

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): DECEMBER 31, 2000

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RELIANT ENERGY RESOURCES CORP.  
(Exact name of registrant as specified in its charter)

DELAWARE  
(State or other jurisdiction of  
incorporation)

1-13265  
(Commission File Number)

76-0511406  
(IRS Employer Identification No.)

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

77002  
(Zip Code)

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

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## ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On December 31, 2000, Reliant Energy Resources Corp. (the Company) transferred all of the outstanding stock of Reliant Energy Services International, Inc. (RESI), Arkla Finance Corporation (Arkla Finance) and Reliant Energy Europe Trading & Marketing, Inc. (RE Europe Trading), all wholly owned subsidiaries of the Company, to Reliant Resources, Inc. (RRI) (collectively, the Stock Transfer). Both the Company and RRI are wholly owned subsidiaries of Reliant Energy, Incorporated (Reliant Energy). As a result of the Stock Transfer, RESI, Arkla Finance and RE Europe Trading each became a wholly owned subsidiary of RRI.

Also, on December 31, 2000, a wholly owned subsidiary of RRI merged with and into Reliant Energy Services, Inc. (RES), a wholly owned subsidiary of the Company, with RES as the surviving corporation (the Merger). As a result of the Merger, RES became a wholly owned subsidiary of RRI. As consideration for the Merger, RRI paid \$120 million to the Company, plus or minus, as the case may be, an amount equal to the difference of the working capital of RES on December 31, 2000 and August 31, 2000.

RES, together with RESI and RE Europe Trading, conduct the trading, marketing and risk management business and operations of Reliant Energy. Arkla Finance is a company that holds an investment in marketable equity securities.

The Stock Transfer and the Merger are part of Reliant Energy's previously announced restructuring, whereby Reliant Energy will divide into two publicly traded companies in order to separate its unregulated businesses from its regulated businesses. For more information regarding Reliant Energy's restructuring, please refer to Reliant Energy's and the Company's Combined Current Report on Form 8-K dated July 27, 2000.

For unaudited pro forma condensed consolidated financial statements of the Company showing the effects of the Stock Transfer and the Merger, please see Exhibit 99.1.

## ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

## (b) Financial Statements.

The following financial statements are filed herewith:

Unaudited Pro Forma Condensed Consolidated Financial Statements of the Company. See Exhibit 99.1.

## (c) Exhibits.

The following exhibits are filed herewith:

99.1 Unaudited Pro Forma Condensed Consolidated Financial Statements of the Company

## 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 RESOURCES CORP.

Date: January 14, 2001

By: /s/ MARY P. RICCIARDELLO  
Mary P. Ricciardello  
Senior Vice President

## EXHIBIT INDEX

Exhibit  
Number  
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Exhibit Description  
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99.1

Unaudited Pro Forma Condensed Consolidated Financial  
Statements of the Company

RELIANT ENERGY RESOURCES CORP. AND SUBSIDIARIES  
(A WHOLLY OWNED SUBSIDIARY OF RELIANT ENERGY, INCORPORATED)  
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed consolidated financial statements of Reliant Energy Resources Corp. and its subsidiaries for the year ended December 31, 1999 and as of and for the nine months ended September 30, 2000 have been prepared based upon Reliant Energy Resources Corp.'s (the Company) historical financial statements. The pro forma financial statements have been prepared to describe the effects of the transfer of a portion of the Company's unregulated businesses to subsidiaries of Reliant Resources, Inc. (Reliant Resources), a wholly owned subsidiary of Reliant Energy, Incorporated (Reliant Energy).

On July 27, 2000, Reliant Energy announced its intention to divide into two publicly traded companies in order to separate its unregulated businesses from its regulated businesses. In August 2000, Reliant Energy formed Reliant Resources to own and operate a substantial portion of Reliant Energy's unregulated operations and to offer approximately 20% of Reliant Resources' common stock in an initial public offering (the Offering). Reliant Energy expects the Offering to be followed by a distribution to Reliant Energy's or its successor's shareholders of the remaining common stock of Reliant Resources within twelve months after the Offering.

As a part of Reliant Energy's separation plan, on December 31, 2000, (a) the Company transferred all of the outstanding stock of Reliant Energy Services International, Inc., Arkla Finance Corporation and Reliant Energy Europe Trading & Marketing, Inc. to Reliant Resources (collectively, the Stock Transfer) and (b) a wholly owned subsidiary of Reliant Resources merged with and into Reliant Energy Services, Inc. (RES), a wholly owned subsidiary of the Company, with RES as the surviving corporation (the Merger). As a result of the Merger, RES became a wholly owned subsidiary of Reliant Resources. As consideration for the Merger, Reliant Resources paid \$120 million to the Company, plus or minus, as the case may be, an amount equal to the difference of the working capital of RES on December 31, 2000 and August 31, 2000.

The unaudited pro forma condensed consolidated financial statements do not purport to present the Company's actual results of operations as if the Stock Transfer and the Merger had occurred on January 1, 1999 for the unaudited pro forma condensed statements of operations or September 30, 2000 for the unaudited pro forma condensed balance sheet nor are they necessarily indicative of the Company's financial position or results of operations that may be achieved in the future.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999 and the Company's interim consolidated financial statements and related notes included in the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2000, each of which has been previously filed with the Securities and Exchange Commission.

RELIANT ENERGY RESOURCES CORP. AND SUBSIDIARIES  
(A WHOLLY OWNED SUBSIDIARY OF RELIANT ENERGY, INCORPORATED)  
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET  
SEPTEMBER 30, 2000  
(THOUSANDS OF DOLLARS)

|  | HISTORICAL<br>BALANCE | DISTRIBUTION OF<br>UNREGULATED<br>RESOURCES | PRO FORMA<br>BALANCE |
|--|-----------------------|---|----------------------|
|  | -----                 | -----                                       | -----                |
| Cash and cash equivalents .....  | \$ 24,373             | \$ (24,373)                                 | \$ --                |
| Accounts and notes receivable .....  | 1,702,486             | (1,094,983)                                 | 607,503              |
| Accounts and notes receivable - affiliated companies, net .....  | --                    | 24,663                                      | 24,663               |
| Price risk management assets .....   | 1,917,680             | (1,917,680)                                 | --                   |
| Prepayments and other current assets .....   | 353,082               | (146,008)                                   | 207,074              |
|  | -----                 | -----                                       | -----                |
| Total current assets .....   | 3,997,621             | (3,158,381)                                 | 839,240              |
|  | -----                 | -----                                       | -----                |
| Property, Plant and Equipment, net .....   | 3,012,375             | (14,312)                                    | 2,998,063            |
|  | -----                 | -----                                       | -----                |
| Goodwill and intangible assets, net .....  | 1,950,972             | (99,864)                                    | 1,851,108            |
| Price risk management assets .....   | 615,883               | (615,883)                                   | --                   |
|  | -----                 | -----                                       | -----                |
| Notes receivable - affiliated companies, net .....   | --                    | 266,669                                     | 266,669              |
| Other assets .....   | 354,301               | (110,912)                                   | 243,389              |
|  | -----                 | -----                                       | -----                |
| Total other assets .....   | 2,921,156             | (559,990)                                   | 2,361,166            |
|  | -----                 | -----                                       | -----                |
| Total Assets .....   | \$ 9,931,152          | \$(3,732,683)                               | \$ 6,198,469         |
|  | =====                 | =====                                       | =====                |
| Current portion of long-term debt .....  | \$ 168,890            | \$ --                                       | \$ 168,890           |
| Short-term borrowings .....  | 635,000               | --  | 635,000              |
| Accounts payable .....   | 1,252,450             | (905,155)                                   | 347,295              |
| Accounts and notes payable - affiliated companies, net .....   | 44,973                | (44,973)                                    | --                   |
| Price risk management liabilities .....  | 1,880,983             | (1,880,983)                                 | --                   |
| Other .....  | 352,653               | (156,210)                                   | 196,443              |
|  | -----                 | -----                                       | -----                |
| Total current liabilities .....  | 4,334,949             | (2,987,321)                                 | 1,347,628            |
|  | -----                 | -----                                       | -----                |
| Accumulated deferred income taxes .....  | 559,463               | 3,753                                       | 563,216              |
| Price risk management liabilities .....  | 592,658               | (592,658)                                   | --                   |
| Other .....  | 356,794               | (25,734)                                    | 331,060              |
|  | -----                 | -----                                       | -----                |
| Total other liabilities .....  | 1,508,915             | (614,639)                                   | 894,276              |
|  | -----                 | -----                                       | -----                |
| Long-term debt .....   | 1,393,602             | --  | 1,393,602            |
|  | -----                 | -----                                       | -----                |
| Resources Obligated Mandatorily Redeemable Convertible<br>Preferred Securities of Subsidiary Trust Holding Solely<br>Junior Subordinated Debentures of Resources ..... | 608                   | --  | 608                  |
|  | -----                 | -----                                       | -----                |
| Common stock .....   | 1                     | --  | 1                    |
| Paid-in capital .....  | 2,463,831             | --  | 2,463,831            |
| Retained earnings .....  | 229,633               | (131,110)                                   | 98,523               |
| Accumulated other comprehensive loss .....   | (387)                 | 387   | --                   |
|  | -----                 | -----                                       | -----                |
| Total stockholder's equity .....   | 2,693,078             | (130,723)                                   | 2,562,355            |
|  | -----                 | -----                                       | -----                |
| Total Liabilities and Stockholder's Equity .....   | \$ 9,931,152          | \$(3,732,683)                               | \$ 6,198,469         |
|  | =====                 | =====                                       | =====                |

See note to unaudited pro forma condensed consolidated financial statements

RELIANT ENERGY RESOURCES CORP. AND SUBSIDIARIES  
(A WHOLLY OWNED SUBSIDIARY OF RELIANT ENERGY, INCORPORATED)  
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000  
(THOUSANDS OF DOLLARS)

|   | HISTORICAL<br>BALANCE | DISTRIBUTION OF<br>UNREGULATED<br>RESOURCES | ADJUSTMENTS   | PRO FORMA<br>BALANCE |
|---|-----------------------|---|---------------|----------------------|
|   | -----                 | -----                                       | -----         | -----                |
| Revenues .....                                | \$ 14,381,921         | \$(11,785,275)                              | \$ 440,031(a) | \$ 3,036,677         |
| Expenses:                                     |                       |   |               |                      |
| Natural gas and purchased power .....         | 13,419,478            | (11,672,852)                                | 436,886(a)    | 2,183,512            |
| Operation and maintenance .....               | 397,211               | (1,640)                                     | 3,145(a)      | 398,716              |
| General, administrative and development ..... | 157,423               | (85,505)                                    |               | 71,918               |
| Depreciation and amortization .....           | 164,068               | (9,530)                                     |               | 154,538              |
| Taxes other than income taxes .....           | 80,147                | (448)                                       |               | 79,699               |
| Total .....                                   | 14,218,327            | (11,769,975)                                | 440,031       | 2,888,383            |
| Operating Income .....                        | 163,594               | (15,300)                                    |               | 148,294              |
| Other Income (Expense):                       |                       |   |               |                      |
| Interest expense .....                        | (99,599)              | 2,258                                       |               | (97,341)             |
| Interest income .....                         | 7,172                 | (5,470)                                     |               | 1,702                |
| Interest income - affiliates, net .....       | 3,409                 | 21,129                                      |               | 24,538               |
| Gain (loss) from investments .....            | (26,373)              | 26,504                                      |               | 131                  |
| Distribution on trust preferred securities .. | (22)                  | --  |               | (22)                 |
| Other, net .....                              | 7,699                 | (8)   |               | 7,691                |
| Total .....                                   | (107,714)             | 44,413                                      |               | (63,301)             |
| Income before Income Taxes .....              | 55,880                | 29,113                                      |               | 84,993               |
| Income Tax Expense .....                      | 41,119                | 3,648                                       |               | 44,767               |
| Income from Continuing Operations .....       | \$ 14,761             | \$ 25,465                                   |               | \$ 40,226            |
|   | =====                 | =====                                       | =====         | =====                |

See note to unaudited pro forma condensed consolidated financial statements

RELIANT ENERGY RESOURCES CORP. AND SUBSIDIARIES  
(A WHOLLY OWNED SUBSIDIARY OF RELIANT ENERGY, INCORPORATED)  
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 1999  
(THOUSANDS OF DOLLARS)

|   | HISTORICAL    | DISTRIBUTION OF<br>UNREGULATED<br>RESOURCES | ADJUSTMENTS   | PRO FORMA<br>BALANCE |
|---|---------------|---|---------------|----------------------|
|   | -----         | -----                                       | -----         | -----                |
| Revenues .....                                | \$ 10,543,545 | \$ (7,728,814)                              | \$ 381,099(a) | \$ 3,195,830         |
| Expenses:                                     |               |   |               |                      |
| Natural gas and purchased power .....         | 9,307,445     | (7,641,464)                                 | 380,109(a)    | 2,046,090            |
| Operation and maintenance .....               | 373,387       |   | 990(a)        | 374,377              |
| General, administrative and development ..... | 263,162       | (60,037)                                    |               | 203,125              |
| Depreciation and amortization .....           | 198,676       | (5,022)                                     |               | 193,654              |
| Taxes other than income taxes .....           | 103,192       | (832)                                       |               | 102,360              |
| Total .....                                   | 10,245,862    | (7,707,355)                                 | 381,099       | 2,919,606            |
| Operating Income .....                        | 297,683       | (21,459)                                    |               | 276,224              |
| Other Income (Expense):                       |               |   |               |                      |
| Interest expense .....                        | (119,269)     | 1,955                                       |               | (117,314)            |
| Interest income .....                         | 2,768         | (1,118)                                     |               | 1,650                |
| Interest income - affiliates, net .....       | 5,878         | 967   |               | 6,845                |
| Distribution on trust preferred securities .. | (357)         | --  |               | (357)                |
| Other, net .....                              | 2,269         | 114   |               | 2,383                |
| Total .....                                   | (108,711)     | 1,918                                       |               | (106,793)            |
| Income before Income Taxes .....              | 188,972       | (19,541)                                    |               | 169,431              |
| Income Tax Expense .....                      | 88,771        | (8,948)                                     |               | 79,823               |
| Income from Continuing Operations .....       | \$ 100,201    | \$ (10,593)                                 |               | \$ 89,608            |
|   | =====         | =====                                       | =====         | =====                |

See note to unaudited pro forma condensed consolidated financial statements



RELIANT ENERGY RESOURCES CORP. AND SUBSIDIARIES  
(A WHOLLY OWNED SUBSIDIARY OF RELIANT ENERGY, INCORPORATED)  
NOTE TO UNAUDITED PRO FORMA  
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- (a) Represents previously eliminated intercompany transactions due to the Stock Transfer and the Merger.