income. During the fourth quarter of 2001, the company received confirmation from the tax authorities that the $51 million gain would not be taxable, and accordingly, the previously recorded $18 million tax reserve was reversed.

For the fourth quarter of 2001, the European energy segment produced operating income of $33 million, an increase of $16 million over the same period of 2000. The increase was due primarily to the $37 million net gain related to the indemnity settlement discussed above, increased ancillary services revenue, and the reversal of accruals relating to the stranded cost indemnity and receivables for environmental tax assessments due to the settlement. The increase was partially offset by the effect of the start of wholesale competition in 2001 and the charge for the Enron bankruptcy.

RETAIL ENERGY

The company's retail energy segment reduced its operating losses to $13 million in 2001, a $57 million reduction from 2000. The improvement resulted primarily from increased sales of energy and energy services to commercial and industrial customers, which are accounted for on a mark-to-market basis. Partially offsetting these earnings were increased personnel and employee related costs as well as system costs incurred in preparing for competition in the Texas retail electricity market.

In the fourth quarter of 2001, the retail energy segment produced operating income of $0.5 million compared to a $30 million operating loss for the same quarter of 2000. This improvement resulted primarily from earnings of $45 million relating to contracts with commercial and industrial customers and the timing of certain advertising costs. Partially offsetting these improvements were the increased personnel and system expenses mentioned above.

LATIN AMERICA

The company had been in negotiations to sell its two remaining Latin American investments in Argentina and anticipated that the sales would be concluded by year-end 2001. In its 2000 financial statements, the company reported its Latin America segment as discontinued operations. Due to the political and economic turmoil in Argentina, these negotiations were terminated, and the company has reclassified these businesses into continuing operations. Reliant Energy has recorded an after-tax impairment of $43 million in the fourth quarter of 2001 in addition to an after-tax impairment of $7 million recorded in the first quarter of 2001 related to its remaining Argentine investments. The company will continue to operate these businesses in the near term while evaluating strategic alternatives for disposal of these businesses. The carrying value of the remaining net assets in Argentina is approximately $8 million.

OTHER OPERATIONS

The company's other operations, which include its new ventures businesses and unallocated corporate costs, reported an operating loss for 2001 of $232 million. This compares to an operating loss of $102 million for 2000. The 2001 results include a $101 million non-cash charge related to the redesign of benefit plans for employees of the company's unregulated businesses in anticipation of the spin-off of Reliant Resources, and a charge of $54 million for the disposal of the company's communications business. For the fourth quarter of 2001, the company's other operations reported an operating loss of $30 million compared to a reported operating loss of $62 million for the same period last year.

OUTLOOK FOR 2002

After the spin-off of Reliant Resources, CenterPoint Energy will include primarily the regulated businesses of electric transmission and distribution, natural gas distribution and pipelines and gathering. CenterPoint Energy will also include the Texas power generation assets until at least 2004 when Reliant Resources has an option to purchase these assets at fair market value. Reliant Resources includes competitive energy services activities including nonregulated power generation, wholesale energy trading and marketing, retail energy services and wholesale energy in Europe.

CenterPoint Energy expects 2002 earnings per share to be in the range of $1.17 to $1.22, excluding its prior interests in Reliant Resources. Reliant Resources, Inc. (NYSE: RRI), which completed its initial public offering of approximately 20 percent of its shares in May 2001, expects to achieve earnings of $1.80 to $2.00 per share.

WEBCAST OF EARNINGS CONFERENCE CALL

Reliant Energy has scheduled its fourth quarter and full year 2001 earnings conference call for Friday March 15, 2002, at 1:30 p.m. Central Standard Time. Interested parties may listen to a live audio broadcast of the conference call at www.reliantenergy.com/investors. A replay of the call can be accessed approximately two hours after the completion of the call.

Reliant Energy, based in Houston, Texas, is an international energy services and energy delivery company with approximately $46 billion in annual revenue and total assets exceeding $29 billion. The company has nearly 31,000 megawatts of power generation in operation in the U.S. and is one of the largest marketers of both power and natural gas in North America. The company also has wholesale trading and marketing operations and nearly 3,500 megawatts of power generation in Western Europe. Reliant Energy's retail marketing and distribution operations serve approximately four million electricity and natural gas customers in the U.S. More information on Reliant Energy can be found on its web site at www.reliantenergy.com.

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This news release includes forward-looking statements. Actual events and results may differ materially from those projected. Factors that could affect actual results include the timing and impact of future regulatory and legislative decisions, effects of competition, weather variations, changes in Reliant Energy's business plans, financial market conditions and other factors discussed in Reliant Energy's filings with the Securities and Exchange Commission.

- # # # -

Reliant Energy, Inc. and Subsidiaries
Statements of Consolidated Income
(Thousands of Dollars)
(Unaudited)

Quarter Ended
December 31,
Year Ended
December 31,

2001 2000
2001 2000 ---
--------- ---
-------- ----
-------- ----

Revenues:
Electric
Operations $
984,759 $
1,298,943 $
5,505,312 $
5,494,191
Wholesale
Energy
6,153,039
6,800,664
35,158,409
19,142,177
Natural Gas
Distribution
923,044
1,789,936
4,742,269
4,503,763
Pipelines and
Gathering
97,183
109,690
414,868
384,132
European
Energy
392,866
164,423
1,191,977
579,729
Retail Energy
95,294 4,801
210,500
64,077 Other
Operations
10,917 4,378
25,193 14,059
Eliminations
(216,935)
(303,413)
(1,022,691)
(842,744) ---
--------- ---
-------- ----
-------- ----

Total
8,440,167
9,869,422
46,225,837
29,339,384 --
---------- --
--------- ---
--------- ---

Expenses:
Fuel and cost

of gas sold
3,166,937
5,927,440
20,075,820
15,076,651
Purchased
power
4,091,713
2,624,214
19,972,440
8,623,004
Operation and
maintenance
647,088
741,434
2,654,490
2,356,213
Taxes other
than income
taxes 113,698
128,129
542,847
498,061
Depreciation
and
amortization
205,210
200,161
911,450
906,318 Latin
America
operating
results --
2,793 --
1,113
Impairment of
Latin America
assets 69,688
40,711 75,342
40,711 ------
------ ------
----- -------
----- -------
----- Total
8,294,334
9,664,882
44,232,389
27,502,071 --
---------- --
--------- ---
--------- ---

Operating
Income
145,833
204,540
1,993,448
1,837,313 ---
--------- ---
-------- ----
-------- ----

Other
(Expense)
Income:
Unrealized
(loss) gain
on AOL Time
Warner
investment
(25,751)
(447,897)
(70,215)
(204,969)
Unrealized
gain (loss)
on indexed
debt
securities
19,188
344,721

58,033
101,851
(Loss) Income
from equity
investment of
unconsolidated
subsidiaries
(9,042) 9,752
57,440 42,860
Operating
results from
equity
investments
in
unconsolidated
Latin America
asset --
(14,104) --
(40,583)
Impairment of
Latin America
unconsolidated
equity
investments
(4,330)
(130,842)
(4,330)
(130,842)
Loss on
disposal of
Latin America
assets --
(176,400) --
(176,400)
Interest
(135,570)
(180,608)
(602,090)
(713,674)
Distribution
on trust
preferred
securities
(13,899)
(13,900)
(55,598)
(54,358)
Minority
Interest (a)
(5,883) 312
(81,399) 988
Other - net
32,187 35,298
123,496
96,366 ------
------ ------
----- -------
----- -------
----- Total
(143,100)
(573,668)
(574,663)
(1,078,761) -
----------- -
---------- --
---------- --

Income (Loss)
Before Income
Taxes,
Extraordinary
Item,
Cumulative
Effect of
Accounting
Change and
Preferred
Dividends
2,733
(369,128)
1,418,785

758,552
Income Tax
(Benefit)
Expense
(43,846)
(70,481)
499,845
318,497 -----
------- -----
------ ------
------ ------
------ Income
(Loss) Before
Extraordinary
Item,
Cumulative
Effect of
Accounting
Change and
Preferred
Dividends
46,579
(298,647)
918,940
440,055
Extraordinary
Item -- -- --
7,445 -------
----- -------
---- --------
---- --------
---- Income
(Loss) Before
Cumulative
Effect of
Accounting
Change and
Preferred
Dividends
46,579
(298,647)
918,940
447,500
Cumulative
Effect of
Accounting
Change, net
of tax -- --
61,619 -- ---
--------- ---
-------- ----
-------- ----

Income (Loss)
Before
Preferred
Dividends
46,579
(298,647)
980,559
447,500
Preferred
Dividends 566
97 858 389 --
---------- --
--------- ---
--------- ---
--------- Net
Income (Loss)
Attributable
to Common
Stockholders
$ 46,013 $
(298,744) $
979,701 $
447,111
============
===========
============
============

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report of Reliant Energy, Incorporated.

(a) Included in minority interest expense in the quarter and twelve months ended December 31, 2001 is $6.2 million and $82.4 million, respectively, of minority interest expense related to approximately 17 % minority ownership of Reliant Resources, Inc. and its subsidiaries.

Reliant Energy, Incorporated and Subsidiaries
Selected Data From Statements of Consolidated Income
(Thousands of Dollars, Except Per Share Amounts)
(Unaudited)

	Quarter Ended December 31, 2001	Quarter Ended December 31, 2000	Year Ended December 31, 2001	Year Ended December 31, 2000
Basic Earnings Per Common Share				
Income (loss) before extraordinary item	$ 0.16	$ (1.04)	$ 3.17	$ 1.54
Extraordinary item	--	--	--	0.03
Cumulative effect of accounting change, net of tax	--	--	0.21	--
Net income (loss) attributable to common stockholders	$ 0.16	$ (1.04)	$ 3.38	$ 1.57
Diluted Earnings Per Common Share				
Income (loss) before extraordinary item	$ 0.16	$ (1.04)	$ 3.14	$ 1.53
Extraordinary item	--	--	--	0.03
Cumulative effect of accounting change, net of tax	--	--	0.21	--
Net income (loss) attributable to common stockholders	$ 0.16	$ (1.04)	$ 3.35	$ 1.56
Dividends				

per Common
Share $ -- $
0.375 $
1.125 $ 1.50
Weighted
Average
Common
Shares
Outstanding
(000): - -
Basic
291,654
286,088
289,776
284,652 - -
Diluted
293,097
286,088
292,193
287,273
OPERATING
INCOME
(LOSS) BY
SEGMENT
Electric
Operations $
127,214 $
202,861 $
1,090,867 $
1,230,031
Wholesale
Energy
(13,353)
14,758
899,240
478,992
Natural Gas
Distribution
67,998
67,549
130,230
118,078
Pipelines
and
Gathering
30,782
38,122
136,999
137,424
European
Energy
32,788
16,859
55,887
88,615
Retail
Energy 478
(30,055)
(12,754)
(69,602)
Latin
America
(69,688)
(43,736)
(75,342)
(43,935)
Other
Operations
(30,386)
(61,818)
(231,679)
(102,290) --
---------- -

Total $
145,833 $
204,540 $
1,993,448 $
1,837,313

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============
============

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report of Reliant Energy, Incorporated.

Reliant Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Millions of Dollars)
(Unaudited)

ELECTRIC
OPERATIONS -

- Quarter
Ended
December 31,
Year Ended
December 31,

----- % Diff

----- % Diff
2001 2000
Fav/(Unfav)
2001 2000
Fav/(Unfav)

---------- -

RESULTS OF
OPERATIONS:
Operating
Revenues:
Base
revenues $
608 $ 664
(8)% $ 3,022
$ 3,141 (4)%
Reconciliable
fuel
revenues 377
635 (41)%
2,483 2,353
6% ---------
--- --------
---- -------
----- ------
------ Total
Revenues 985
1,299 (24)%
5,505 5,494
-- ---------
--- --------
---- -------
----- ------

Operating
Expenses:
Fuel and
purchased
power 391
649 40%
2,538 2,412
(5)%
Operation
and
maintenance
320 267

(20)% 1,047
963 (9)%
Depreciation
and
amortization
84 87 3% 453
507 11%
Taxes other
than income
63 93 32%
376 382 2% -

Total 858
1,096 22%
4,414 4,264
(4)% -------
----- ------
------ -----
------- ----

Operating
Income $ 127
$ 203 (37)%
$ 1,091 $
1,230 (11)%
============
============
============
============
ELECTRIC
OPERATIONS
OPERATING
DATA: ACTUAL
MWH SALES
DATA
Residential
3,925,478
4,759,936
(18)%
21,370,726
22,726,800
(6)%
Commercial
4,226,254
4,068,843 4%
17,967,199
17,594,454
2%
Industrial -
Firm
5,713,855
6,574,475
(13)%
26,761,196
27,706,608
(3)%
Municipal
and Public
Utilities
27,914
89,799 (69)%
272,383
383,992
(29)% ------
------ -----
------- ----
-------- ---

Total Firm
13,893,501
15,493,053
(10)%
66,371,504
68,411,854
(3)%
Industrial -
Interruptible
1,491,687

1,309,456
14%
4,297,746
5,541,661
(22)% Other
123,511
227,171
(46)%
655,892
1,340,371
(51)% ------
------ -----
------- ----
-------- ---

Total
15,508,699
17,029,680
(9)%
71,325,142
75,293,886
(5)%
============
============
============
============
AVERAGE COST
OF FUEL AND
PURCHASED
POWER (IN
CENTS/KWH)
2.122 3.663
42% 3.213
3.013 (7)%
WEATHER
(AVERAGE FOR
SERVICE
AREA)
Percentage
variance
from normal:
Cooling
degree days
(6)% 3% (9)%
0% 15% (15)%
Heating
degree days
(25)% 49%
(74)% (12)%
(13)% 1%
AVERAGE
NUMBER OF
CUSTOMERS:
Residential
1,520,960
1,499,605 1%
1,516,200
1,485,987 2%
Commercial
210,535
204,866 3%
208,408
202,374 3%
Industrial
1,815 1,766
3% 1,774
1,791 (1)%
Other 101
112 (10)%
110 111 (1)%

Total
1,733,411
1,706,349 2%
1,726,492
1,690,263 2%
============
============

============
============

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report of Reliant Energy, Incorporated.

Reliant Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Millions of Dollars)
(Unaudited)

NATURAL GAS DISTRIBUTION

	Quarter Ended December 31, 2001	2000	% Diff Fav/(Unfav)	Year Ended December 31, 2001	2000	% Diff Fav/(Unfav)
RESULTS OF OPERATIONS:						
Operating Revenues	$ 923	$ 1,790	(48)%	$ 4,742	$ 4,504	5%
Operating Expenses:						
Natural gas	675	1,504	55%	3,814	3,590	(6)%
Operation and maintenance	121	154	21%	541	553	2%
Depreciation and amortization	37	34	(9)%	147	145	(1)%
Other operating expenses	22	30	27%	110	98	(12)%
Total	855	1,722	50%	4,612	4,386	(5)%
Operating Income	$ 68	$ 68	--	$ 130	$ 118	10%

===========
===========
===========
NATURAL GAS
DISTRIBUTION
OPERATING
DATA:
THROUGHPUT
DATA IN BCF
Residential
and
Commercial 85
126 (33)% 310
320 (3)%
Industrial
Sales 14 7
100% 50 57
(12)%
Transportation
13 12 8% 49
50 (2)%
Retail 106
154 (31)% 445
565 (21)% ---
-------- ----
------- -----
------ ------
----- Total
Throughput
218 299 (27)%
854 992 (14)%
===========
===========
===========
===========
WEATHER
(AVERAGE FOR
SERVICE AREA)
Percentage
variance from
normal:
Heating
degree days
(20)% 19%
(39)% (5)%
(3)% (2)%
AVERAGE
NUMBER OF
CUSTOMERS:
Residential
2,688,267
2,682,369 --
2,684,143
2,666,218 1%
Commercial
and
Industrial
Sales 245,391
259,898 (6)%
245,227
264,054 (7)%
----------- -
---------- --
--------- ---

Total
2,933,658
2,942,267 --
2,929,370
2,930,272 --
===========
===========
===========
===========

PIPELINES AND
GATHERING ---

-- Quarter
Ended
December 31,
Year Ended
December 31,

- % Diff ----

------- %
Diff 2001
2000
Fav/(Unfav)
2001 2000
Fav/(Unfav) -
------ ------
- ----------
------- -----
-- ----------
- RESULTS OF
OPERATIONS:
Operating
Revenues $ 97
$ 110 (12)% $
415 $ 384 8%
Operating
Expenses:
Natural gas
14 26 46% 79
76 (4)%
Operation and
maintenance
31 29 (7)%
121 100 (21)%
Depreciation
and
amortization
14 14 -- 58
56 (4)% Other
operating
expenses 7 3
(133)% 20 15
(33)% -------
------- -----
-- -------
Total 66 72
8% 278 247
(13)% -------
------- -----
-- -------
Operating
Income $ 31 $
38 (18)% $
137 $ 137 --
=======
=======
=======
=======
PIPELINES AND
GATHERING
OPERATING
DATA:
THROUGHPUT
DATA IN BCF
Natural Gas
Sales 7 3
133% 18 14
29%
Transportation
206 192 7%
819 845 (3)%
Gathering 77
76 1% 300 288
4%
Elimination
(1) (3) 67%
(3) (12) 75%
------- -----

-- ------- --
----- Total
Throughput
289 268 8%
1,134 1,135 -
- =======
=======
=======
=======

LATIN AMERICA --

- Quarter Ended
December 31,
Year Ended
December 31, ---

------- % Diff -

------ % Diff
2001 2000
Fav/(Unfav) 2001
2000 Fav/(Unfav)
---- ---- ------
----- ---- ----

RESULTS OF
OPERATIONS:
Operating
Expenses:
Operation and
maintenance $ --
$ -- -- $ -- $ 2
-- Latin America
operating
results -- 3 --
-- 1 --
Impairment of
Latin America
assets 70 41
(71)% 75 41
(83)% ---- ----
---- ----
Operating Loss
$(70) $(44)
(59)% $(75)
$(44) (70)% ====
==== ==== ====
Other
Income/(Expense):
Operating
results from
equity
investments in
unconsolidated
Latin America
assets $ --
$(14) $ -- $(41)
Impairment of
Latin America
unconsolidated

Reliant Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Millions of Dollars)
(Unaudited)

WHOLESALE ENERGY -

	Quarter Ended December 31, 2001	Quarter Ended December 31, 2000	% Diff Fav/(Unfav)	Year Ended December 31, 2001	Year Ended December 31, 2000	% Diff Fav/(Unfav)
RESULTS OF OPERATIONS:						
Operating Revenues	$ 6,153	$ 6,801	(10)%	$ 35,158	$ 19,142	84%
Operating Expenses:						
Fuel and cost of gas sold	2,375	4,261	44%	15,405	10,322	(49)%
Purchased power	3,617	2,311	(57)%	18,145	7,818	(132)%
Operation and maintenance	130	171	24%	564	402	(40)%
Depreciation and amortization	28	39	28%	118	108	(9)%
Other	16	4	(300)%	27	13	(108)%
Total	6,166	6,786	9%	34,259	18,663	(84)%
Operating Income (Loss)	$ (13)	$ 15	(187)%	$ 899	$ 479	88%
Income from equity investments in unconsolidated subsidiaries	$ (9)	$ 10	(190)%	$ 7	$ 43	(84)%
WHOLESALE ENERGY MARGINS BY COMMODITY:						
Gas	$ 36	$ 53	(32)%	$ 228	$ 113	102%
Power	195	175	11%	1,432	896	60%
Oil Trading	2	--	--	14	(5)	380%
Other						

Commodities (4) 1
(500)% 2 (2) 200%
Enron Reserve (68)
-- -- (68) -- -- -
-------- ---------
--------- --------
- $ 161 $ 229
(30)% $ 1,608 $
1,002 60%
=========
=========
=========
=========
WHOLESALE ENERGY
MARGINS BY
ACTIVITY: Power
Generation $ 133 $
142 (6)% $ 1,303 $
805 62% Trading,
Marketing and Risk
Management 28 87
(68)% 305 197 55%
--------- --------
- --------- ------
--- $ 161 $ 229
(30)% $ 1,608 $
1,002 60%
=========
=========
=========
========= TRADING,
MARKETING AND RISK
MANAGEMENT MARGINS
REALIZED AND
UNREALIZED:
Realized $ (80) $
116 (169)% $ 183 $
202 (9)%
Unrealized 108
(29) 472% 122 (5)
2,540% --------- -
-------- ---------
--------- $ 28 $
87 (68)% $ 305 $
197 55% =========
=========
=========
========= TRADING
MARGIN / VAR 4.00
8.70 (54)% 43.57
32.83 33%
WHOLESALE ENERGY
OPERATING DATA:
Physical natural
gas BCF volume 972
716 36% 3,695
2,423 52% Physical
Wholesale Power
Sales (000's MWH)
110,211 69,509 59%
380,405 201,939
88% Physical Oil
Trading Revenues
(000's Bbls) 1,745
232 652% 8,772
1,489 489%
WHOLESALE ENERGY
VALUE AT RISK
ANALYSIS: (Assumes
95% confidence
level and a one
day holding period
using
variance/covariance
model) 2001 2000 -
--- ---- As of
December 31, $ 9
$15 Year Ended
December 31: Daily
Average 7 6 Daily

High 18 35 Daily
Low 2 1

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report of Reliant Energy, Incorporated.

Reliant Energy, Inc. and Subsidiaries
Results of Operations by Segment
(Millions of Dollars)
(Unaudited)

EUROPEAN
ENERGY ----

Quarter
Ended
December
31, Year
Ended
December
31, -------

-------- %
Diff ------

------ %
Diff 2001
2000
Fav/(Unfav)
2001 2000
Fav/(Unfav)
------- ---
----- -----
------ ----
--- -------

RESULTS OF
OPERATIONS:
Operating
Revenues $
393 $ 164
140% $
1,192 $ 580
106%
Operating
Expenses:
Fuel and
purchased
power 359
95 (278)%
989 294
(236)%
Operation
and
maintenance
(18) 32
156% 69 124
44%
Depreciation
and
amortization
19 20 5% 76
76 -- Other
-- -- -- 2
(3) (167)%
------- ---
---- ------
- -------
Total 360
147 (145)%
1,136 491
(131)% ----
--- -------
------- ---

Operating
Income $ 33
$ 17 94% $

56 $ 89
(37)%
=======
=======
=======
=======
EUROPEAN
ENERGY
MARGINS BY
ACTIVITY:
Power
Generation
$ 48 $ 68
(29)% $ 212
$ 283 (25)%
Trading,
Marketing
and Risk
Management
3 1 200% 8
3 167%
Enron
reserve
(17) -- --
(17) -- --
------- ---
---- ------
- ------- $
34 $ 69
(51)% $ 203
$ 286 (29)%
=======
=======
=======
=======
TRADING AND
RISK
MANAGEMENT
MARGINS
REALIZED
AND
UNREALIZED:
Realized $
(6) $ -- --
$ -- $ -- -
-
Unrealized
(8) 1
(900)% (9)
3 (400)% --
----- -----
-- -------
------- $
(14) $ 1
(1,500)% $
(9) $ 3
(400)%
=======
=======
=======
=======

RETAIL
ENERGY ----

- Quarter
Ended
December
31, Year
Ended
December
31, -------

--------- %

Diff ------

------ %
Diff 2001
2000
Fav/(Unfav)
2001 2000
Fav/(Unfav)
------- ---
---- ------
----- -----
-- -------

RESULTS OF
OPERATIONS:
Operating
Revenues $
95 $ 5
1,800% $
211 $ 64
230%
Operating
Expenses:
Natural gas
and
purchased
power 18 --
-- 27 -- --
Operation
and
maintenance
74 34
(118)% 186
130 (43)%
Depreciation
and
amortization
3 1 (200)%
11 4 (175)%
Other -- --
-- -- -- --
------- ---
---- ------
- -------
Total 95 35
(171)% 224
134 (67)% -
------ ----
--- -------

Operating
Income
(Loss) $ --
$ (30) 100%
$ (13) $
(70) 81%
=======
=======
=======
=======
TRADING
MARGINS
REALIZED
AND
UNREALIZED:
Realized $
1 $ -- -- $
1 $ -- --
Unrealized
44 -- -- 73
-- -- -----
-- -------
------- ---
---- $ 45 $
-- -- $ 74
$ -- --
=======
=======
=======
=======

OTHER OPERATIONS

	Quarter Ended December 31,			Year Ended December 31,		
	2001	2000	% Diff Fav/(Unfav)	2001	2000	% Diff Fav/(Unfav)
RESULTS OF OPERATIONS:						
Operating Revenues	$ 11	$ 4	175%	$ 25	$ 14	79%
Operating Expenses	41	66	38%	257	116	(122)%
Operating Loss	$ (30)	$ (62)	52%	$(232)	$(102)	(127)%

Reference is made to the Notes to the Consolidated Financial Statements contained in the Annual Report of Reliant Energy, Incorporated.