



R. Steve Letbetter  
Chairman, President and Chief Executive Officer

September 6, 2002

Dear Fellow Shareholder,

I'm pleased to report that the Board of Directors has declared a special stock dividend through which you will receive shares of Reliant Resources, Inc. (NYSE: RRI), the competitive energy services subsidiary of Reliant Energy, Incorporated. Holders of record as of the close of business on September 20, 2002, will receive approximately 0.79 of a share of Reliant Resources common stock for every share of Reliant Energy common stock owned. The actual distribution ratio will be based on the 240,000,000 shares of Reliant Resources common stock that Reliant Energy currently owns and the number of shares of Reliant Energy common stock that are outstanding as of the record date. We expect to announce the distribution ratio within a few days of the record date. The stock dividend is payable on September 30, 2002.

Distribution of the Reliant Resources stock will be the final step in Reliant Energy's separation into two companies. As part of the separation, Reliant Energy already has reorganized into a new holding company, CenterPoint Energy, Inc., which owns both our regulated energy delivery business and our interest in Reliant Resources. In connection with the reorganization, your Reliant Energy shares were automatically converted on a one-for-one basis into shares of CenterPoint Energy common stock, and any Reliant Energy stock certificates you hold represent the same number of CenterPoint Energy shares. The company will continue to conduct business under the Reliant Energy name until the spin-off is complete.

With the spin-off of Reliant Resources, CenterPoint Energy will be one of the largest U.S. energy delivery companies, serving 4.7 million metered customers. Its diverse and strategically located asset portfolio will include electricity transmission and distribution, natural gas distribution, pipeline and gathering operations and, initially, 14,000 MW of power generation facilities in Texas.

Reliant Resources shares will be distributed to Reliant Energy shareholders on September 30, 2002, and trading of Reliant Energy shares under the REI ticker will cease at the close of the market. The following day, CenterPoint

Energy shares will begin trading under the symbol CNP on the New York and Chicago Stock Exchanges.

Reliant Resources provides wholesale and retail energy services in competitive markets under the Reliant Energy brand. Its businesses include power generation and retail energy services in Texas' newly deregulated electricity market. In 2004, Reliant Resources will have the option to purchase CenterPoint Energy's interest in the 14,000 MW of power generation facilities in Texas described above.

Both CenterPoint Energy and Reliant Resources will include sizeable and well-established business operations. However, regulated energy delivery is very different from competitive energy services, and each represents a distinct type of investment. The business separation will allow you, as an investor, to hold shares of both companies or to focus on the one that more closely matches your investment objectives. CenterPoint Energy should provide relatively consistent earnings, cash flow and dividends, and Reliant Resources should benefit from its significant Texas retail position and its diversified portfolio of power generation assets.

The two companies will operate in separate markets with different business plans and different strategies. Both, however, will put creating value for their shareholders at the top of their list of goals. We believe that this separation will provide each company with better access to the capital markets, allowing each to proceed with its plans for success.

To ensure that you fully understand the business separation and how it will affect your investment, we're enclosing frequently asked questions and answers. If you have other questions or need clarification of the information contained in this mailing, please call us at (713) 207-3060 in Houston or toll-free at (800) 231-6406.

We appreciate your interest in our companies, and we hope to count you among our investors for many years to come.

Sincerely,

A handwritten signature in cursive script that reads "Steve Lethetter".