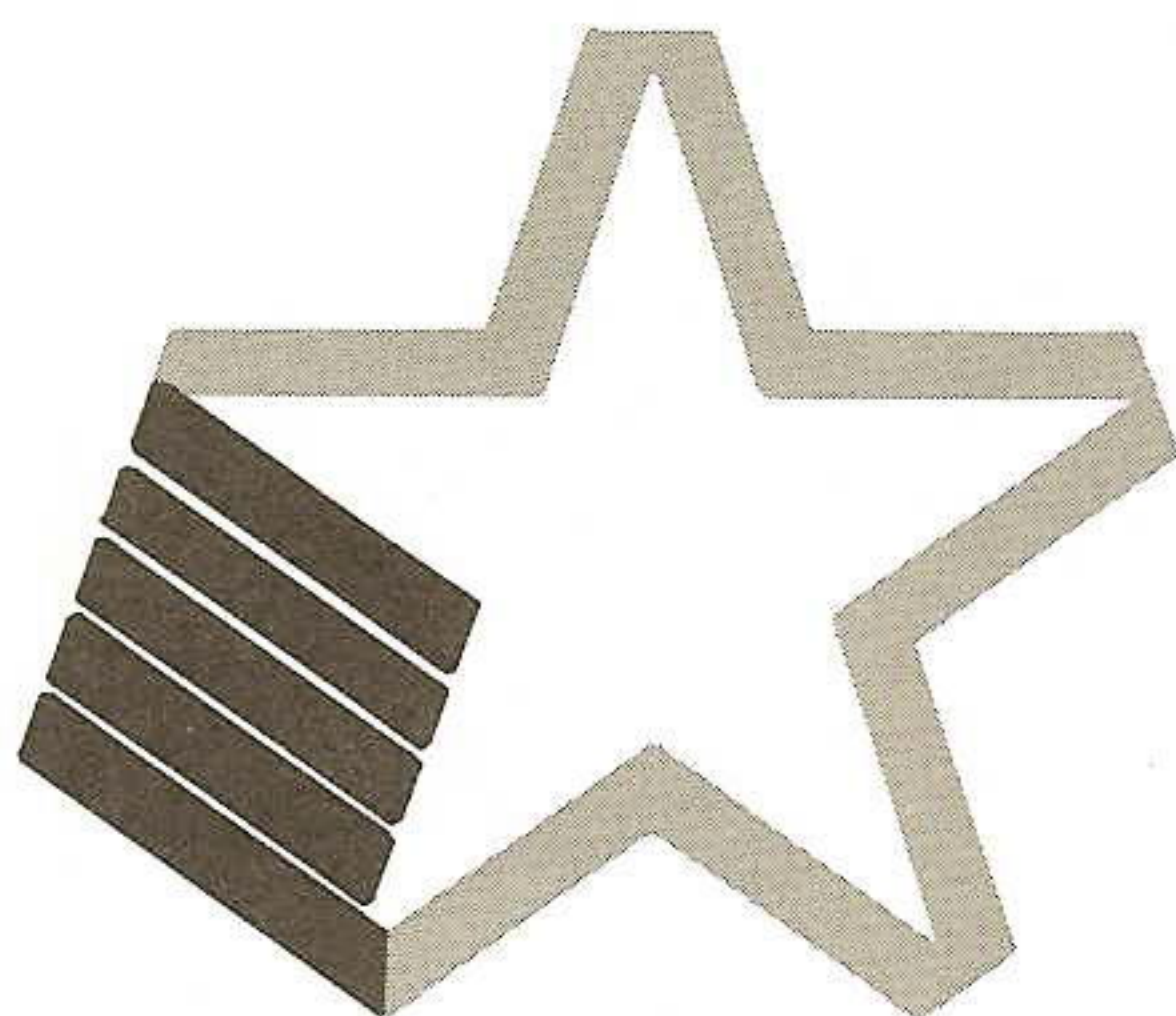
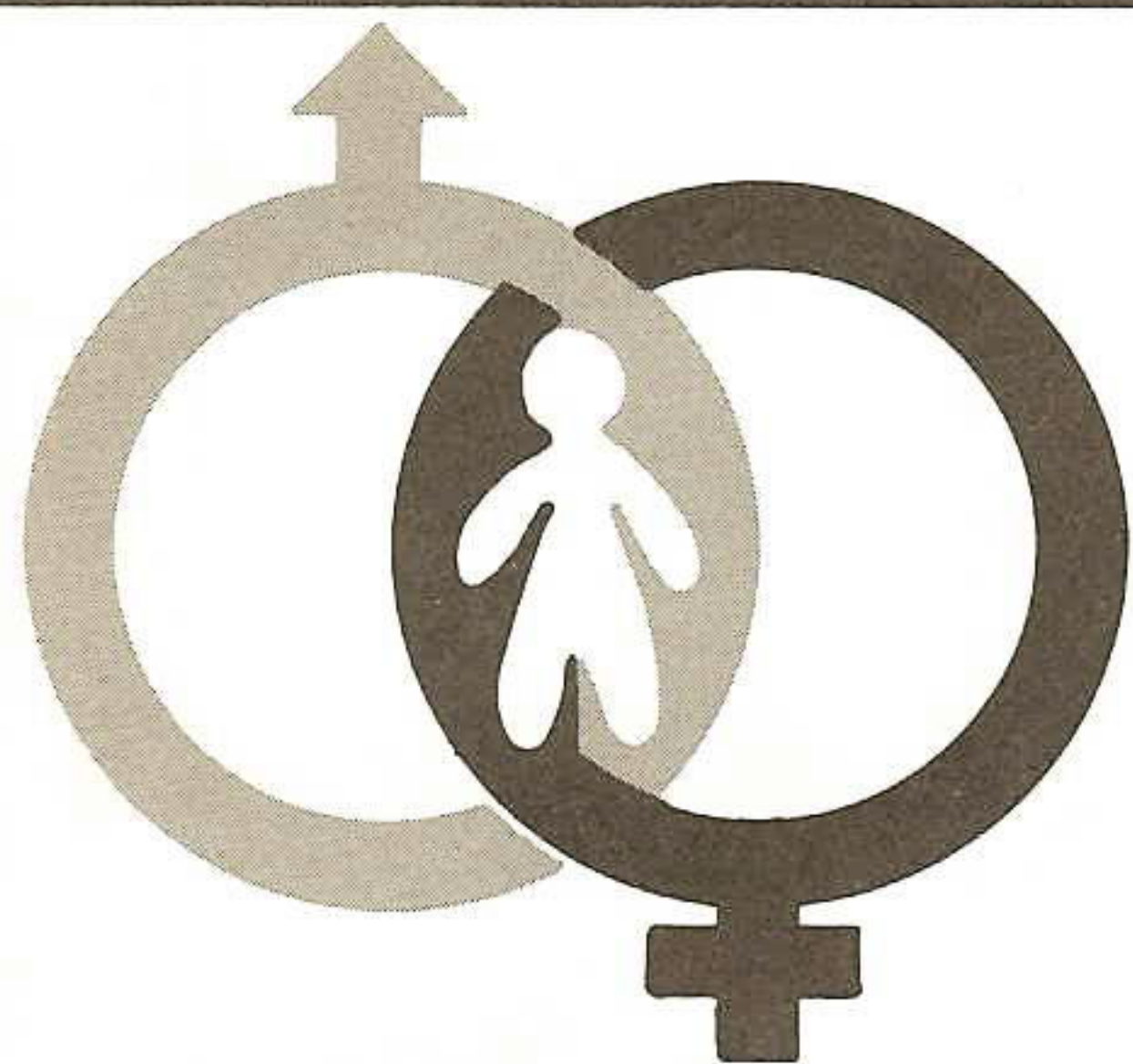


PLAIN TALKS

April 1986

GULF STATES UTILITIES CO.



MARCH OF DIMES

R. ZERINGUE

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PLAIN TALKS

April 1986

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Employees who change residences or offices should fill out company mailing-address-change forms (GSU0012-00-81) and return them to the mailroom in the Edison Plaza. GSU publications, departmental mailings and other company information are not automatically forwarded; addresses must be corrected when employees move.

Sierra Club kudos

Lydia Jones
Gulf States Utilities
Baton Rouge, La.

Dear Ms. Jones:

On behalf of the Baton Rouge group of the Sierra Club and our board of directors, I want to thank you — somewhat belatedly, I confess — for your visit and presentation at our July 1985 general meeting.

Your discussion and presentation, along with Ms. (Diane) Brandon, was most enjoyable and professionally presented. I feel sure the knowledge we gained is benefitting us as a group and individually.

Also, we still have the moonlight canoe trips pretty regularly, as well as other outings. I hope you can join us on one or more trips very soon.

Once again, thank you for the information you presented and the time you took from your busy schedule and from your family to come and visit with us. Please come again, soon.

Sincerely,
Calvin Earl Fair
Programs Chairman

Politicos petitioned

Sen. Carl Parker
One Plaza Square
Port Arthur, Texas

Dear Sen. Parker:

As a realtor for 30 years, I am vitally concerned with all factors that affect the present and future development of our area.

My utility bills are too high!

How this came about and what we can do about it is something everyone should look at objectively. Homeowners today often tell me they made a bad decision when they bought their home a few years ago. Residential values have declined drastically in some

neighborhoods because of our depressed economic conditions. I tell these homeowners they made a good decision when they purchased their home, but economic conditions have changed.

Nobody can foresee the future. From what I can find out, GSU has always been one of the best-run electric companies in the U.S. Their decision to build a nuclear power plant was a good decision when they made it. Prospects for strong economic development for our area were nationally publicized at that time. As a legislator, you passed laws providing for CWIP (Cost of Work In Progress) rate payments.

The real estate industry has suffered from the energy crunch — lost jobs, people moving out of the area, reduced sales; however, operating cost for monopolies like utility companies cannot be reduced beyond a certain point. New power plant costs must be amortized and dependable service maintained.

If adequate and fair rates are not provided, then the company could be forced into bankruptcy. *By law, the utility company deserves a fair return on their investment.* Your actions in this matter can be one of political expediency or responsible governmental action.

Sincerely,
Bob Blanton Jr., GRI, CRS
Certified Residential Specialist

Editor's note: Mr. Blanton wrote a similar letter to Rep. Frank Collazo, and provided copies of each to GSU.

Coast Guard salute

Brenda Broussard
Gulf States Utilities
Port Arthur, Texas

Dear Mrs. Broussard:

I want to thank you for taking

the time to come to our office to speak on energy conservation and the highly controversial electrical power situation in the Golden Triangle. The conservation practices you presented, will aid my personnel immeasurably in cutting home energy costs. Also, your "brave" action, in opening up the discussion to questions of a general nature was appreciated and your answers were well-presented and factual.

These training sessions are held to provide our personnel information for better managing their personal lives. Knowledge of energy conservation and of how a utility company is managed will prove valuable to everyone in attendance.

Again, thank you for your time and if I can be of any assistance to you, please don't hesitate to call. Sincerely, T.G. McKinna
Captain, U.S. Coast Guard

Editor's note: A similar letter was sent to Sue Simon, energy auditor. Broussard is a consumer service representative.

THE COVER

Robby Zeringue, senior engineering assistant in Baton Rouge, never had formal art training, but his co-workers know creativity when they see it. That's why Zeringue, who is also a *Plain Talks* correspondent, was assigned the task of creating GSU's WalkAmerica logo for 1986.

The result is featured on the front cover and with the article on page 8. Zeringue says he wanted to project GSU's image of professionalism and patriotism, as well as show employees' unique Texas and Louisiana heritage. The emblem will also appear on WalkAmerica T-shirts.

Murrill explains company situation

by Susan Gilley

“Because of the tough economic times in our service area, it couldn’t be a worse time to talk about rate relief. Conversely, because of River Bend, we’ve never needed it more,” says Board Chairman Paul Murrill.

Dr. Murrill, in a special message to GSU employees, summed up the problems facing the company as River Bend Station approaches commercial operation and urged employees to “pay very close attention” to their morale. “We need to realize there are a lot of folks out there who would like to see us have problems among ourselves. We must operate on a united front — and that goal is the responsibility of each of us.”

GSU’s top officer points out that much of the company’s service area is dependent upon the oil and gas business. The slump in that sector — which he terms a “depression” — has affected Gulf States’ commercial and industrial sales to the degree that the company expects to sell 6 percent less electricity in 1986 than in 1985.

“The reason we’re talking about rate relief is River Bend,” Murrill says emphatically. The plant should go into full commercial operation by early May. At that point, GSU earnings will drop substantially because of the elimination of Allowance for Funds Used During Construction (AFUDC), the method of capitalizing the cost of money used to build new facilities. Only about \$60 million of AFUDC remains in the GSU income statement. For comparison, in 1985, the company was entitled to \$210 million of this fictitious income.

Additionally, the company will begin booking depreciation on River Bend — about \$88 million

a year — and must begin charging the plant’s operating expenses — about \$70 million per year — to the operating budget, rather than to the capital budget.

“We need some cash,” Murrill continues, “because you can’t live on accounting forever. Besides, if you don’t have earnings, you can’t borrow money, either.”

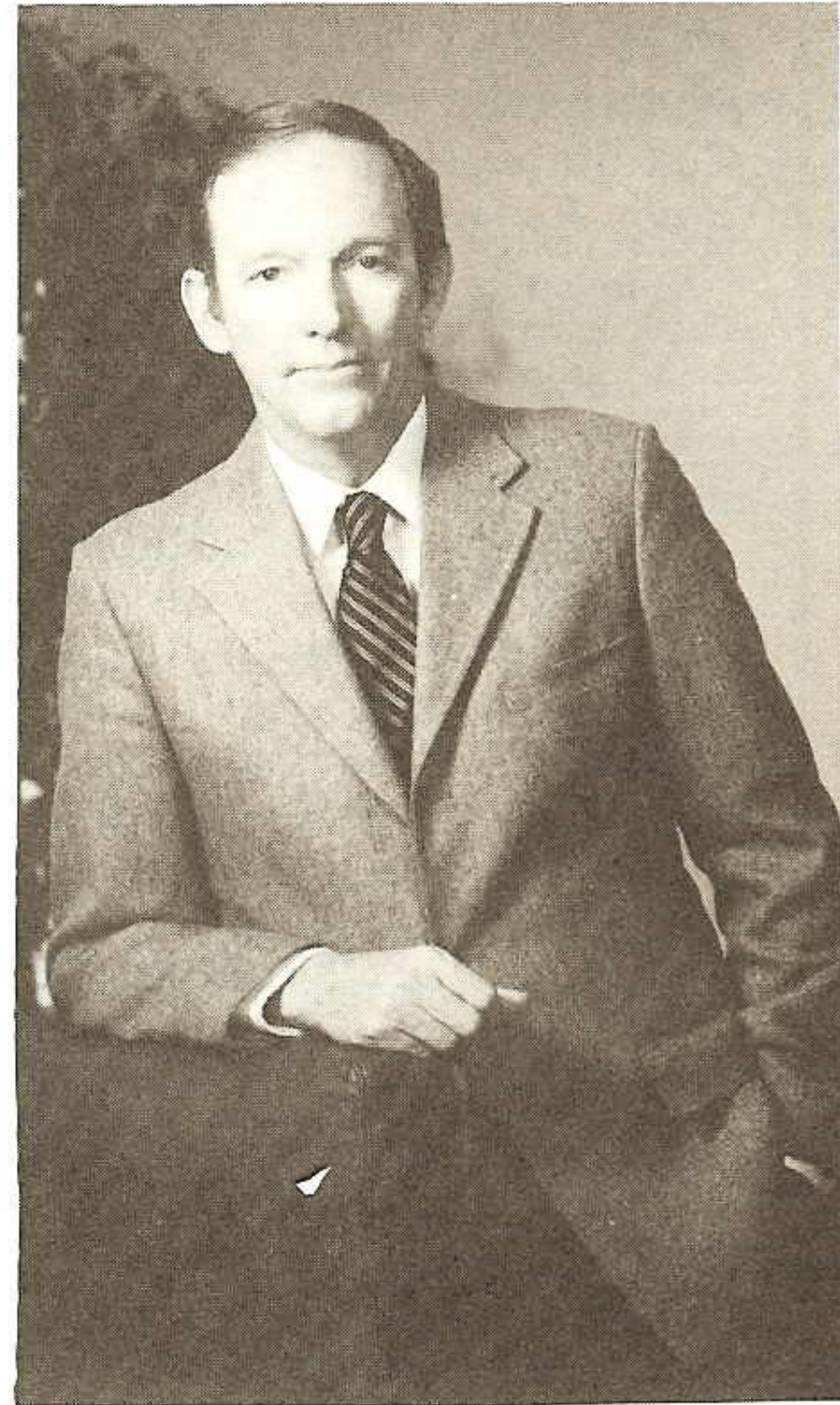
GSU has no need to feel ashamed of asking for fair rate treatment, Murrill asserts. “It’s important for us to know, as employees, that River Bend is a well-managed plant and that it will be a good operating plant — and that’s not just GSU talking, either.” He points out that the Nuclear Regulatory Commission (NRC) has always given the plant its highest ranking in the areas of management, design control and overall quality of management expertise.

“After all,” he adds, “the NRC is a government agency with about 3,600 employees who intensively oversee the construction of the fewer than 30 nuclear plants now being built. They’re not given to idle praise.”

But Murrill does not advocate sitting around and waiting for circumstances or the times to get better.

“There are a lot of things we can do to help ourselves and we’re doing many of them. Project Save Cash, which began last October, is a serious effort to conserve cash. The Early Retirement Option, which we announced in January, is the company’s humane way of reducing the work force. Most recently, the freeze on management salaries is helping us to keep our costs under control.”

Murrill goes a step further. “GSU is blessed with intelligent, capable employees, and I’ll wager that each of them can think of



Dr. Murrill

ways to operate this company more intelligently and save money.” He urges employees with money-saving ideas either to implement them or to submit them to someone with the authority to do so.

Most importantly, says Murrill, “We need our employees to stand up for our company. We shouldn’t hesitate to put on our GSU T-shirts or baseball caps. We should feel free to express our opinions to legislators or local newspapers. We should welcome opportunities to explain our position to our friends and neighbors.”

If GSU can get fair treatment for its short-term problems, then the long-term outlook is quite favorable. In Murrill’s words: “With the completion of our construction program, we should be looking at stability in the area of rates for the rest of this century.”

Johni Shawver speaks up!

by Susan Gilley

Johni Elarton Shawver knows what it means to be a GSU Line Department employee.

Even though she's not on the payroll, her husband, Homer, has been a Gulf States' employee for 36 years.

Through the years, Mrs. Shawver and the couple's four children have watched as Shawver, now an assistant line supervisor in Silsbee, has worked through all kinds of bad weather and stayed close to the telephone for countless "on call" weekends.

Many times, Mrs. Shawver has answered the telephone to hear a customer report that the elec-

tricity was off. Because GSU families understand the company's commitment to customer service, Mrs. Shawver never complained about such interruptions.

But the Osyka, Miss., native finally reached her limit earlier this year after reading a letter to the editor of a Beaumont newspaper. The writer, apparently a GSU customer, suggested that employees enjoy working through bad weather because of the "fat overtime checks" they receive.

"After thinking about it (that letter) for a couple of weeks, I sat down and dashed off a response with very little revision and very little attention to punc-

tuation and sentence structure because I wanted the letter to be spontaneous," reveals Mrs. Shawver.

The main problem, she believes, is that few customers have any real idea of "just how arduous and potentially hazardous T&D work is for the employees." Customers probably rarely consider how GSU families are affected by a spouse's job, she speculates.

Mrs. Shawver was pleased that the newspaper published her letter. "I must say that the editor has been very fair about printing letters, both pro and con, during all the controversy over our electrical rates."

When Mrs. Shawver, a homemaker and substitute schoolteacher, is not writing letters, she enjoys a variety of creative hobbies, including decorative painting, folk art, landscape painting, sewing and pottery.

If her letter had any impact on its readers, she hopes that it is this: "I just hope that it made a small contribution toward educating the public about what goes on behind the scenes in GSU's effort to give good electrical service," she asserts.

In response to the lady who seemed to think fat overtime checks keep GSU employees happy when they are called out after hours: As the wife of one of those employees, I'd like to say that there are many things for which there is no material compensation. Among them are: spoiled family outings, missed birthday parties and graduation exercises, working in 105 degree heat, thunderstorms, snowstorms, hurricanes, lightning storms, threats against their life and worst of all, seeing dear, close friends electrocuted on the job. My husband lost two of his dearest friends in this manner, and has seen two other fellow employees so badly burned they had to take a medical retirement. These horrors he has never been able to forget.

No overtime check could compensate an employee's wife for the anxiety of having her husband hanging atop a 40-foot pole in our thunderstorms and hurricanes. The only thing that saved my husband on one such occasion was the grace of God and the fact that when he was struck by lightning and temporarily

stunned, he fell backward instead of forward into the hot wires. As the wife of a GSU employee subject to call-out, my only material compensation for answering a constantly-ringing telephone, taking messages and soothing irate customers during a period of lights-out was to share in my husband's "fat" overtime check.

Then, there are the times when my husband was "on-call" and we had to stay home in case a customer should have lights out. There is no overtime pay for this service. Neither my husband nor I is complaining — it's his job and he likes it. I only wish to point out a few things that many people do not take into consideration when they complain about electrical rates service, seeing line trucks parked at cafes for a well-deserved coffee break and the "fat" overtime checks the GSU employees earn.

Being a consumer who pays the same electric rate as everyone else, I, too, will be very happy to see our electrical rates go down, along with building costs, gasoline, autos, food, medical costs and most of our other necessities.

Johni Shawver



Homer and Johni Shawver

Management audit findings on positive side

When the Public Utility Commission of Texas (PUCT) ordered the management audit of GSU, the company welcomed it as an opportunity to demonstrate that Gulf States is a well-managed, efficient utility.

And company officials believe that the months-long audit of Texas operations accomplished just that.

The Massachusetts-based auditing firm of Temple, Barker and Sloane was assigned the task of looking at the way GSU does business and how the company prepares for the future, as well as suggesting ways Gulf States could improve and save money.

On Feb. 19, a 320-page report indicating that GSU has "many accomplishments in responding to its difficult business environment" and detailing the management audit results was presented to Gulf States and the PUCT.

The GSU audit was required by a Texas law that calls for management audits of all public utilities under PUCT jurisdiction and followed similar audits of two other major Texas utility companies.

Temple, Barker and Sloane auditors came to Southeast Texas in August 1985, beginning a process that involved more than 360 employee interviews and required reviewing hundreds of documents pertaining to every functional area of the company's operations.

As the report was made public, Dr. E. Linh Draper, president and chief operating officer, commented, "We are, for the most part, pleased with the audit results. Temple, Barker and Sloane conducted a professional audit, and but for a few exceptions, we believe their conclusions are objective and reasonably accurate. The report indicated that we do a good job in operating our power plants, acquiring fuel for generation and providing customer services. These operations are key measures of a utility's effectiveness, and these conclusions

confirm our commitment to good customer service."

Especially favorable comments were made regarding the caliber of the company's board of directors, the construction of River Bend Station and company-initiated cost control measures, including Project Save Cash.

One drawback to the report, company officials say, is that the Temple, Barker and Sloane report does not include an overall assessment of the company's managerial effectiveness — readers are expected to develop their own opinions from reviewing the entire report. Since the bulk of the report is more positive than negative, it is believed that such an overall assessment would have been positive.

Highlights of various aspects of the audit report follow.

Cost Control and Performance Improvement:

The company has taken a number of actions at both the corporate and departmental level to better control costs and improve performance. These include:

- Improving the operating performance of fossil units and taking appropriate steps to ensure high performance for River Bend.

- Establishing corporate and departmental goals aimed at developing a more performance-oriented ethic.

- Maintaining a "no new hires" policy and instituting an early retirement plan to equitably reduce the number of managers and overall staff.

- Reducing the overall cost of financing rate base through refundings and lower cost financing alternatives.

- Initiating a strategic marketing plan aimed at retaining existing customers and adding new load.

- Two other initiatives not listed have been taken to enhance cost control and performance improvement efforts — Project Save Cash and the Corporate Performance Program.

These programs represent important efforts by GSU to better position itself in the marketplace. **Management and Staffing:** The board of directors effectively balances its monitoring and management responsibilities; the size and composition of GSU's board are reasonable; the scope and number of board committees is reasonable; and the frequency of board meetings and the quality and timeliness of information provided to board members are appropriate.

Further, GSU's functional organizational structure effectively promotes the development of specialized skills; the company has taken positive steps to streamline its organization; GSU has an effective succession planning process; and the company does a very good job of identifying and tracking high-potential candidates. On a less positive note, the report suggested the company has one more level of management than necessary in the Operations area; two critical areas — energy resource planning and marketing — are being inhibited by current organizational structure and division of responsibilities; and company recruiting, training and development activities, while generally good, need to be enhanced in the areas of planning analysis and marketing.

Power Generation: The River Bend Nuclear Group has an effective organization structure with well-defined responsibilities, is staffed with an appropriate number of high-quality personnel; and has a well-designed transition plan for integrating administrative and support activities into the overall project schedule. NRC satisfaction with overall management effectiveness and quality-related issues has been high.

In the areas of coal and gas generation and energy dispatch, GSU's fossil-fired generating expenses compare favorably with a panel of utilities having similar fossil-fired capacity; significant

report shows

performance improvements were achieved between 1980 and 1984; GSU has made significant strides in achieving good reliability of the coal unit, Nelson 6. The Plant Maintenance System (PMS) was described as a state-of-the-art management tool which provides effective integration of various plant departments in satisfying unit maintenance requirements.

Energy Resource Planning:

While GSU is cited as having good modeling capability, improvement was suggested in the area of better matching staffing levels and skills with planning responsibilities. Also, GSU should continue to monitor and improve load forecasting methods.

Fuels Management: Fuel Services has appropriate staffing and organization, but senior management should become more active in fuels and provide more guidance to the Fuel Services department on long-term objectives and acceptable risk/cost trade-offs. GSU's gas acquisition strategy has proven extremely effective.

Transmission and Distribution

GSU utilizes a well-designed Management Reporting System (MRS) to measure work force productivity, but the company should continue to revise and improve the MRS; T&D top management should provide more explicit guidance and training regarding the use of the system at various organizational levels.

Engineering and Technical Services:

The organization of department is appropriate for responsibilities, although some slight overstaffing exists. GSU should create a strong project management function for medium and large projects.

Customer Services: The organization of customer service activities within division and district is generally effective. However, clerical responsibilities are segmented too narrowly in several offices. Although suggesting a productivity improvement is needed in the area of



Tom Whiddon, executive assistant to the president, served as project manager for the management audit.

meter reading, the report recognized that the company is switching to electronic meter reading devices.

Human Resource Management:

Generally positive statements were made regarding labor relations, recruiting and staffing, productivity management, communications with employees, employee development, compensation and benefits. Suggestions for improvement include enhancing recruiting efforts for experienced people; developing standards of performance for all levels of non-bargaining unit employees; and strengthening the process used to determine incentive awards for upper management.

Financial Management: Generally good comments were made regarding accounting, budgeting, cash management, corporate finance and the corporate secretary. Suggestions for improvement include having the accounts payable group implement procedures to minimize the number of manual checks produced and having corporate finance devote more attention to refinancing opportunities. Also, GSU was urged to implement a pro-

gram budgeting process so as to better link budgets to activities, to improve resource allocations and to integrate the capital, operating and maintenance budgets.

Marketing: The report says GSU's Strategic Marketing Plan is thoughtful and creative, but recommends expansion of market research and streamlining the department's organization.

Corporate Support Services: Findings were generally favorable for Legal and External Affairs, Internal Audits, General Services, Purchasing and Materials Management and Data Processing (Computer Applications). Suggestions for improvement included developing external affairs objectives that are results-oriented, making rate filing easier to understand and evaluate, having Internal Audits focus more attention in the power supply area, developing an integrated approach to risk management, encouraging all purchasing management and buying staff to attain Certified Purchasing Manager certification and making the Business Information Planning (BIP) Committee more strategic in nature.

WalkAmerica '86

by Robert Adams

An increase in contributions of 5 percent over last year is what Travis Harrington hopes from WalkAmerica '86. Judging from the way things have gone in past years, he is likely to not only meet, but exceed his goal.

"People look at me and say, 'Travis, did you really set that?'" laughs Harrington, staff accountant I and the WalkAmerica '86 coordinator for GSU. But he adds that last year's goal was also 5 percent and contributions increased 8 percent over 1984.

WalkAmerica '86, an annual fundraiser for the March of Dimes, will be held the last weekend in April in most areas. Again, GSU will have several teams supporting the walk. Last year, GSU had 1,675 walkers and raised over \$56,000, according to Harrington.

Harrington hopes to increase contributions by increasing the number of employees who walk.

He also plans for several team captains to return from last year. This should help the captains get an early start canvassing walkers.

A grand prize of \$350 will be awarded to the employee who collects the most money, says Harrington. Then, first place in each state will receive a prize of \$150. The employee who collects the most in each division will receive \$75 and the employee with the most collected in each district will receive \$25. Every winner must have collected at least \$75 to be eligible to receive a prize. In addition, each participant who collects at least \$20 will receive a T-shirt.

The March of Dimes also offers such prizes as a 35mm camera, headphone radio and a cassette recorder for the people who collect the most money. Also, walkers who get contributions of over \$50 will receive a T-shirt and visor from the March of Dimes, according to Harrington.

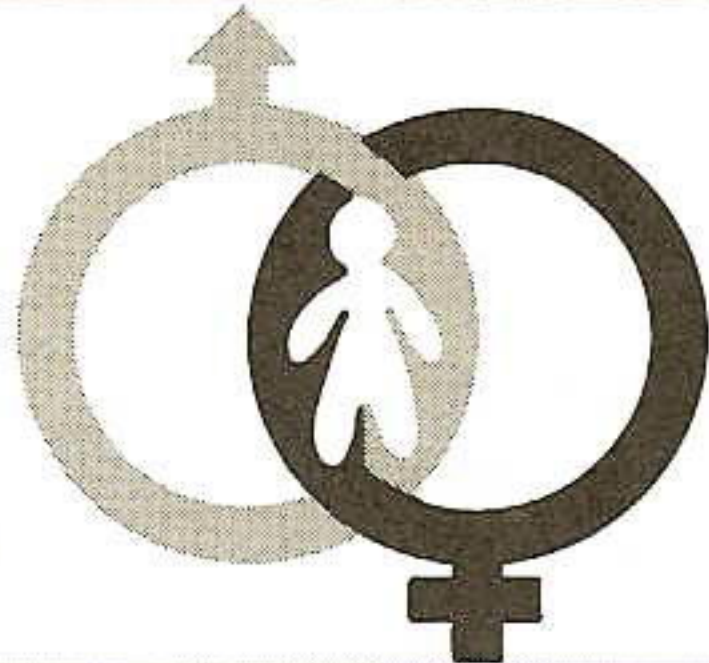
Besides all that, the March of

Dimes plans to provide refreshments and hamburger coupons for the walkers and first aid and "poop-out vans" for those who run out of steam. GSU is providing vans with refreshments, too, he says.

Harrington says "We musn't lose sight of what WalkAmerica '86 is all about. We're raising money for the March of Dimes." According to Nancy Fitzpatrick, division director for the March of Dimes, the money supports research and funds the continuing education of health professionals who care for the newborn. Donations also support medical services, including grants and equipment purchases, and fund health career scholarships and public health education.

Harrington says, "The walk will be fun and for a good cause." Sheila Sorrell, section head and team captain for the Baton Rouge division, adds, "I hope people will make it a family thing, a good outing for the beginning of spring."

GULF STATES UTILITIES CO.



MARCH OF DIMES

R. ZERLING

GSU, Bethlehem Steel test aluminum coal car

by Mike Rodgers

A train lumbers in to the Nelson 6 generating station in Westlake, La., about once every other day. It is the culmination of a trip which began far to the north, in the Powder River Basin of Wyoming, when the cars were loaded with coal. Nelson 6 is a coal-burning plant with a big appetite. Those trains deliver nearly 2 million tons of coal each year on a journey which is long and expensive.

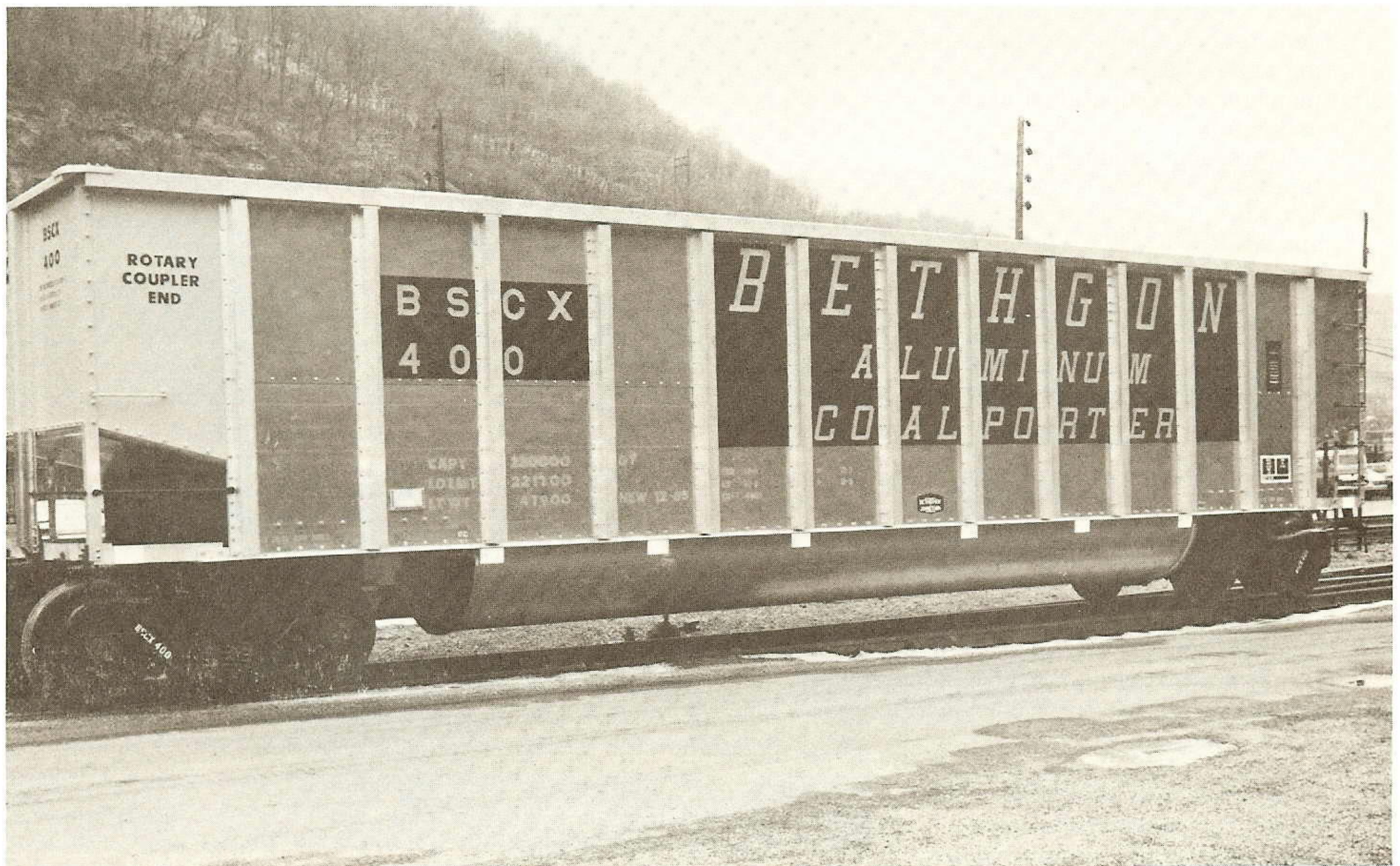
"Coal transportation makes up two-thirds of the delivered cost of coal to the plant," says Dan Gray, administrator-fuel services. "Consequently, any savings in those transportation costs means a significant savings to GSU customers." Normally, coal cars are made out of steel, but GSU, in cooperation with Bethlehem

Steel, is experimenting with a new car made out of aluminum. "This is the only aluminum coal car of its type in existence," Gray points out. "Bethlehem wanted a place to test it, a rail line with a typical western coal-haul. Their cars already operate in our service area, so we were eager to cooperate."

Except for its bright silver color and special markings, the car looks very similar to the steel cars which Gulf States presently uses. GSU's experiment will help determine if it also performs as well as its present cars. According to Gray, the car was checked out by maintenance personnel after its first few journeys from the Powder River Basin and found to be in good shape. "It has performed great, thus far,"

he says enthusiastically.

The aluminum car is lighter than its steel counterpart by about 16,000 pounds, a fact that is the basis for substantial cost savings. Some 110 tons of coal are loaded into the aluminum car, compared to 101 tons in a steel car. Says Gray: "What this means is that we can bring in more coal in fewer cars and trains. Because of the economics involved, both utilities and the railroads have shown an interest in making this work." While there are no plans at this point to convert GSU's entire train fleet to aluminum cars, GSU is looking at many ways to reduce the costs of coal delivery. This is just one option.



The aluminum coal car looks just like its steel counterpart.

Dramatization aim:

by Mike Rodgers

The T&D crew sits in front of the TV, watching carefully as a lineman from another division explains calmly how he was injured while on the job. As the circumstances of the electrical contact accident unfold, they see how such an accident could be avoided in the future and view photos of the injuries suffered by the lineman.

The T&D crew was attending a safety meeting and watching the videotaped dramatization of a lost-time accident involving a GSU employee. These videotapes are part of Gulf States' commitment to a safe working environment. "In order for us to prevent accidents, we must communicate clearly the causes and results in terms of human suffering and physical damage. We need to outline measures to prevent that accident from happening again," says Mike Durham, manager of occupational health and safety.

Overseeing production of the tapes is the responsibility of Ray Thompson, supervisor of safety and health-Texas. He decides, based on the circumstances, which accidents will be dramatized. "Those that result in lost-time injuries such as flash accidents or electrical contact have the highest priority, since they're the ones that more likely result in disabling injuries or fatalities," emphasizes Thompson. The tapes are a very effective way to highlight mistakes in a procedure. "You can remember better what you see than what you read or hear," he adds. The points illustrated on the tapes are reinforced by discussions held during the safety meetings.

Once Thompson writes the script, it is time for production to begin. The accident is staged, frequently at the location where it actually took place. As often as possible, the people involved in

the original accident are used in the dramatization, a fact Thompson feels is worthy of note:

"About 90 percent of the time they want to do it to prevent fellow employees from getting hurt." He believes that it makes a better impression when employees see other employees taking part, since it makes the staged accident all the more realistic.

The videotape is shot by Robert Adams, audiovisual support specialist in Employee Communications. "Shooting on location is frequently an all-day job," he says, "since each shot illustrates a point about the acci-

dent." For the most part, the dramatizations follow the same format. First, the details of the accident are outlined, then the cause, determined by an inquiry, is explained, and, finally, the correct way to perform the same job is presented. Any safety violations that might have occurred are highlighted.

Gulf States was one of the first utilities in the country to produce accident dramatizations. Other utilities, who have seen some of the GSU tapes, have picked up on the idea, and frequently request information on how to do accident dramatizations. Both Thompson and Durham believe in



Ray Thompson (left) holds a mannequin used in accident dramatizations while Robert Mervin Hebert (lower right), substation mechanic-1st class, grabs the ladder.

accident prevention

the effectiveness of videotape to bring home the impact of an accident. In years past, safety bulletins, slides and 8 mm films were used. "At one point, we even drove an injured employee around the system to speak at safety meetings, but nothing works like the tapes," Thompson says.

No one can be sure how many accidents are prevented by the lessons learned from watching a videotape, but Thompson underscores a very interesting coincidence; no accident which has been dramatized has occurred again in exactly the same way. He has a definite goal in

mind for safety at GSU: "We do six to eight of these tapes each year. We would like to reach the

point where there are no more accidents and no need to produce any tapes at all."



Photo by Mike Rodgers

Robert Adams focuses the video camera.



Photo by Mike Rodgers

Adams shoots videotape and

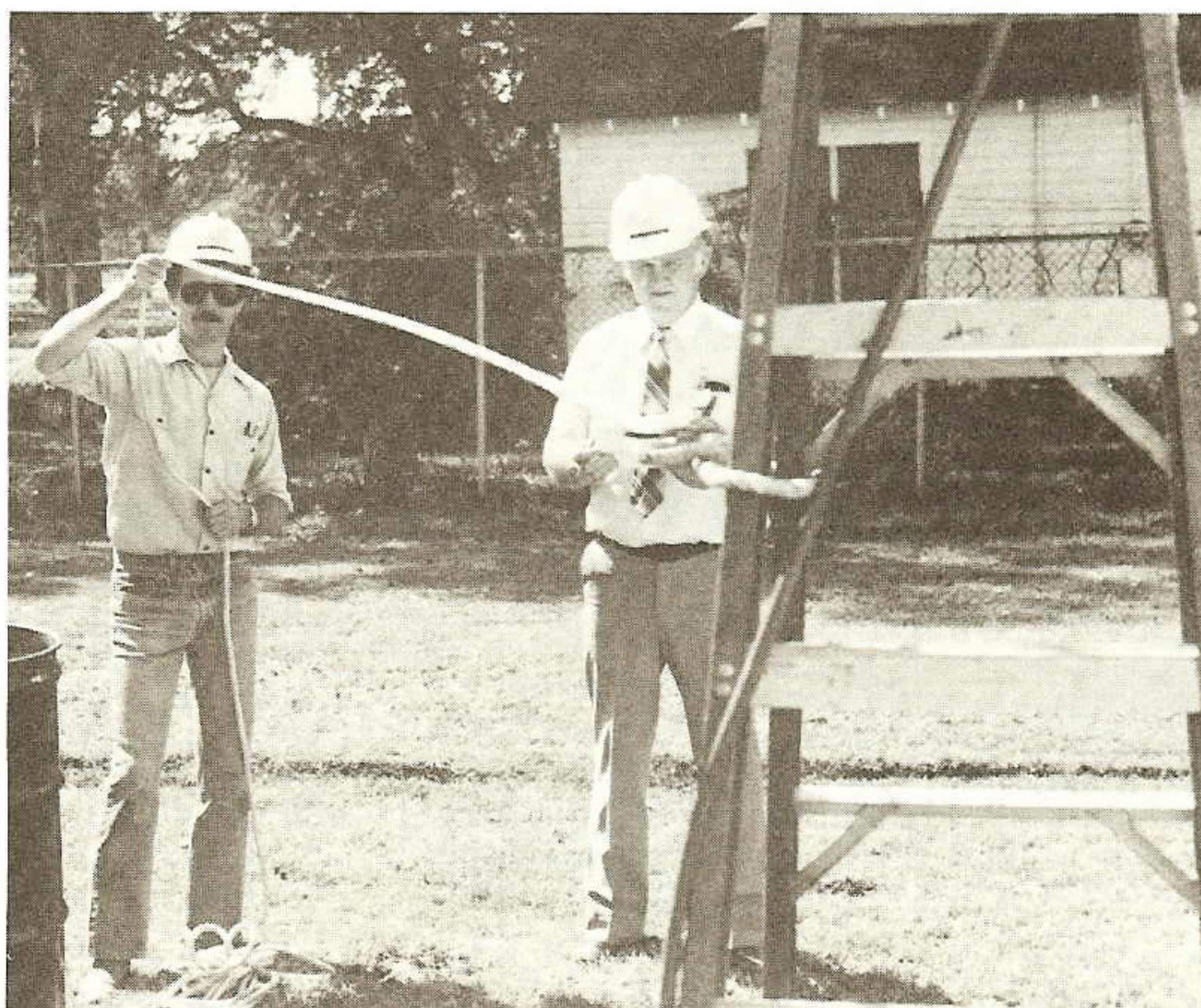


Photo by Mike Rodgers

Kent Girouard, utility foreman, pulls a ladder to simulate an accident while Thompson watches.

Pluses of outpatient care

by Betty Gavora

If you've ever been awakened in the middle of the night while someone turned on the lights, mopped the floor of your hospital room and emptied the trash, you'll be among the first to understand why more and more people are using outpatient clinics for routine surgical procedures.

Recent studies show that 20 to 40 percent of all surgical procedures done in hospitals can be performed safely in outpatient clinics. Add to this the rising cost of hospitalization, the overcrowding of operating rooms and the demand for quality surgical care at reasonable prices, and it is clear why many Americans are using this comfortable and convenient alternative.

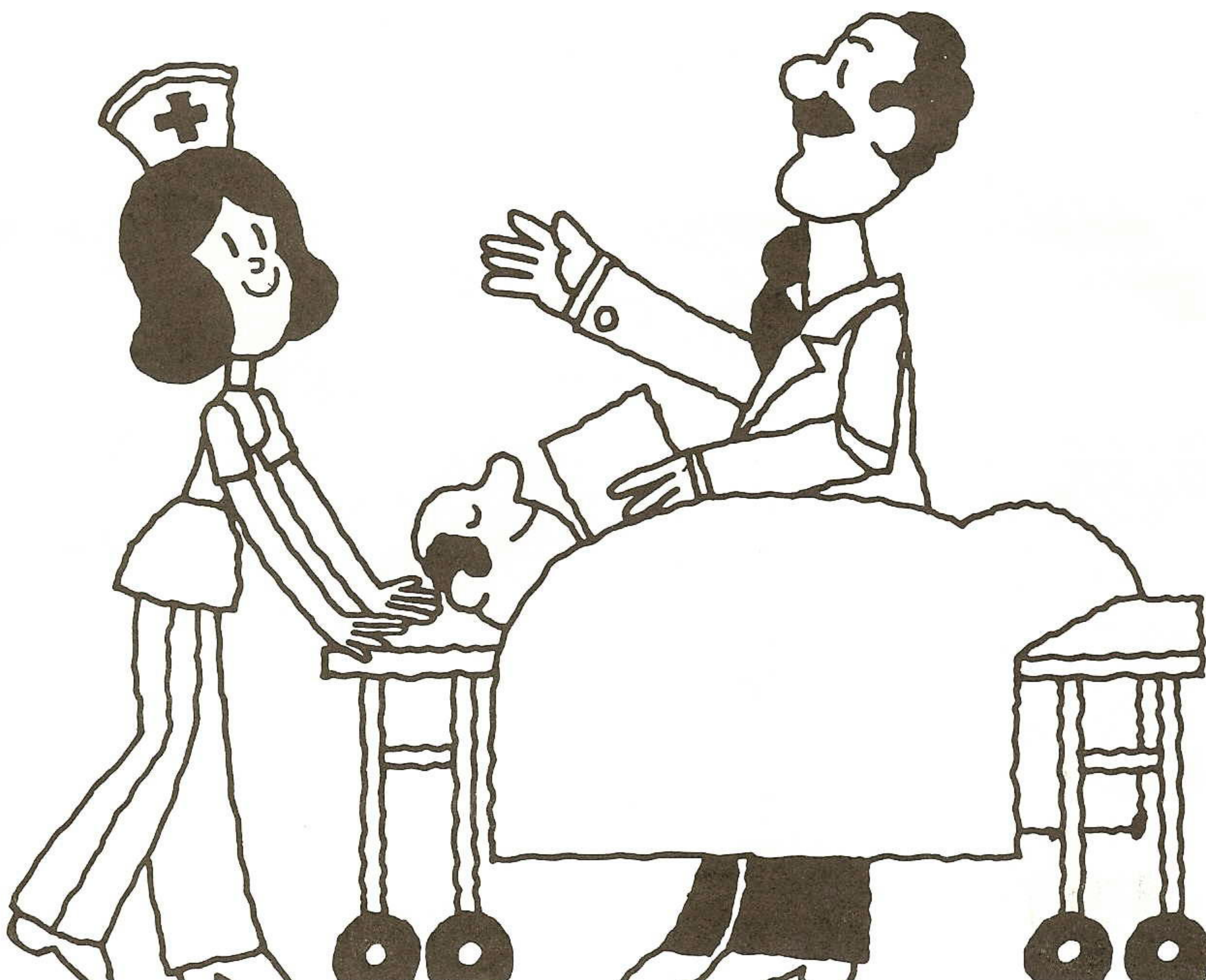
The idea of outpatient surgery (also called day surgery, ambulatory surgery, in-and-out surgery and short-stay surgery) is not new. It has been with us since the early 1900s, but has rapidly gained in popularity in recent years. Patients like the idea of checking into the outpatient clinic in the morning and going home to their own beds at night.

Those who use outpatient clinics say they feel less anxiety because they are directly involved in their own care. They also like the fact that they can recuperate in the relaxed atmosphere of their own homes, with family and friends nearby.

Surgeries performed include tonsillectomies, breast biopsies, hemorrhoidectomies, tubal ligations, vasectomies and laparoscopies, to name a few. A complete list can be found in

your GSU medical plan booklet. The booklet outlines some 20 different procedures which are covered 100 percent when performed in outpatient clinics. Generally, the bill is about half the cost of having the same procedure performed in a hospital. Over a year's time, these decreased medical costs can add up to significant savings in medical claims by GSU employees. Since insurance premiums are set on the basis of the total cost of claims, the end result can only be beneficial to all employees.

If you are planning to have some surgery done in an outpatient clinic and have questions about how your benefits will be paid, feel free to call Jommy Holder, coordinator of employee benefits, at 733-2618 or Provident at 722-6022.



Beaumont hosts regional heat pump technology meet

by Susan Gilley

Heat pumps, after increasing in reliability for almost three decades, have now become the fastest-growing segment of the heating and air-conditioning industry.

That was part of the message delivered to representatives of electric utilities, electric cooperatives and heat pump dealers gathered in Beaumont Feb. 25-26 for a Heat Pump Technology Conference sponsored by the newly-formed Heat Pump Council.

Jo Ann Smith, GSU's manager-consumer information, directed creation of the council in November 1985 as a project for the Southeastern Electric Exchange (SEE). Smith and another GSUer, Mike Morgan, coordinator-residential marketing, are charter council members and helped plan the technology conference, which was the council's first major activity.

According to Morgan, GSU and other electric utilities view heat pumps as an excellent way "to fill in the valleys" of the load profile. Shaving the peak is a secondary goal, Morgan adds. For example, Gulf States has only 31 percent of the heating market within the company's service area. Ideally, if the 69 percent that relies on some other method of heating could be persuaded to switch to electric heating, the heat pump would be the preferred method.

The energy efficiency of heat pumps is the selling point for the customer, Morgan notes.

During the two-day conference, participants viewed dealers' displays and listened to speakers like Nance Lovvorn of Alabama

Power Company and Hans Rueschmann of the Trane Company.

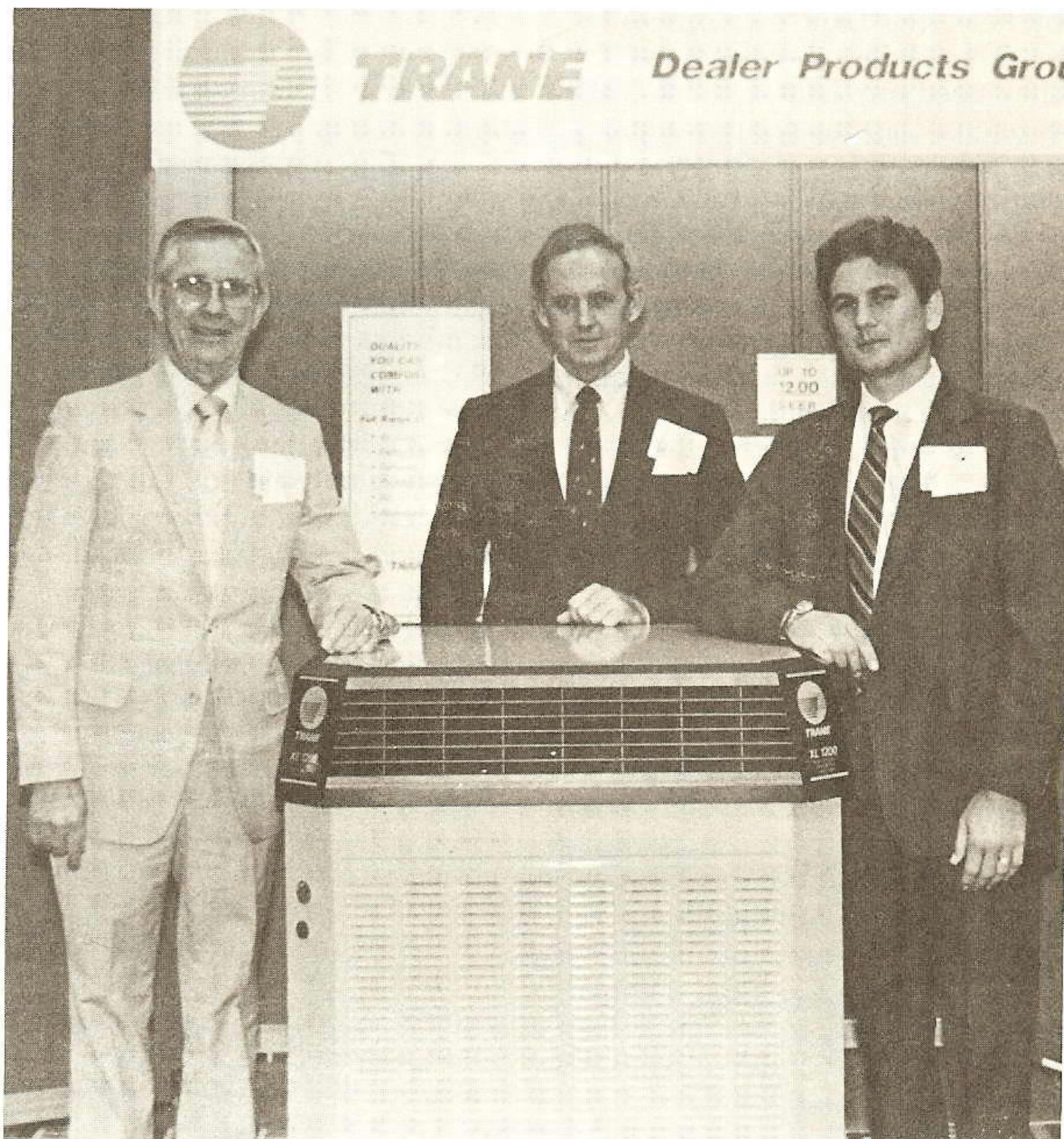
Lovvorn cited the results of an Electric Power Research Institute (EPRI) study of heat pumps in Alabama. The state was selected because it had a long-term heat pump experience and the utility had a 10-year heat pump service program.

According to the EPRI study, heat pumps have a median life expectancy of 20 years. That means most units in Alabama were in operation 20 years before they were replaced. In

1971, the utility averaged one service call per unit per year. In 1985, the utility averaged one service call per 3½ to four units per year.

Rueschmann, who is a vice president for his company's Distribution Sales unit, pointed out that 810,000 heat pump units were sold in 1985. That represents almost 25 percent of the total heating and cooling industry today, he claims.

Rueschmann lauded utilities for their leadership role in training dealers and undertaking promotional programs.



Beaumont businessman Lindy Dennis (far left) talked to fellow conference participants Wes Colley Jr. of Tampa Electric (center) and GSU's Victor Inman.

Three men reveal early retirement plans

by Susan Gilley

Three longtime GSU employees who plan to stay in touch with the company are among those opting for the company's Early Retirement Option.

The three — Jimmy Daigle of Lafayette, Joe Foreman of Hull-Daisetta and Mac Percle of Baton Rouge — told *Plain Talks* they always hoped to retire before 65, anyhow, and that the special program made that decision especially attractive.

Daigle, a service supervisor who has been with GSU since October 1946, reveals, "I plan to be by here (the Lafayette office) two or three times a week to see if they need any help. I think GSU is one of the finest companies anybody could work for, and I'll continue to speak up for GSU."

The free time will allow Daigle, who turns 62 in May, to tackle another career. He will serve as a part-time deputy sheriff for Lafayette Parish Sheriff Donald Breaux. The job will involve work as a liaison between the sheriff's department and local governing bodies.

Daigle and his wife, Mary Verlie, have five children and four grandchildren. The whole family, he says, is "tickled to death" about his early retirement plans.

Foreman, a serviceman-1st class who came to GSU in 1948

straight from the U.S. Army, will spend much of his retirement time traveling between the property he owns in Mississippi, around Hull-Daisetta and on the Trinity River.

The Mississippi native, who celebrated his 61st birthday in March, comments, "GSU has been good to me. I've got to help them." Because of that commitment to the company, he plans to stay abreast of developments affecting the company and he intends to join the Beaumont chapter of the Sideliners Club.

Foreman has served as a member of the local school board for about 23 years. After retirement, he plans to finish his present term, but not seek reelection. Although some customers have expressed dissatisfaction with GSU, Foreman confesses, "I haven't had many complaints. Of course, it seems like most of my customers here know me and like me pretty well."

Foreman and his wife, Mary Agnes, have four children and eight grandchildren. His family's attitude about his decision is almost exactly like Daigle's. "My family is just tickled to death," Foreman notes.

Percle, an assistant general line supervisor, has been with GSU since March 1946, joining the company two months after he left the U.S. Navy.

The Early Retirement Option

offered Percle an opportunity to retire two months earlier than anticipated, on May 1, with a more generous retirement income.

He plans to "do a lot of fishing and make a little garden." Travel plans are also in the works for Percle and his wife, Effie, who is a retired nurse. He believes that both of his sons "are kind of glad to see me retire."

Like Daigle and Foreman, Percle plans to join his local chapter of the Sideliners Club.

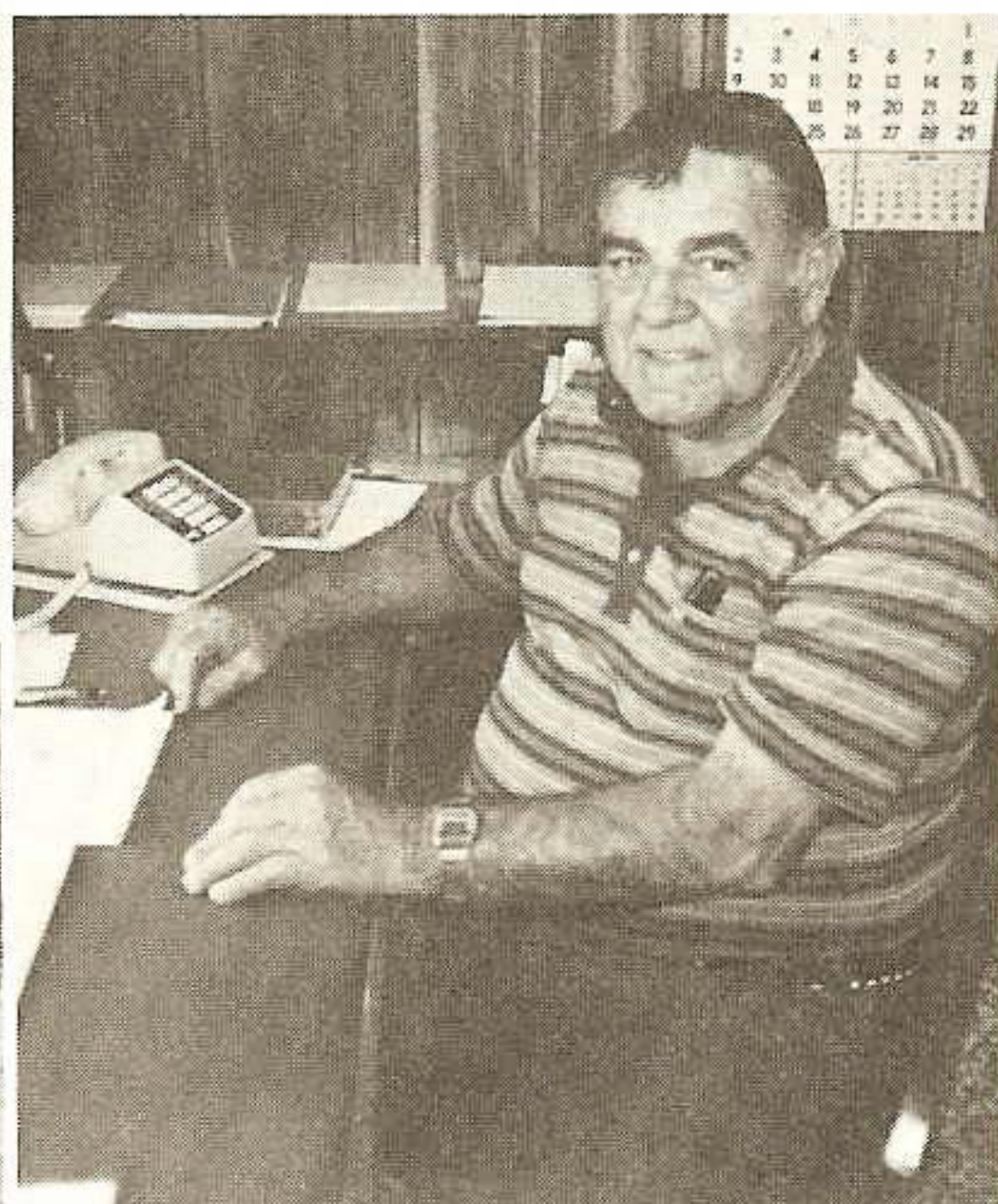
April 15 is the deadline for eligible employees to participate in the Early Retirement Option. The program is a special provision to the Trusteed Retirement Plan which was approved by GSU's board of directors, subject to approval of the Internal Revenue Service.

To be eligible to participate, an employee must be at least 55 years of age and have 10 years of credited service in the Trusteed Retirement Plan before July 1, 1986. Credited service is the total of an employee's months and years of participation in the Retirement Plan.

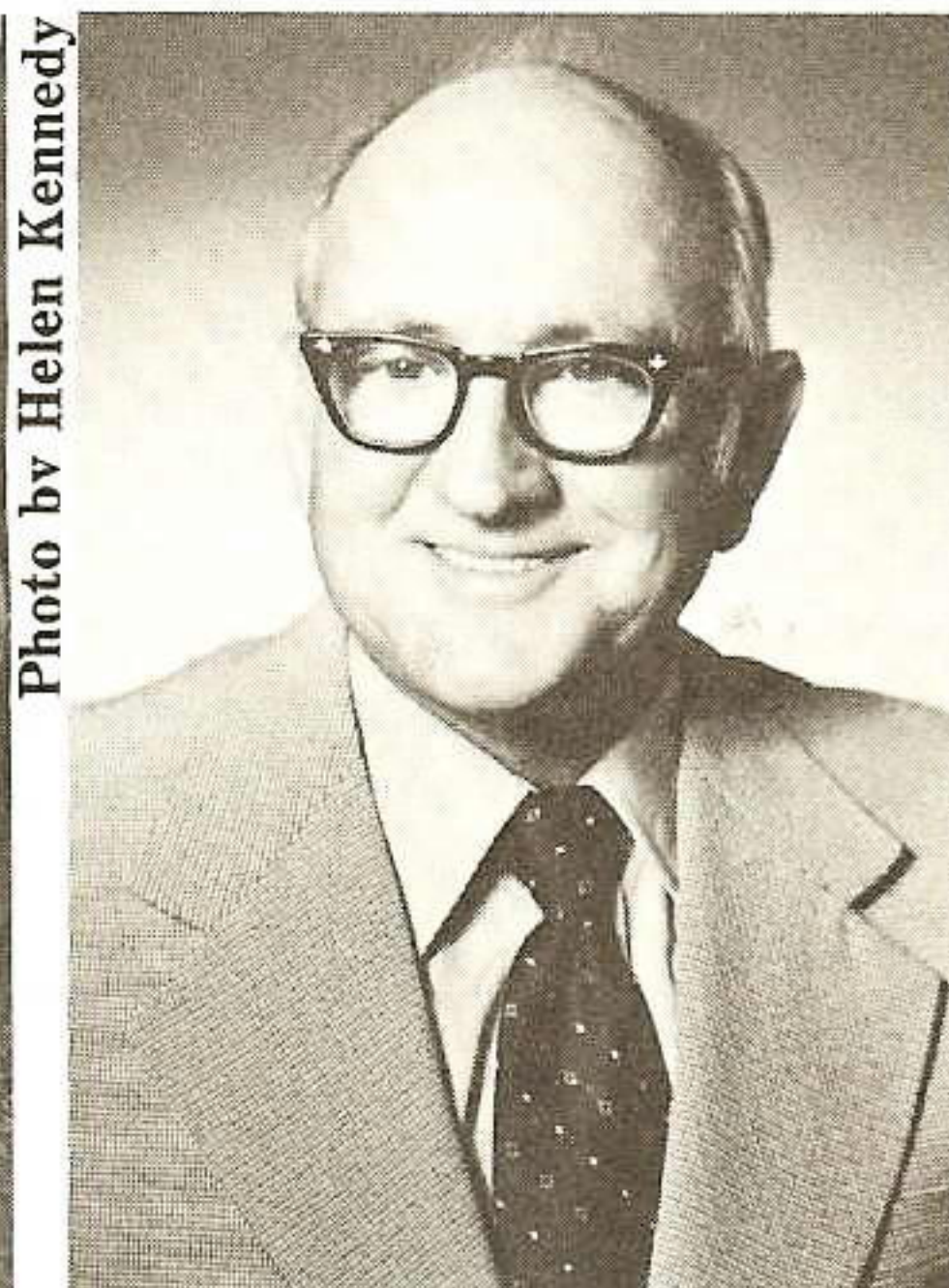
To participate in the program, eligible employees *must* submit their retirement applications to Employee Benefits or Employee Relations no later than April 15, 1986.



Joe Foreman



Jimmy Daigle



Mac Percle

Photo by Helen Kennedy

The electronics man

by Susan Gilley

By his own admission, William "Bill" Von Colln is a tinkerer. He suspects his wife, Lou Ann, may view him as a full-sized little boy who still loves his electronic toys.

Von Colln — his surname is German — is a communications foreman in Baton Rouge. The eight-year GSUer describes the communications function as "taking a piece of information and bringing it to another location, through relaying circuits, telemetering and other methods."

Von Colln's specific job, however, is to coordinate Communications Department activities with those of other GSU work groups. "I have to ensure that we have the proper manpower and the proper work assignments, and I monitor and maintain our budget," he reveals.

Von Colln is certain that he is in the right job. "I really love my work. I feel like it's a career and not just a place to come to work," he explains.

As proof of that, Von Colln's supervisor, John Reeves, points out, "Bill helps in many ways and he is very dependable." The

relaying and communications supervisor continues, "If there's a problem, Bill sees it as a personal challenge."

For example, until 1985, all of the Communications Department records were handwritten. That's changed now. Von Colln recalls, "I requested a book on how the TSO computer was set up and put all our records on computer." He has also been appointed to a task force to computerize the department's scheduled maintenance. Previously, monthly maintenance was coordinated by telephone and two-way communications.

After hours, Von Colln divides his time among his wife, their two young children, his Apple II computer and various electronic gadgets. "My father was in electronics and I inherited his love for it. I'm a real computer enthusiast," he admits.

Before joining GSU, he underwent two years of vocational training in electronics, as well as studying electronics while in the National Guard.

Nevertheless, Von Colln puts people before his hobbies. "My attitude is four-fold. God comes first; my family is second; my job is next in importance; and my fellow man is next in importance." This ordering, says Von Colln, does not mean that co-workers are way down on his list of importance. Instead, it means that he has given interpersonal relationships a high priority.

Von Colln puts his money and his time where his mouth is. He and his family contribute to the United Way, Project CARE, Loaves and Fishes (a ministry aimed at helping the needy) and Heartbeat (a group that provides an alternative to abortion).

Activities he enjoys with his family include taking 4-year-old son John Taylor and 2-year-old daughter Laura Nicole to the zoo and out to eat. With Von Colln playing the guitar and his wife playing the piano, the family also enjoys sing-alongs.



Bill Von Colln

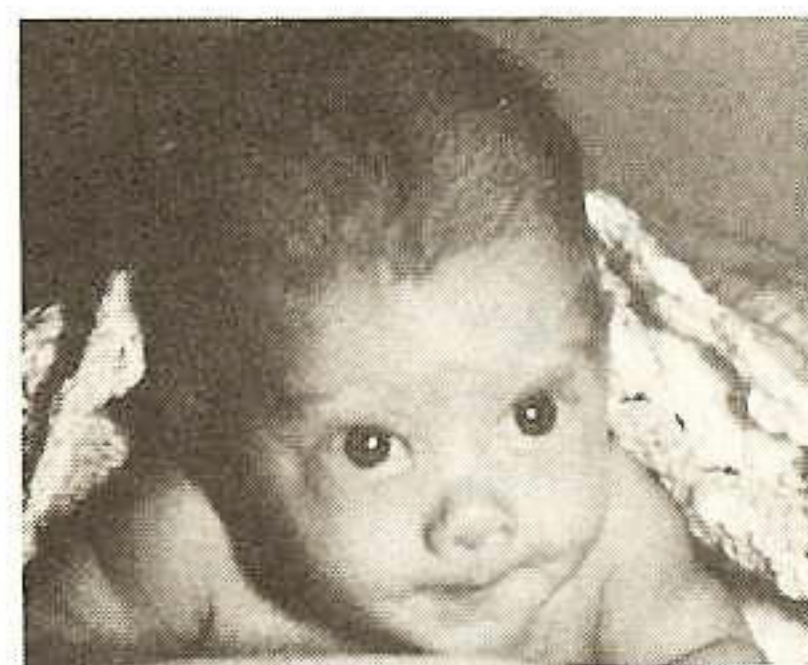
New arrivals



Name: Meghann Elizabeth Ringo
Born: Nov. 17, 1985
Parents: John (lineman-2nd class, Baton Rouge) and Tammy Ringo



Name: Alicia Dawn Whaley
Born: July 29, 1985
Parents: Ken (lineman-4th class, Conroe) and Kim Whaley



Name: Jennie Nichole Seymour
Born: Sept. 12, 1985
Parents: David (compliance analyst, River Bend Station) and Robin Seymour



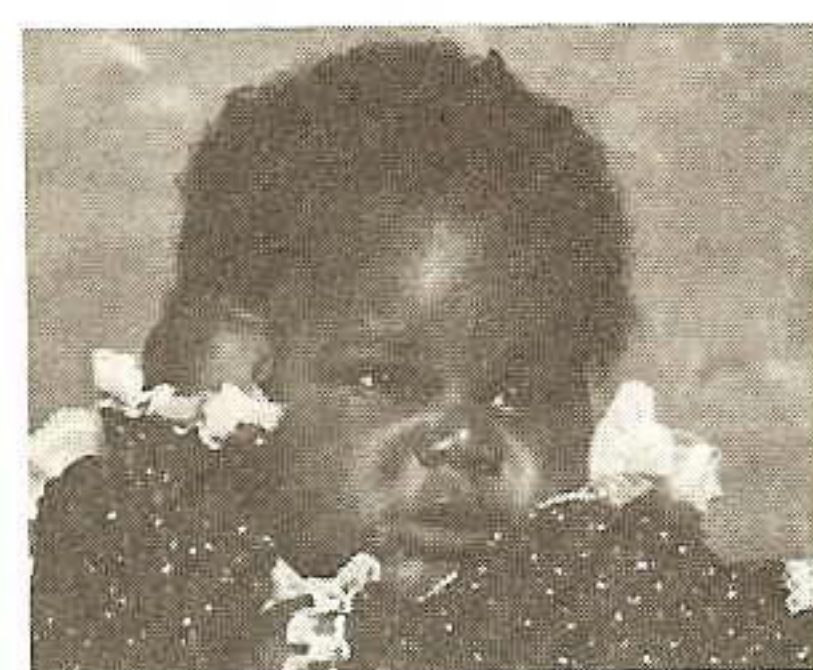
Name: Krystal Jeanette Bean
Born: Sept. 12, 1985
Parents: Gary and Karen (engineering assistant, Beaumont) Bean



Name: Matthew Ryan Muckleroy
Born: Oct. 12, 1985
Parents: Mark and Peggy (secretary, Beaumont) Muckleroy



Name: Jennifer Annette Patterson
Born: Sept. 23, 1985
Parents: John (electrician-1st class, Nelson Station) and Judy Patterson



Name: Jada Renee Bell
Born: Aug. 9, 1985
Parents: Lehmon (test technician-1st class, Sabine Station) and Dondra Bell



Name: Landon Shane Trammell
Born: Oct. 30, 1985
Parents: Steve (stores truckdriver, Beaumont) and Charlotte Trammell

Baby photo policy changes

Because of the company-wide effort to conserve cash, only 10 issues of *Plain Talks* will be published in 1986. Cutting back the number of issues also means a reduction in the number of pages available for Inside GSU.

As a result, the magazine will have only one page of Inside GSU with photos included on a first-come, first-serve basis. Beginning immediately, the magazine will accept photos of babies no older than 6 months of age at the time of publication.

Since *Plain Talks* is produced almost two months in advance of distribution, these pictures should be submitted no later than four months after the baby's birth.



Ronald and Ronnie Causey

Girl travels to Ireland

In March, Ronnie Lynn Causey traveled to Ireland to dance at the Lord Mayor's Ball on St. Patrick's Day.

The daughter of Ronald and Claudia Causey, the young woman made the trip as a member of the National Super Star Drill Team, an honor she has won for the past two years.

According to her father, a serviceman-1st class in Denham Springs, she is colonel of her high school dance team, the Jackettes, and she served as homecoming queen in October.



Irby (left) and Williamson (right) pose with the Grand Master of Louisiana Masons.

Employees attain Masonic posts

Two Nelson Coal employees served as the "Master" for their respective Mason Lodges in 1985, reports *Plain Talks'* correspondent Cheryl Crawford.

Cliff Irby, fuel handling operator, was Master of Lodge 437 and Judge Williamson, building and grounds foreman, was Master of Lodge 165.



Traveling to Europe were (seated, from left) Field, Janis and Dattalo and (standing, from left) Cook, Johnson, Copeland, Caldwell and Britton.

GSUers ski in Austria

Eight Beaumont employees who belong to the Armadillo Ski Club traveled to Europe in March for a skiing vacation. The group skied in Austria and made side trips to Holland, Italy and Switzerland.

Making the trip were Molly Field, supervisor-employee benefits; Debbie Janis, supervisor-tax research and state taxes; Pam Dattalo, secretary; Sheila Johnson, supervisor-general accounting; Linda Caldwell, section head; James Cook, lead environmental analyst; Greg Copeland, supervisor-long term finance; and Fred Britton, senior cost engineering specialist.



U.S. Savings Bond

Save for the ones you love

There are many reasons employees should take advantage of the opportunity to purchase U.S. Savings Bonds through the Payroll Savings Plan, says B.J. Willis, chairman of GSU's 1986 Savings Bond Drive. One of the more important reasons is all the interest you can earn on your savings.

Willis, vice president and controller, points out that the bonds now pay high market interest rates, with rates adjusted twice a year — on May 1 and Nov. 1. From 1982 through 1985, the

average rate was almost 10 percent. Savings Bonds also provide a guaranteed return, enabling owners to earn more, but never less than 7-1/2 percent.

As the campaign began in April, drive coordinators at all company locations began informing employees about some advantages of U.S. Savings Bonds. A special videotape program, featuring the cast of the television show, *The Golden Girls*, further explains this savings alternative.

The interest earned from Sav-

ings Bonds is exempt from state and local taxes, and you can defer paying federal taxes on your earnings until you actually cash in your bonds.

If you're saving for your child's education, you can purchase bonds in your child's name for additional tax savings.

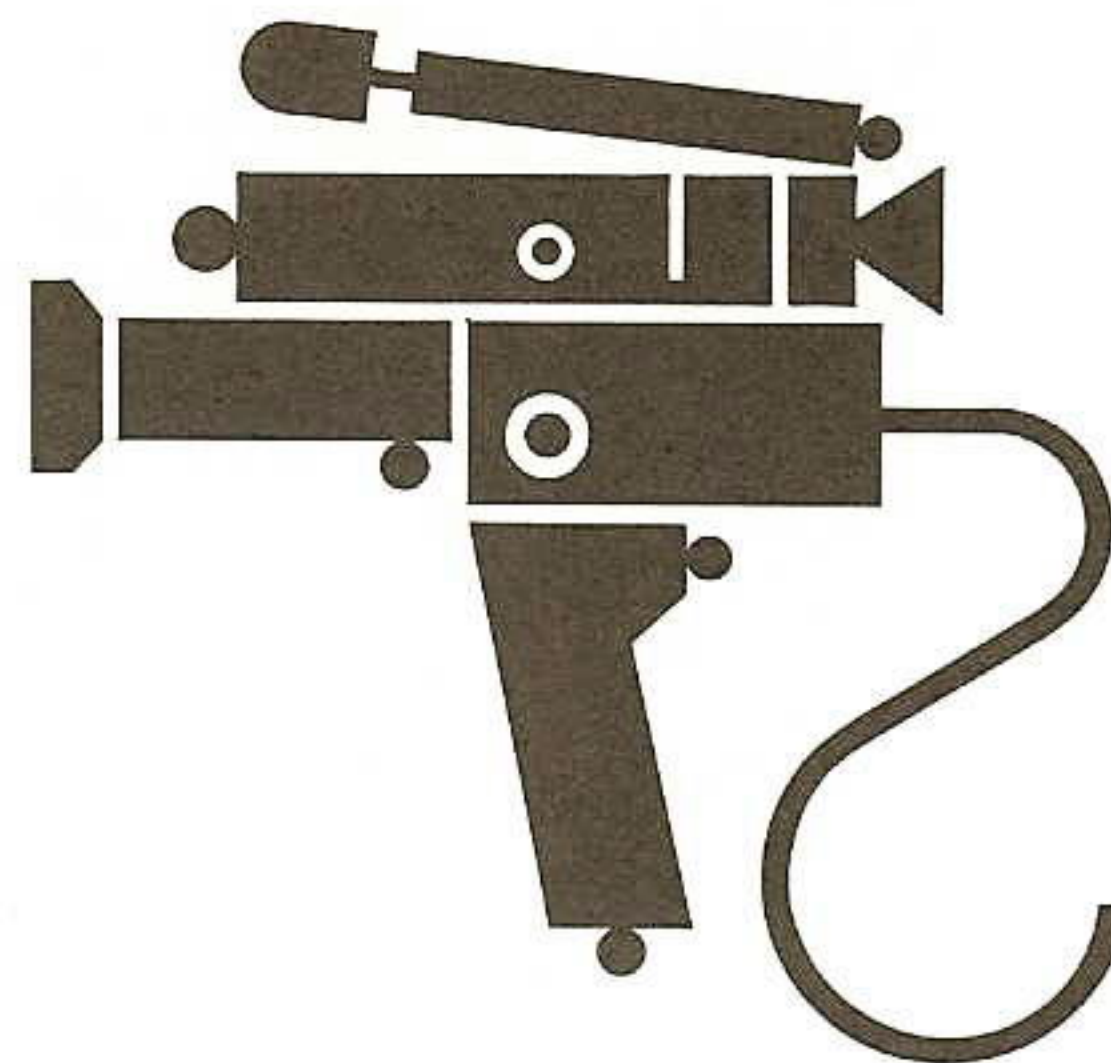
Other advantages of the bonds include the fact that funds raised through them help finance essential government programs and the sale of bonds is one of the least inflationary sources of borrowing available to the Treasury Department.

Officers featured on *The Energy People*

Board Chairman Paul Murrill is one of three officers featured on the spring edition of *The Energy People*.

Dr. Murrill discusses the company's present situation, while

President and Chief Operating Officer Linn Draper talks about the findings of the management audit. Bill Jefferson, vice president of rates and regulatory affairs, reports on the status of company rate cases.



A

Anderson, David L., Beaumont, to lineman-2nd class, Electric T&D.

B

Bagley, Charles J., Lake Charles, to substation mechanic-1st class, Electric T&D.

Balko, James D., Conroe, to senior energy auditor, Division Marketing.

Blackwell, Wilford J. Jr., Beaumont, to relayman-2nd class, Electric T&D.

Boone, Christopher W., Conroe, to communications serviceman-2nd class, Electric T&D.

Bruner, Robert B., Vidor, to lineman-3rd class, Electric T&D.

C

Carter, Joe T. Jr., Beaumont, to lineman-2nd class, Electric T&D.

Chapman, Pamela W., River Bend Station, to nuclear chemistry technician-1st class, River Bend Nuclear Group.

Cole, Donald R., Port Arthur, to lineman-3rd class, Electric T&D.

Corkran, Dollfus E., Beaumont, to senior engineering assistant, Engineering.

D

Dushane, Beverly B., Beaumont, to general clerk, Accounting Services.

F

Fenner, Ervin L., Navasota, to lineman-1st class, Electric T&D.

Franks, Byron P., Beaumont, to meterman-1st class, Electric T&D.

G

Guthrie, George C. IV, Conroe, to relayman-2nd class, Electric T&D.

H

Hall, Harold D., Beaumont, to senior engineering assistant, Electric T&D.

Hayden, George A., Cleveland, to district service representative, Division Marketing.

Hebert, Cindy R., Lafayette, to senior clerk, Customer Accounting.

Hill, Gene R., Nelson Coal, to repairman-1st class, Plant Production.

J

James, Terri T., Beaumont, to stenographer-senior, Office Services.

Justice, James G., Cleveland, to lineman-2nd class, Electric T&D.

K

Kinchen, Bruce C. Jr., Baton Rouge, to communications serviceman-2nd class, Electric T&D.

King, Sandra J., River Bend Station, to radiation protection technician-3rd class, River Bend Nuclear Group.

Kramer, Ruth A., Conroe, to meter reader, Division Accounting.

M

Meadows, James M., Baton Rouge, to lineman-2nd class, Electric T&D.

Minor, Monica B., Baton Rouge, to customer contact clerk, Division Accounting.

Mitchell, Craig A., Willow Glen Station, to repairman-1st class, Plant Production.

N

Newman, Joseph, Nelson Coal, to repairman-2nd class, Plant Production.

O

Overbeck, Joseph C., The Woodlands, to lineman-1st class, Electric T&D.

P

Paris, Curtis D., Nelson Coal, to repairman-2nd class, Plant Production.

Patin, Leonard J., Lafayette, to lineman-1st class, Electric T&D.

Pellegrin, David R., St. Francisville, to communications serviceman-2nd class, Electric T&D.

Picard, James B., Willow Glen Station, to repairman-1st class, Plant Production.

Pratt, Gary L., Conroe, to lineman-1st class, Electric T&D.

Pulliam, Arthur C., Port Arthur, to lineman-3rd class, Electric T&D.

S

Scott, Michael D., Denham Springs, to apprentice, Electric T&D.

Scott, Tony Jr., Cleveland, to lineman-3rd class, Electric T&D.

Semien, Michael, Beaumont, to lineman-2nd class, Electric T&D.

Singleton, Warren D., The Woodlands, to lineman-4th class, Electric T&D.

Solorzano, Efrain, Conroe, to lineman-3rd class, Electric T&D.

Sonnier, Terry H., Beaumont, to general clerk, Accounting Services.

W

Walker, Jason B., Sabine Station, to repairman-2nd class, Plant Production.

Wells, Leona C., Baton Rouge, to customer contact clerk, Customer Accounting.

White, Scott A., Lake Charles, to lineman-4th class, Electric T&D.

Wilkerson, Maureen T., Lake Charles, to communications serviceman-2nd class, Electric T&D.

Wilson, Adrainne J., River Bend Station, to nuclear chemistry technician-1st class, River Bend Nuclear Group.

by Dr. Paul Murrill
Chairman of the Board

I've always been told that life is like an open road — there's something new around every curve. As an optimist, I've viewed my travels as high adventure, although I've encountered some pretty low spots along the way, too.

So it is with the operation of any company, and especially with our business. The good news is that we have a certain amount of control over which road we decide to follow.

That is the philosophy behind the establishment of GSU's Five-Year Corporate Objectives and 1986 Goals. Each of you has received a copy of these goals, which will serve as our map into the 1990s. It gives us a clear vision of what we must accomplish, which I believe is essential to our ability to stay in business.

I cannot emphasize enough the importance of each of us identifying with these goals. All of them are important, beginning with those relating to River Bend Station and continuing through to those concerning our productivity. Some have

much broader significance and affect more employees than do others.

It would be dishonest to say that these are easy goals. Just as the past few months have been difficult for us as individual employees, I feel that we will continue to feel the pains resulting from customer dissatisfaction. Healing takes place from within, however, and these goals represent our antidote for sound financial health.

Of course, goal-setting is nothing new for our company. Individual departments have long had individual goals. Some of our goals have been set by outside agencies, like the Institute of Nuclear Power Operations. The difference is that all goals now must relate to the broader corporate goals — our insurance against having different work groups operating at cross-purposes with each other. Many of these goals are quantitative or numerical in nature, and the company will periodically issue a "report card" on our progress through in-house publications.

It should be a good report, too, because we know which road we're taking and where we want it to take us.



Dr. Murrill

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