

Plain Talks

December, 1978 — January, 1979



Plain Talks

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1978 at GSU: The year in review

By Gary Dias

The plot is fast-paced, the mood challenging and the characters diverse. The drama? "GSU 1978"

The past year at Gulf States Utilities Company was indeed as exciting as the most action-packed television thriller. Between the addition of nationally reputed and progressive new leadership, continuous battles for much needed rate relief and communicating with often irate customers, dull moments were few and far between at GSU during 1978.

Perhaps the highlight of the year came last spring with the appointment of W. Donham Crawford as chairman of the board and chief executive officer. Crawford, who as president of Edison Electric Institute, for nine years served as the principal spokesman for the nation's investor-owned electric utilities, is credited with guiding the industry through some of its most difficult times. He succeeded Floyd Smith, who retired after 43 years with the company.

AS 1978 PROGRESSED, communications assumed an increased prominence in GSU affairs, as evidenced by the creation of a vice president of public affairs post. Jack Worthy, vice president-Baton Rouge division, filled this position on April 1.

Contract negotiations between the International Brotherhood of Electrical Workers and GSU went right down to the wire, but were conducted in a constructive atmosphere. Terms of the new contract were agreed upon on June 30, the day before the contract was to expire.

Record demands during June coupled with several generating units being down for repair or maintenance, caused GSU and neighboring Louisiana utilities to ask customers to cooperate in a voluntary reduction of electricity use.

A GENERAL ELECTRIC rate increase in Texas was granted by the Public Utilities Commission of Texas in July. Although company officials were disappointed with the \$10.7 million increase, less than half the \$23.4 million requested, GSU was pleased with the prompt handling of the request, which was filed on Dec. 30, 1977. The PUCT also ordered the entire amount of the customer's fuel charges to appear under the fuel adjustment portion of the bill.

As hot weather continued to wreak havoc on residential electric bills, GSU began two promotions designed to help with the higher costs—National Energy Watch and Budget Billing.

In July, the company became affiliated with the National Energy Watch program. Conceived by board chairman Crawford during his years at EEI, NEW is a national program of inspecting new and existing homes and certifying them as meeting national standards for energy efficiency.

ALTHOUGH AN EQUAL PAYMENT plan, under which the customer pays his annual electric bill in equal monthly installments, had existed at GSU since 1968, only about 2,500 customers participated in the plan—and most of them were GSU employees. The plan was revised and an intensive advertising campaign was launched promoting the new budgeting aid. Response was quite good and now some 3,500 customers subscribe to the budgeting service.

The summer of '78 also saw the construction begin on the #6 coal unit at Nelson Station in Westlake, La. The company's first coal unit, it will add 540 megawatts to GSU generating capacity.

The August 10 board of directors meeting resulted in some rather woeful news as the board announced the cancellation of plans to build two nuclear generating plants in Newton County, Tex. Due to the uncertainties of the national energy policy toward nuclear power, increasing costs and the distant scheduled in-service dates, the plants, Blue Hills #1 and #2, were viewed as too much of a financial risk.

ANOTHER BIG PIECE of news, involving four company executives came out of the August board meeting. Effective September 1, Charles Glass, formerly vice president-consumer services, was named to the new position of vice president of the Beaumont division. Succeeding Glass as vice president of consumer services was Aubrey Sprawls, formerly Western division manager. John Conley, formerly operating superintendent of the Beaumont division, replaced Sprawls as Western division manager while Ward McCurtain, formerly Beaumont division manager, assumed the new position of assistant to the vice president of public affairs.

Also effective Sept. 1, was the appointment of Thomas Burbank, formerly senior vice president finance at EEI, as GSU vice president of rates, economic analysis and strategic planning.

Fred C. Repper, who served as vice president of public affairs at Central Power and Light of Corpus Christi, Tex., joined the company on Oct. 1 in the same capacity, replacing Jack Worthy. Worthy assumed his former position as vice president of the Baton Rouge division.

TWO NEW DIRECTORS were also named in October. Dr. Paul W. Murrill, chancellor of Louisiana State University and Nat S. Rogers, a Houston banking executive, are the latest additions to the board.

GSU's donation of some \$40,000 worth of right-of-way lands to the Roy E. Larsen Sandyland Sanctuary near Silsbee, Tex., on October 26, was the first in a fund raising drive being conducted by the Larsen Sanctuary among East Texas industries, businesses and private citizens.



One of the bright spots for GSU during 1978 was the start of construction on Nelson #6, the company's first coal-fired unit. The men above are shown working on the excavation and placement of the sand bedding for the unit's 78-foot circulating water line.

The company and, indirectly, its customers were dealt back-to-back blows in November as a previous \$1.25 million rate hike was overturned by the Louisiana Supreme Court and then, only a few weeks later, certain GSU securities were downgraded by Standard and Poor's, a bond rating agency.

On December 19, exactly one year after petitioning the Louisiana Public Service Commission on a general electric rate increase of \$43 million, the LPSC approved an increase of \$18.4 million, becoming effective January 1, 1979.

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The downgrading of certain GSU securities may cost customers some \$45 million . . . page two.

A proposed \$30 million enlargement of the commercial channel at Louisiana's Port of Iberia may speed the nation's energy search . . . page three.

Board chairman Don Crawford completes his fall series of employee meetings . . . page five.

OOPS, WE GOOFED: The cover of the November issue of PLAIN TALKS stated that GSU donated 40,000 acres to the Sandyland Sanctuary. Actually, as was correctly stated in the story that followed, the donation was a 40 acre tract, valued at \$40,000. We apologize.

GSU News

Stock, bond ratings downgraded

A recent decision by Standard and Poor's, Inc., to downgrade the ratings of certain GSU securities, resulting from too little rate relief in Louisiana, could end up costing the company's customers as much as \$45 million in interest costs.

The changes, prompted by the company's request for a rating on its current preferred stock exchange offer, dropped the preferred stock rating from "AA-" to "A", the first mortgage bond rating to "A+" from "AA-", debentures to "BBB+" from "A-" and pollution control revenue bonds to "BBB+" from "A-".

"This rating change will increase the cost of borrowing money to build plants necessary to provide service to our customers," said Don Crawford, GSU chairman. "This increased cost is borne by the customer."

Crawford pointed out that rating agencies had been informing the company that continued lack of adequate rate relief in Louisiana would result in lower bond and stock ratings. GSU had, in turn, been pointing this out to the Louisiana Public Service Commission (PSC).

"Now the chickens are coming home to roost," said Crawford.

According to company estimates, the drop in bond rating could cost GSU customers as much as \$45 million more in interest costs over the life of the bonds on next year's expected issue.

"We have repeatedly informed the Louisiana Public Service Commission of the fact that continued inadequate rates would result in the customer paying more for his service than he would be paying if we were permitted fair and reasonable rates," said Crawford.

"Yet since 1973 we have received no increase in the general electric retail rates in Louisiana, despite the inflation of all costs. We have sought consideration from the courts in Louisiana with no success to date primarily because the

existing laws do not define how the Louisiana Public Service Commission should regulate rates in the best interests of electric consumers," he added.

The company, and indirectly its customers, were dealt another blow earlier last month when the Louisiana Supreme Court reversed a lower court order granting GSU partial rate relief in the state. The high court's ruling ordered the nullification of a district court ruling which gave the company a rate hike of \$1,253,000. GSU was ordered to refund amounts collected since the district court ruling took effect in February. Refunds have begun with credits being indicated on post card bills.

The lower court decision has its roots in GSU's 1976 \$23.75 million rate hike request, which was denied by the commission. Upon appeal, the district court upheld the PSC on all counts but gave the company an attrition adjustment. The \$1.25 million increase in electric rates was granted to allow for increases in GSU expenses due to inflation after the application for rate relief was filed.

Crawford said the Supreme Court has the responsibility to review the PSC's decision and determine whether or not the principles of regulation adopted by the commission and applied to Gulf States would permit the company to maintain its financial integrity and construct the plants necessary to provide future electric service.

"This the court did not do" said Crawford. "While the court recognized the deteriorating financial condition of the company, regrettably, it chose to avoid considering the effect which the commission's pronouncements will have on the ability of the company to provide electricity essential to the continued economic growth of Louisiana."

Ed. Note: On December 18, the LPSC granted GSU an increase in retail electric rates in Louisiana of \$18.4 million, plus permission to recover about \$4.5 million through a fuel clause adjustment.

Former CP&Ler joins GSU as Austin - based lobbyist

Robert S. Jinnette, former manager of community affairs at Central Power and Light of Corpus Christi, Tex., has been named GSU director-governmental affairs for Texas, effective December 4.

Jinnette replaces Cecil Johnson, who has been transferred to the Rate Department as director-rate counsel.

Jinnette will be based in Austin where he will be GSU's fulltime representative to the state's legislative bodies and government agencies, marking the first time the company has had a fulltime lobbyist officed in the Texas state capital.

"The addition of Mr. Jinnette living in Austin is further evidence of the sincere belief of executive management that we must represent more effectively our customers, employees and stockholders in the legislative forums that are having a dramatic impact on their lives and finances," said Fred C. Repper, vice president of public affairs, who announced the appointment.

A native of Nashville, Tenn., Jinnette joined CP&L in 1948 as an engineering assistant. He was promoted to district industrial engineer in 1955 and to district industrial power representative in 1961. Jinnette became local manager at CP&L's El Campo, Tex., office in 1963.

He served as rural service coordinator from 1971 until his promotion to manager of community affairs in 1973. Jinnette has represented CP&L in Austin for the past ten years.

A veteran of World War II, Jinnette served five years in the U. S. Navy, including three years in the South Pacific.

He has been active in a number of civic organizations and is a past president of the Kenedy Lions Club, the El Campo Chamber of Commerce and Agriculture and the Pleasanton Chamber of Commerce.

Jinnette has also served as secretary of the El Campo Rotary Club and has worked as drive chairman for the annual West Wharton County United Fund, which he served as board member for four years.

He was a 1976-77 delegate to the National Water Resources Conference in Washington.

Jinnette is a licensed pilot and has been flying actively for many years. He and his wife have three children, Scott, Carleen and Marsha.



Robert S. Jinnette

CONTACT leaders complete training for energy conservation meetings

While many people have thoughts of the holidays this time of year, 27 GSU employees are now thinking of energy conservation as well. That's the subject of the fifth CONTACT program, for which the 27 CONTACT leaders completed a training session December 5-8 at Beaumont's Ridgewood Motor Hotel.

Representing all five of the Company's divisions, the leaders received information and input on many areas of conservation, from saving energy at home to what GSU is doing with the energy research

homes. Speakers from the Company explained the various aspects of conservation to the leaders. Next, the leaders sharpened their speaking/presentation skills, with the aid of Ken Huskey and Craig Armstrong of K. W. Huskey Associates, communications consultants.

Now the CONTACT meetings on conservation are in progress. Watch for a notice in your area, and learn something on this subject, an important one for everyone.

To speed nation's energy search

Louisiana port to enlarge Gulf channel

Louisiana's Port of Iberia, one of the fastest growing industrial complexes served by Gulf States Utilities, is currently the subject of a \$300,000 environmental impact feasibility study as a prerequisite to a proposed \$30 million project to enlarge the port's channel to the Gulf of Mexico.

Located in New Iberia, in the heart of Acadiana, the thriving port serves 47 industries and, as a result, provides employment for more than 2,500 people.

At present, the port's 7½-mile long commercial channel ranges in width from 125 to 150 feet while the depth varies from 12 to 15 feet. Upon completion of the environmental impact study by the U.S. Army Corps of Engineers, it is expected that the channel will be widened to 300 feet and deepened to 20 feet. The port's link to the Gulf of Mexico, the commercial channel flows into the Intracoastal Canal.

Among the benefits, the enlarged channel would enable larger ships to dock at the port and facilitate the construction and shipment of large offshore platforms as petroleum exploration expands into deeper drilling locations.

One of the most enthusiastic and influential supporters of the New Iberia project, Louisiana Senator J. Bennett Johnston, says the nation's energy problems are "all the more reason for a strong effort to improve the Port of Iberia.

"Unless we widen and deepen the port," he says, "drilling equipment will continue to have to travel round-about routes to the Gulf. Transportation of massive drilling structures, which require much

larger channels, will either not be built in Louisiana or will take longer to get to their destinations. This will further delay the search for energy.

"Deepwater rigs will become the rule rather than the exception as the nation intensifies its hunt for additional energy," adds Johnston.

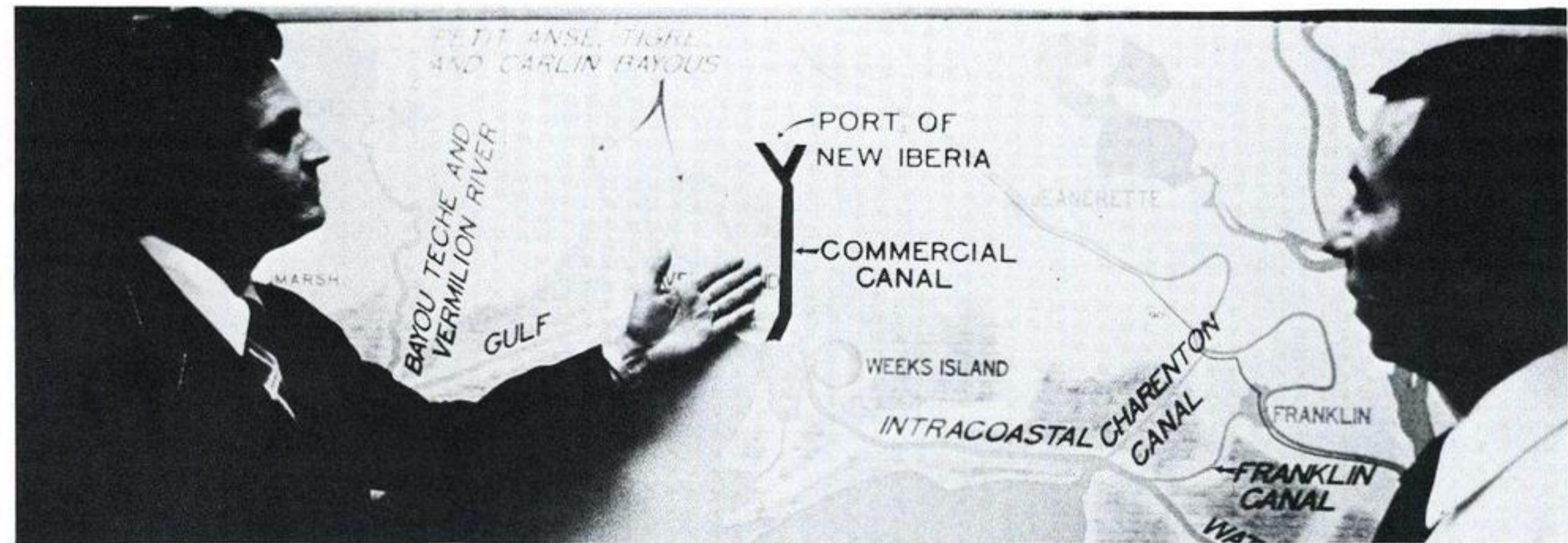
The economic benefits of the channel enlargement project are expected to have a tremendous impact on the growth of Iberia Parish as well as the surrounding areas and the state in general.

The man in charge of the development and coordination of this rapidly developing industrial center

is John Oubre, the port's executive director. And, because the port is growing so fast, says Oubre, long-range planning is a must.

"This little port seems to be the topic of conversation everywhere I go," he says. "This baby is off and running. What it needs now is direction and planning.

"When I sit in my office and reflect on the many projects going on at the port, and realize that they will eventually affect every life in the parish, I feel awed by the tremendous responsibility I have assumed."



Port of Iberia executive director John Oubre discusses the channel enlargement project with GSU coordinator of area development John Bordelon.

Two GSU retirees die in November

Two GSU retirees, a former substation operator and a retired garage shop foreman, died in November.

Dead are **Marcus D. Smith**, a resident of Navasota, Tex., and **George C. Lill**, Baton Rouge.

Smith, a native of McGregor, Texas, died on November 9. He joined the company in 1928 and retired in 1972 as a substation operator in Conroe after 44 years of service.

An army veteran, Smith served in the European Theater during World War II. He won four battle stars as a sergeant in the 252nd Ordinance Company.

He was a member of the American Legion, which he had served as post vice commander, and attended the First Baptist Church of Navasota.

Lill, who died on November 15, was hired on March 1, 1935 as a bus mechanic in Baton Rouge. He worked in a number of mechanic classifications until 1953 when he was made garage shop foreman.

He was a native of Lawrence, Kan.



G. Lill



M. Smith

Beaumont paper attacks LPSC

The Louisiana Public Service Commission (PSC) has, over the past few years, gained a national reputation for the political manner in which it has regulated the state's utilities. The following editorial, reprinted from the November 19 issue of the Beaumont Enterprise, gave a blunt picture of what is in store for Louisiana industrial growth, if this type of regulation continues. Since this editorial appeared the LPSC granted GSU about half the increase requested in December, 1977.

In his slick eight-page advertising supplement that appeared in 16 Louisiana newspapers recently, gubernatorial candidate Louis Lambert promised to work vigorously to attract new industry to the state.

"Industry is the very hope of our state," he says. "It makes jobs for people, invigorates the economy, educates and liberates from economic imprisonment thousands of people who are now emerging to a better life."

If Lambert really believes those words, his tenure as chairman of the Louisiana Public Service Commission doesn't show it.

Under Lambert, the PSC has pursued a policy that threatens to stunt Louisiana's economic growth and scare away companies in search of a place to locate. By depriving the state's utility companies of a fair rate of return, Lambert and a majority of his fellow commissioners are sentencing the people of Louisiana to the "economic imprisonment" he decries in his campaign rhetoric.

Without a fair rate of return, Gulf States Utilities Co. and other utility firms that do business in Louisiana cannot attract the investors and capital needed to finance the facilities that new industry would require. And don't think businesses elsewhere are unaware of Louisiana's regulatory climate.

GSU has not had a rate increase in Louisiana since 1973. Imagine what your financial condition

would be if your salary had not gone up in five years.

In Texas, meanwhile, GSU received a rate hike last year. Although the company got only 40 percent of what it was seeking from the Texas Public Utility Commission, that was a godsend compared to what GSU has been getting in Louisiana.

Last April we noted the First National Bank of Chicago was planning to sell \$43 million worth of stock in GSU and two other Louisiana utility firms unless the PSC gave some rate relief.

The withdrawal of a major stockholder like the Chicago bank would have a damaging effect on the company. GSU would lose a major market for selling bonds to finance improvements and would have to pay higher rates for bond sales.

And, if it costs more for GSU to borrow money to finance improvements, the increase eventually shows up on monthly utility bills — in Texas as well as Louisiana.

A spokesman for the Chicago bank said last week that its stock has not been sold. The bank is waiting to see if a Louisiana legislative committee that is studying the Public Service Commission will recommend changes to improve the regulatory climate.

GSU, meanwhile, has gotten one piece of heartening news from Louisiana. A PSC hearing examiner studying the company's bid for a \$42 million rate increase has recommended the firm be given \$21 million. In the words of GSU board chairman Don Crawford, that's about 21 times what Louisiana hearing examiners have recommended in the past.

Of course, the final decision is up to the full commission — headed by gubernatorial candidate Lambert. Needless to say, GSU is not holding its collective breath waiting for a Louisiana rate hike.

On The Move

ADAM, MARK D., B. Rouge, promoted to Mechanic Helper, Willow Glen, Mechanical.

AUBIN, JUNIOR F., B. Rouge, Utility Foreman, T&D Line Department, B. Rouge, transferred to T&D Line Department, Gonzales, and promoted to Line Foreman.

BADIE, ALBERT, B. Rouge, promoted to Corrosion Technician, Gas Department, Construction.

BATINO, ALAN A., Pt. Arthur, promoted to Lineman 4/C, T&D Line.

BEARD, JOHN W., Bmt., Line Foreman, T&D Line Department, promoted to Assistant General Line Foreman.

BERGERON, HUGH R., B. Rouge, promoted to Pipeman-Welder 3/C, Gas Department, Construction.

BOYD, DAVID M., B. Rouge, promoted to Mechanic Helper, La. Station, Test.

BRILL, RAYMOND, Senior Engineering Assistant, T&D Engineering, Conroe, promoted to Party Chief.

BROYLES, SHEILA R., Assistant Purchasing Agent, Material Services, B. Rouge, transferred to Division Accounting, B. Rouge, and promoted to Supervisor-Telephone Services.

BRUMLEY, IVY J., Bmt., promoted to Building and Grounds Maintenance Man, System Operations, Building and Grounds, Main Office.

BURBANK, JANIS L., Mathematician, Division Accounting, B. Rouge, transferred to Division Marketing, B. Rouge.

CALCOTE, JAMES O., Supervisor-Design Engineering Construction, Engineering Design, Bmt., promoted to Chief Engineer-Transmission & Substation Engineering.

CAUSEY, ANTHONY B., Senior Risk Analyst, Risk Management Services, Bmt., promoted to Supervisor-Risk Management Services.

CHAPMAN, JEAN J., Clerk, Division Accounting, B. Rouge, promoted to Section Head, Telephone Services.

CHARLTON, JOSEPH W., Financial Analyst, Financial Services, Budget, Bmt., changed to Contract Representative, Legal Services, Contracts.

COLE, MELVIN S., Director-Engineering Standards & Applications, System Engineering, Bmt., promoted to Director-Transmission Planning.

COLEMAN, DANNY V., Sulphur, promoted to Lineman 3/C, T&D Line.

COLLIER, ROBERT T., Engineer, Engineering Design, Bmt., promoted to Senior Engineer, Transmission & Substation Engineering.

COON, WILLIS E., Lineman 1/C, T&D Line Department, Bmt., promoted to Training Representative, Personnel Services, Bmt.

DAVIDSON, PEELER O., District Serviceman 1/C, T&D Services, Livonia, transferred to T&D Line Department, Pt. Allen, and promoted to Utility Foreman.

DODSON, ROBERT J., JR., Conroe, promoted to Repairman 2/C, Lewis Creek, Mechanical.

DRAGG, ALVIN L., Line Foreman, T&D Line Department, Gonzales, promoted to Assistant General Line Foreman.

DUPUY, HERMAN G., Master Repairman, La. Station, promoted to Boiler Maintenance Foreman.

FIELD, MOLLY H., Employment Interviewer, Personnel, B. Rouge, transferred to Personnel, Bmt., and promoted to Employee Benefits Representative.

FLOWERS, DORIS S., Confidential Records Clerk, Accounting Services, Payroll, Bmt., promoted to Administrative Assistant.

FOSTER, VIRGIL F., Consumer Service Representative-Senior, Division Marketing, Conroe, promoted to Claims Representative, Division Operations, Conroe.

FRANKLIN, TERRELL G., Division Accounting Supervisor, Division Accounting, L. Charles, transferred to Accounting Services, Bmt., and promoted to Director-Division Accounting Services.

FUSELIER, VIRGIL L., Supervisor-Consumer Services, Lafayette, promoted to Supervisor-Consumer Services, L. Charles.

GARON, GERALD W., B. Rouge, promoted to Apprentice, T&D Line.

GASCON, PAUL D., Utility Foreman, T&D Line Department, Pt. Allen, promoted to Line Foreman.

GATES, DANIEL C., Line Foreman, T&D Line Department, Zachary, promoted to Assistant General Line Foreman.

GIBSON, VERLIE P., Clerk, Division Accounting, B. Rouge, promoted to Section Head, Telephone Services.

GLASCOCK, JAMES L., Assistant Purchasing Agent, Material Services, B. Rouge, transferred to Division Accounting, B. Rouge, and promoted to Section Head, Plank Road branch office.

GORDON, WILLIAM M., Utility Foreman, T&D Line Department, B. Rouge, transferred to T&D Line Department, Zachary, and promoted to Line Foreman.

GORE, THOMAS I., Mechanic Helper, Nelson Station, promoted to Shop Foreman, T&D System Garage, L. Charles.

GRIMES, PAUL L., Bmt., promoted to Engineering Assistant, Engineering Design-Engineering Services, Scheduling.

HARRIS, JAMES A., Conroe, promoted to Collector, Division Accounting, Credit & Collecting.

HAY, DORIS A., L. Charles, promoted to Consumer Service Representative, Division Marketing, Consumer Services.

HAYES, GEORGE E., Supervisor-Estimating & Budgeting, Engineering Design, Bmt., changed to Supervisor-Estimating & Engineering Reports.

HAYNIE, KEN, Commercial Artist, Public Affairs, Bmt., promoted to Graphics Representative.

HEBERT, HAROLD R., Utility Worker I, Sabine Station, Pt. Arthur, promoted to Mechanic Helper, Sabine Station, Mechanical.

HENSON, MICHAEL E., L. Charles, promoted to Senior Engineering Assistant, T&D Engineering.

HELMS, LARRY D., Bmt., promoted to Lineman 1/C, T&D Line.

HINZE, BILLY R., Senior Engineering Assistant, T&D Engineering, Conroe, promoted to Right-of-Way-Man.

HUGHES, JACKIE G., Bmt., promoted to Senior Clerk, Division Accounting, Credit & Collecting.

HUVAL, TERRY J., Engineer, T&D Engineering, B. Rouge, changed to Industrial Engineer, Division Marketing, B. Rouge.

JACKSON, KARL W., Administrative Accountant, Accounting Services, Bmt., promoted to Senior Administrative Accountant, Regulatory Reports.

JAMES, RICHARD E., Employee Benefits Representative, Personnel, Bmt., promoted to Supervisor-Payroll Administration, Accounting Services, Bmt.

JOHNSON, CECIL L., Director-Governmental Affairs-Texas, Public Affairs, Bmt., changed to Director-Rate Counsel, Rate, Bmt.

JOHNSON, ROBERT R., Economist, Financial Services, Bmt., transferred to Corporate Services, Bmt.

JOLLY, ELIZABETH R., General Clerk, Accounting Services, Bmt., transferred to General Services, Records Management, Bmt., and promoted to Section Head.

MOORE, LARRY G., Jennings, promoted to Apprentice, T&D Line.

NAVARRE, GUY R., B. Rouge, promoted to Storeroom Assistant, Division Accounting, Stores.

NESBITT, NANCY A., General Clerk, Material Services, Order Processing, Bmt., promoted to Section Head.

NEVES, ROY E., Utility Man, T&D Line Department, Conroe, promoted to Assistant to General Line Foreman.

PARKER, CARY S., B. Rouge, promoted to Second Fireman, La. Station, Operations.

PATIN, GREGORY A., B. Rouge, promoted to Storeroom Assistant, Division Accounting, Stores.

PERCLE, MALCOLM P., Assistant General Line Foreman, T&D Line Department, B. Rouge, transferred to T&D Line Department, Denham Springs.

PETERS, DENNIS J., B. Rouge, promoted to Pipeman-Apprentice, Gas Department, Construction.

PLACKER, DENNIS R., Dayton, promoted to Apprentice, T&D Line.

PURKEY, JAMES B., Real Estate Representative, Real Estate, Bmt., promoted to Coordinator-Engineering Budget, Engineering Design, Engineering Services, Bmt.

RENFRO, CHARLESSELLA A., Bmt., promoted to Stenographer-Senior, Technical Services.

RICHARDSON, JOHN M., Bmt., promoted to Relayman 2/C, T&D Relay.

RYALS, DAVID W., B. Rouge, promoted to Apprentice, T&D Line.

SCHLATRE, CHARLES N., Line Foreman, T&D Line Department, Pt. Allen, promoted to Assistant General Line Foreman.

SCHNEIDER, ALYCE S., Bmt., promoted to Stenographer-Senior, Financial Services, Overall.

SIMON, JAMES H., Consumer Service Representative, Division Marketing, Lafayette, promoted to Area Development Representative.

SMITH, AUBREY M., Director-Transmission Planning, System Engineering, Bmt., promoted to Director-Engineering Design.

SMITH, PHILEMON G., B. Rouge, promoted to Turbine Engineer, La. Station, Operations.

STAGNER, HERSHEL L., Utility Foreman, T&D Line Department, Orange, promoted to Assistant General Line Foreman.

STOKES, ISAAC G., Consumer Service Representative-Senior, Division Marketing, B. Rouge, transferred to Division Accounting, B. Rouge, and promoted to Meter Reader Supervisor.

STONE, DONALD R., B. Rouge, promoted to Helper, Gas Department, Meter.

STRAIGHT, HARRY W., Quality Assurance Representative, Quality Assurance, Bmt., changed to Procedure Development Representative, Energy Development, Administrative Staff, Bmt.

TADLOCK, BILLIE R., B. Rouge, promoted to Repairman 1/C, Willow Glen, Mechanical.

TASSIN, ROBERT JR., Utility Foreman, T&D Line Department, B. Rouge, transferred to Personnel Services, B. Rouge, and promoted to Training Representative.

TEAGUE, NEIL M., Relay Foreman, T&D Relay, Conroe, promoted to Supervisor-Relaying & Communications.

TOUPS, JERRY E., Orange, promoted to Lineman 4/C, T&D Line.

TYNES, LANNIS L., Design Engineer-Construction, Engineering Design, Bmt., promoted to Supervisor-Engineering Design-Louisiana.

VICKNAIR, MICHAEL P., Lineman 1/C, T&D Line Department, B. Rouge, promoted to Utility Foreman, T&D Line.

WASHINGTON, CLARENCE J., Lineman 1/C, T&D Line Department, B. Rouge, promoted to Utility Foreman, T&D Line.

WATSON, WARREN W., Conroe, promoted to Serviceman 1/C, T&D Service.

WEATHERFORD, WILLIAM T., Senior Administrative Accountant, Accounting Services, Bmt., promoted to Supervisor-Subsidiary Accounting.

WEBB, PAMELA J., Engineer, T&D Engineering, Pt. Arthur, promoted to Division Engineer.

WILLIAMS, RICHARD JR., B. Rouge, promoted to Serviceman 1/C, Gas Department, Services.

WILLIS, RICHARD, Garage Mechanic 1/C, T&D Garage, Bmt., promoted to Shop Foreman.

WRIGHT, WALTER F., Supervisor-Consumer Services, Division Marketing, B. Rouge, promoted to Superintendent-Pt. Allen.

ZEMANEK, JOHN H., Division Engineer, T&D Engineering, Pt. Arthur, transferred to System Engineering, Bmt., and promoted to Director-Engineering Standards & Applications.

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Editor ... Gary Dias Contributing Editor ... Rick Harvin Artist ... Ken Haynie

Member

Houston

Crawford completes fall employee meetings

Board Chairman Don Crawford has just completed a series of some 25 employee meetings, his second such series of meetings since he took over at the Gulf States helm last spring.

The meetings, kicked off in Baton Rouge on October 23 and concluded nearly a month later, were held in all five of the company's divisions.

Crawford opened the sessions by updating employees on the national and local events affecting the company. Carter's national energy plan, said Crawford, is not the kind of plan that the country desperately needs. "It is complex, vague and eaten up with compromises," he said, adding that the legislation, as presently worded, would not help solve the major problems facing the U.S. electric power industry—inadequate rate relief and conversion from natural gas and oil to coal and nuclear as a boiler fuel base.

TURNING TO THE rate situations in Louisiana and Texas, Crawford said that, although the company was not satisfied with the PUCT's (Public Utility Commission of Texas) decision last spring to grant only 40 percent of the \$23.4 million GSU requested in December of 1977, he was pleased with the promptness of the decision, which took less than six months.

"Louisiana, however, is a different story," said Crawford. "In February, 1977, after 14 months of hearings and many man-hours of preparation, the LPSC (Louisiana Public Service Commission) denied our request for a \$23.8 million increase in general electric rates and granted only about half of the requested gas rate increase of \$2.3 million.

"We are still operating in Louisiana on rate levels established, for all practical purposes, in 1972."

Crawford told employees that the LPSC is expected to act on the company's present \$43 million rate case by the end of the year. (See page one)

BECAUSE OF THE political makeup of the commission, he said, GSU is not optimistic about receiving an unbiased hearing from them. "Our recourse is with the legislature," which passed a concurrent resolution in the last session, authorizing a study of the commission.

Crawford gave a brief overview of the status of the company's major construction projects.

Construction on Nelson #6, GSU's first coal-fired unit, started this summer, he said, but the decision to build the turn coal unit depends on rate relief in Louisiana.

"Work on the two planned River Bend nuclear units at St. Francisville is still minimal maintenance of the site," said Crawford. "We plan to concentrate on the #1 unit, continue to work for rate relief in Louisiana and press for participation of up to 40 percent by neighboring rural electric cooperatives." A decision on River Bend #2 will be made before the end of 1980.

PLANS FOR THE two Blue Hills nuclear units in Newton County, Texas, have been cancelled, Crawford said, but the site will be retained as a possible future nuclear site.

Crawford told employees that the oil/gas unit at Sabine Station is still scheduled for completion by the summer of 1980 but that it will be the last such unit GSU will build.

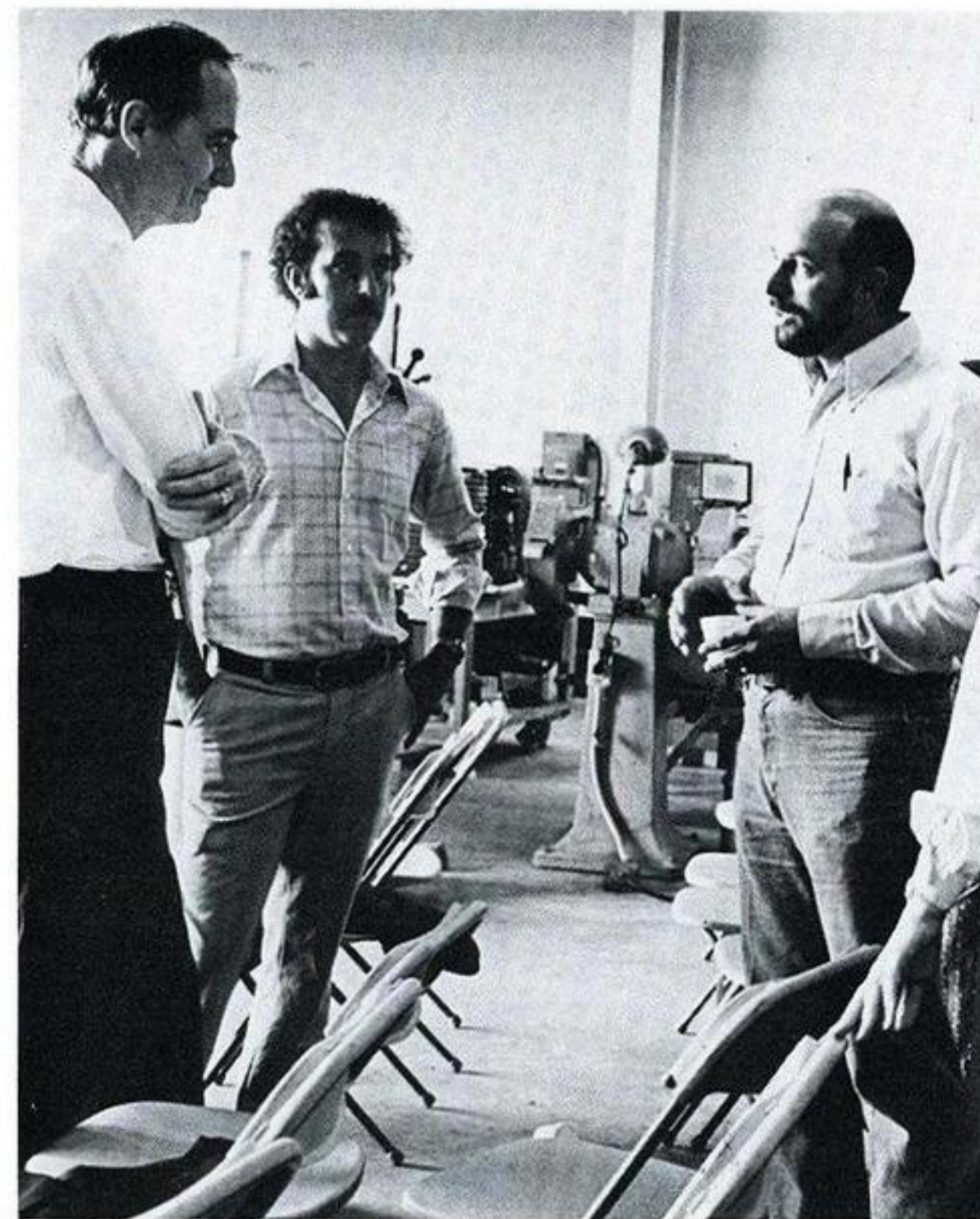
Crawford also reported on action taken as the result of questions and suggestions made during last spring's meetings. Improvements have been and are still being made in the areas of wages, safety, minorities and women in management, and manpower.

AS A RESULT of suggestions made during the spring meetings, GSU has reviewed its employment policy and made changes to include the hiring of in-laws, located full-time safety representatives in each division and is exploring an incentive program for employee suggestions.

"Other questions dealt with specific local situations and I believe the answers have been provided by the appropriate managers," said Crawford.

A question and answer period concluded each session.

Crawford indicated that he thought the meetings were quite worthwhile and that they would be continued on the semi-annual basis if employees considered them beneficial.



Service Awards



Cyril A. Dominguez
Division Production
Baton Rouge
40 Years



Malcolm R. Holmes
Division Production
Baton Rouge
40 Years



Harvey R. Johnson
Electric T&D Dept.
Lake Charles
40 Years



John M. May, Jr.
Division Production
Baton Rouge
40 Years



Frank J. Robinson
Division Operations
Huntsville
40 Years



Floyd E. Doughty
Electric T&D Dept.
Baton Rouge
30 Years



Clarence O. Mason
Electric T&D Dept.
Navasota
30 Years



Virgie L. Papin
Division Accounting
Lake Charles
30 Years



Lionel Sims
Electric T&D Dept.
Beaumont
30 Years



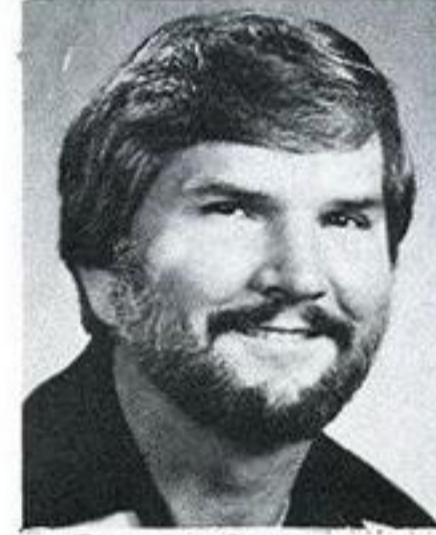
John T. Prothro
Division Accounting
Beaumont
30 Years



Billie M. Fortenberry
Division Accounting
Gonzales
20 Years



Chester J. Landry
Electric T&D Dept.
Lake Charles
20 Years



David P. Lyons
Electric T&D Dept.
Port Arthur
10 Years



Mack L. Hamilton, Jr.
Electric T&D Dept.
Orange
10 Years



Carolyn C. White
General Services
Beaumont
10 Years

Mail Box



Mr. Sammie Bono
Gulf States Utilities
314 Broad St.
Lake Charles, La 70601

Dear Sammie:

I have often heard of "Johnny on the spot" the Boy Scouts can now claim they have a "Sammie on the spot". Your cooperative effort on the recently completed Camp/Expo '78 is very much appreciated.

On behalf of myself and the many scouts and leaders of this Council, "Thank you".

I stayed up tight until the last tent was removed and tables properly stored, but all without good cause. Your efforts made it a success and will always be appreciated. Best personal regards.

Yours in Scouting,
Cecil R. Isbell
Scout Executive
Boy Scouts of America

Mr. James Turner
Gulf States Utilities
P. O. Box 2951
Beaumont, Texas 77704

Dear Jim:

Please accept my sincere thanks for the exceptional contribution you made to the United Appeals campaign in serving on our Speakers Bureau Committee. It was surely a privilege for me to have served with you in this outstanding community effort.

I'm confident the results of our effort attributed to a large degree the success reached in the campaign goal of 101%.

Hopefully, our paths will cross in future endeavors as this one, and I will be looking forward to any opportunity of again working with you.

Yours sincerely,

Ralph S. Grantham
Chairman, United Appeals
Speakers Bureau

Mr. Don Crawford, Chairman
Gulf States Utilities
P. O. Box 2951
Beaumont, Texas 77704

Dear Mr. Crawford:

We could not have met under more pleasant circumstances. The weather was cooperative, the ceremony memorable, and the generosity of Gulf States Utilities unparalleled in the utility corporate sector. Last Thursday's significant contribution will

not only help insure the long term viability of the Sandyland Preserve but will set a high standard for other Texas corporations to emulate. The role that Gulf States has played in the preservation of this outstanding area will be evident for all time.

We look forward to working with you and the people at Gulf States on the vegetative research in the years to come.

Most sincerely,

Ray M. Culter, Vice President
Director of Land Stewardship
The Nature Conservancy

Thrift Plan

Investments made by the Trustee during November, 1978 covering employee deductions and Company contributions through October, 1978 were as follows:

Purchase of Common Stock:

Number of Shares	Total Cost	Average Cost Per Share
10,233	\$129,191.67	\$12.625

The Trustee also made the following deposits:
First Security National Bank of Beaumont
\$91,564.59 Savings.

The Equitable Life Assurance Society \$19,337.27
Guaranteed Fixed Income Fund.

Inside GSU



John Sullivan, Beaumont Engineering-Scheduling, (second from right) is shown above pondering his team's second half strategy in the Junior Cardinal football league championship game. To Sullivan's right is Earl Sandlin, Engineering Standards and Applications, assistant coach. Sullivan's Redskins took the title, slipping past the Saints 13-12.



Donna Hickman, pictured above with father George Hickman, Beaumont T&D Engineering, was recently named Band Sweetheart at Deweyville High School, where she is head twirler. A senior, Donna also placed third in the Orange County "Voice of Democracy" oratorical contest. (from Carolyn Motl).



A retirement party was held recently in Lake Charles for Alvin J. Jackson, truck driver T&D Line. Jackson (right) is shown above as he accepts congratulations from Howard Mack, operating superintendent.



Sean McSwain, (far right, in dark suit), five year-old son of Linda Smith, department clerk, Beaumont T&D Engineering, was the official crown bearer in the 1978 Miss Kountze Pageant. (from Carolyn Motl)



Beaumont employees prepare gifts for distribution to the children of division employees at the December 11 Christmas party.



J. L. Terrell, senior engineering assistant assigned to the Hull and Dayton districts was honored at a gala banquet and party Oct. 30 upon his retirement with 41 years of service. The party was held in the community room of the First Liberty National Bank in Liberty. J. L. is pictured above with his wife, Vivian. (from L. E. Priest).

Two retire Oct. 1

Charles R. Vaughan, first class substation mechanic in Port Arthur, retired October 1 after 29 years of service.

The Gatesville, Tex., native was hired in 1949 as a lineman. He was a serviceman before attaining his last position.

Vaughan, a veteran of the U. S. Navy, served as a chief petty officer in the Seabees.

He and his wife, the former Ruth Calvin of Terrell, Tex., have a daughter, Sandra Lee Merrifield and two grandsons, Patrick (8) and Chris (5).

Vaughan is a member of the North End Baptist Church in Port Arthur.

Allie C. Gloria, customer accounting clerk in Lake Charles, also retired October 1.

Gloria was employed by GSU in 1946 as a cashier. A native of Meridan, Miss., she is active in the City of the Lake chapter of the American Business Womens Association.



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Beaumont, Texas
Permit No. 11

Year of Challenge — Year of Promise 1978 — 1979

Together, I believe we have accomplished a great deal this past year and I am proud of what we have been able to accomplish for our company and our customers. Although GSU and the entire electric utility industry in this country have many problems to solve before we regain the prosperity and esteem we had a few years ago, I am convinced that we can make 1979 a year of real achievement. The coming year should be one in which we provide better service to our customers and, in turn, should be rewarding to all Gulf Staters.

Sincerely yours,



W. Donham Crawford
Chairman of the Board