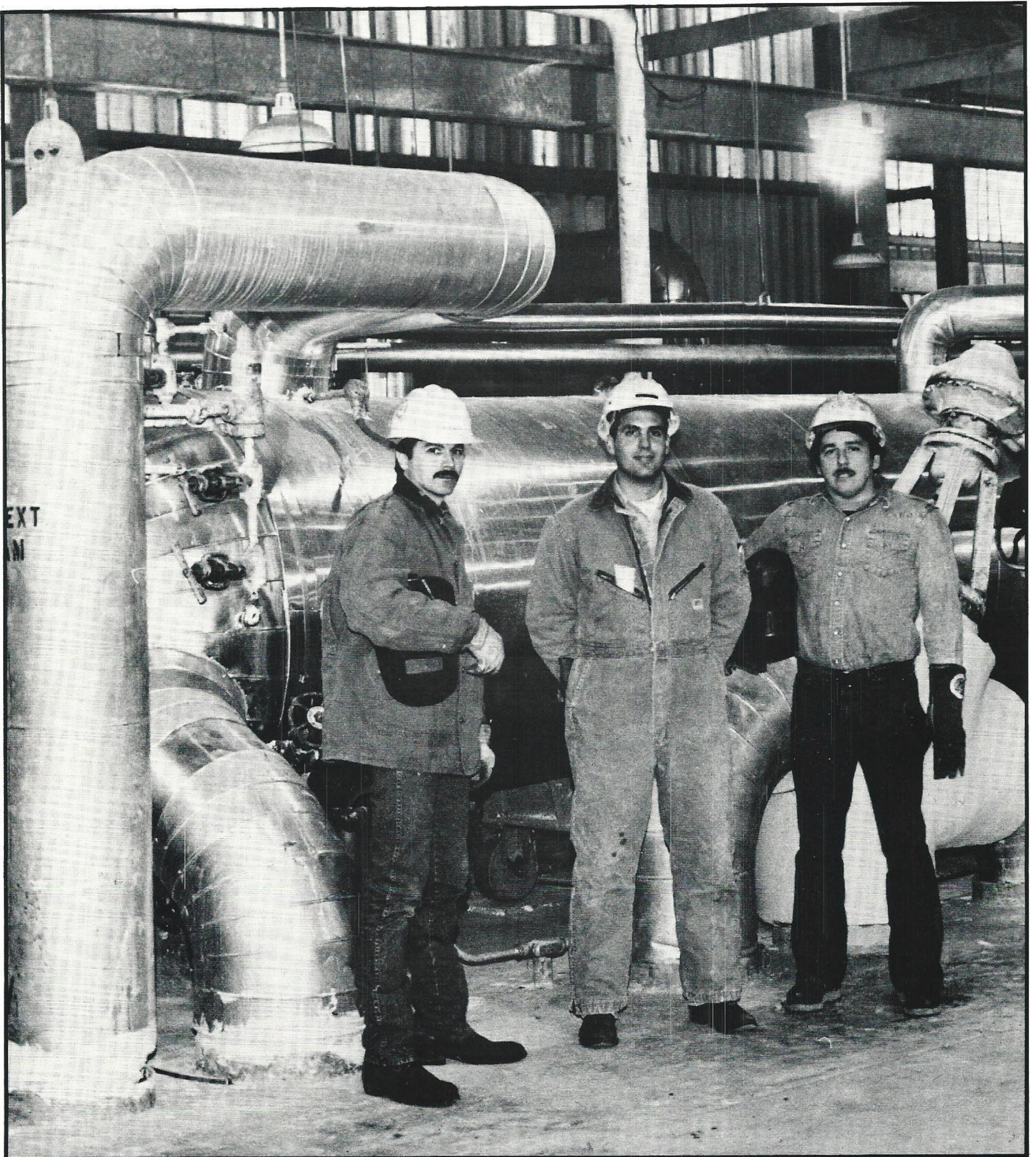


PLAIN TALKS

January-February 1988



GSU Costbusters

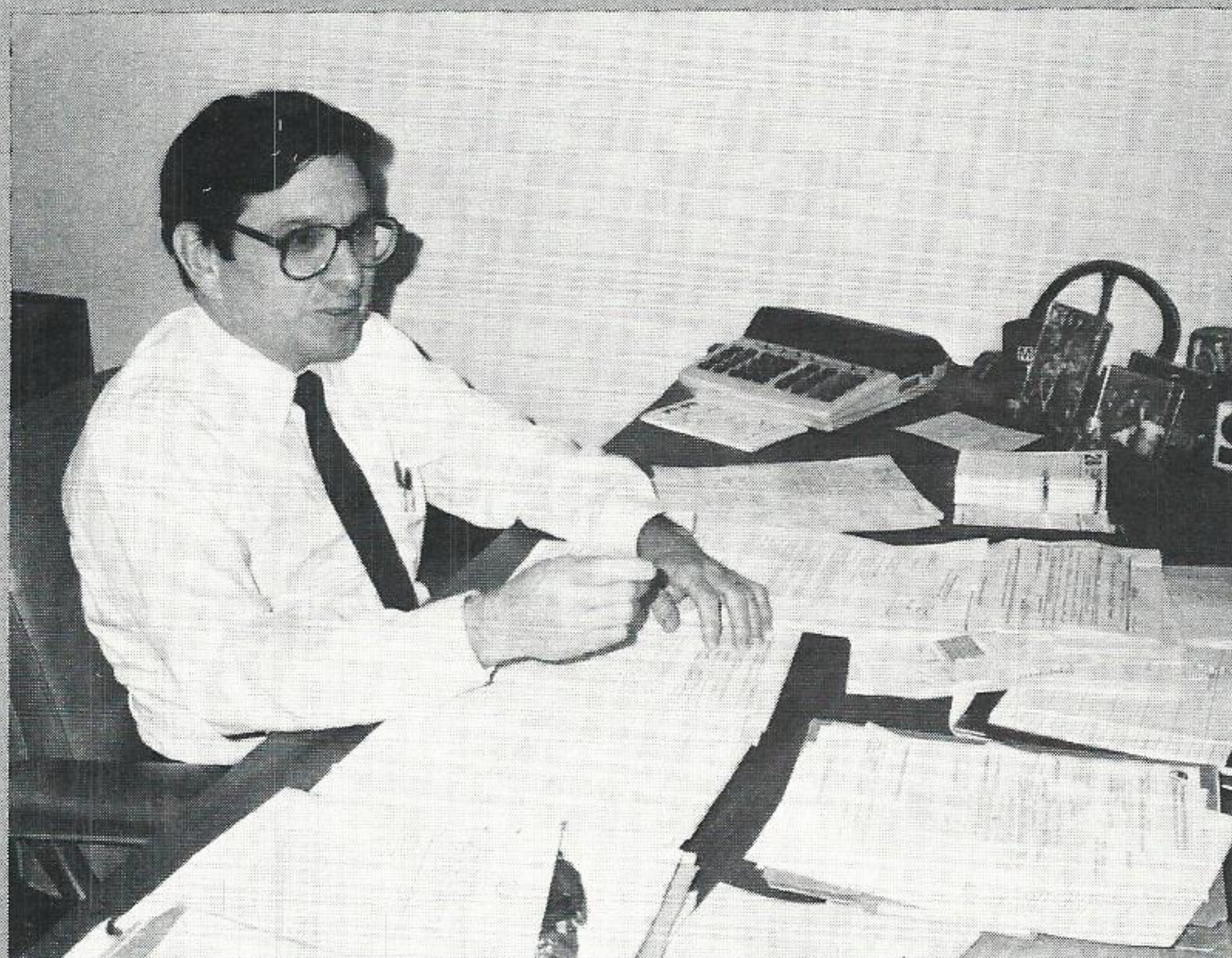
CONTENTS

Volume 67

Number 1

Mailbox	3
Coordinate your benefits, ESOP shares ready	4
The path of a paycheck	5
Costbusters at GSU	8
News briefs	11

E. Kelly Merritt



Richard James, director of Payroll Administration, oversees the complex task of paying each Gulf States employee. To learn about the path a paycheck takes before reaching you, see pages 5-7.

On the cover, Tim Casey, repairman-1st class, left, Henryk Olstowski, production engineer, center, and Mike Dalton, repairman-1st class, stand in front of the 2nd point feedwater heater at Lewis Creek Station. Casey and Dalton performed most of the welding on the installation of the heater, which was done completely in-house. To learn more about their money-saving efforts and those of other concerned employees, see pages 8-10. Plain Talks correspondent D. W. Rutherford shot the cover photograph.

PLAIN TALKS

January-February 1988

Published for employees and retirees of Gulf States Utilities Company. No portion of the contents of this magazine may be reproduced without written permission of the publisher. Address all communications to PLAIN TALKS, Gulf States Utilities Company, P. O. Box 2951, Beaumont, Texas 77704, Phone (409) 838-6631.

Executive Editor:

Betty Gavora

Editor:

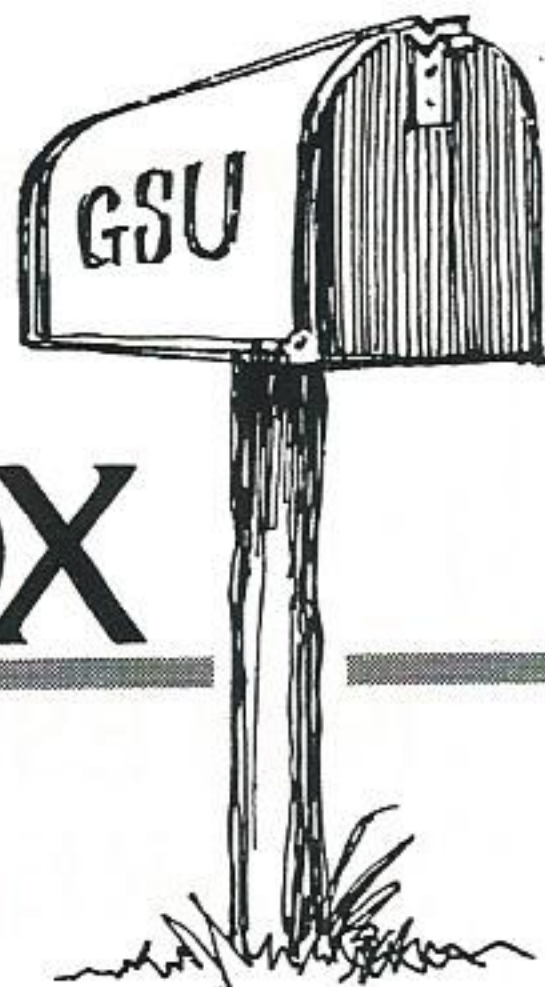
E. Kelly Merritt

Correspondents:

Robert Adams
Vickie Albert
Ronnie Bordelon
Barbara Broussard
Ella Brown
Mamie Burrell
Debra Cassel
Myra Castello
Laurie Cobbs
Lisa Creekbaum
Betty Dickschat
Lisa Didier
Betty Dowell
Andy Dreher
Donna Fancher
Charlotte Gautreau
Rhonda Haskins
Connie Herford
Tina Hunt
Lynda Kapalski
Helen Kennedy
Clint Lilley
Audrey McDonald
Carol Morris
Clint Moss
Gerald Nelson
Sherry Overbeck
Edith Patterson
Carol Payne
Myra Ponthier
Casey Richert
Mike Rodgers
Joe Reine
Greg Russell
D. W. Rutherford
Jeral Semien
Wilma Shaw
Sue Simon
Monica Thomas
David Thornhill
Jean Tinsley
Delores West
Robby Zeringue

Employees who change residences or offices should fill out company mailing-address-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.

MAILBOX



Sesquicentennial support

GSU was an important factor in the success of Beaumont's sesquicentennial celebration, writes Beaumont Sesquicentennial Commission chairman Albert Pollans to GSU Chairman and President **E. Linn Draper**. In particular, Pollans thanks the many Gulf Staters and their families who participated in the Beaumont One-Five-Oh pageant, congratulates GSU for its leadership and its winning entry in the Sesquicentennial Parade, and congratulates museum curator **Jill Street** for her efforts as Sesquicentennial First Lady runner-up. "GSU made an outstanding contribution to our success and I will always be grateful to you and the employees of GSU for your support," Pollans writes.

Morgan adds sparkle

The Anahuac Area Chamber of Commerce writes to thank Gulf States, especially **James Morgan**, serviceman-1st class, for hanging Christmas decorations on utility poles in the area. "They look fantastic and really add sparkle in the community," writes executive administrator Jody Harmon.

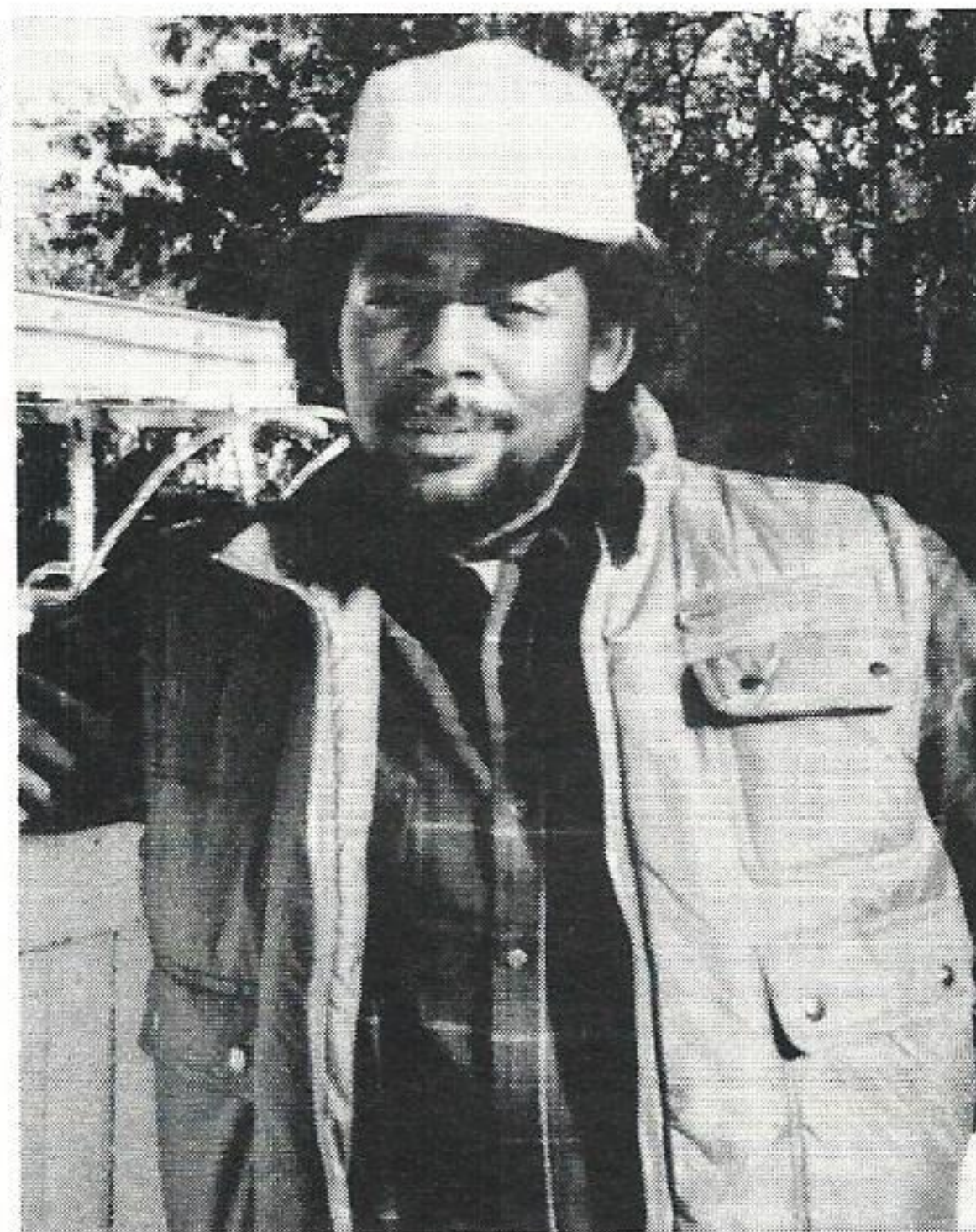
Dedicated people

"Your company is indeed fortunate to have such dedicated people in your employ" as **Maxie Fair**, executive secretary; **Jack Judice**, consumer credit coordinator; and **Kevin Minor**, customer contact clerk, writes a Baton Rouge customer. "They were most understanding and efficient in my dealings with them," the customer writes. "I have been a customer of yours for 32 years and I appreciate Gulf States always being there at a flick of a switch. You do need a rate hike!"

Fire department help

The Navasota Fire Department writes to thank **John Conley**, vice president-Western Division for allowing fire fighters the use of a bucket truck during a two-story house fire recently. "If it had not been for the use of your truck, we would have been at the fire three or four more hours and would have lost more of the house than we did," writes NFD chief Chester Nobles. Nobles also thanked Navasota District superintendent **Louis Sandidge** and lineman-4th class **Michael Robinson** for operating the truck.

Butch Gerke



Michael Robinson

Kept their word

"Thank you for your courteous employees!" writes Beaumont customer Claude Trahan. Trahan called GSU when a leaning utility pole caused electrical wires to lay dangerously atop his neighbor's home. "They told me what the problem was, what had to be done and when they could rectify it. And they kept their word! This means a lot to me."

From lightning to Good Cents

On June 22, 1986, GSU retirees Manson and Bobbye Corkerns' Florida vacation was interrupted by a frightening call. "Your home has been struck by lightning and is burning down," their hysterical granddaughter reported. Needless to say, their 11-hour drive back to Denham Springs was a nightmare. However, with the help of friends and relatives, "during the next five months we were able to build a lovely, comfortable, energy-efficient home."

"We would just like to offer a big thank you to GSU staffers" **Harriet Babin Miller**, supervisor-consumer information services, **Valerie Young**, senior consumer service representative, **Dennis Smith**, consumer information coordinator, and **Jerold Cahal**, senior district service representative-Denham Springs. All are from the Baton Rouge Division.

"As a result of their help, we are now enjoying the Good Cents discount on our electric bill," the Corkerns write.

Nice young man

When Houston resident G. F. Hall arrived at her weekend retreat near Lake Livingston, Texas, recently, she noticed that power to her cabin had been short-circuited by a squirrel on the utility pole. She called Gulf States and "a very nice young man drove up and had our power restored within minutes." The nice young man was serviceman-1st class **Billy Philio**. "One never thinks about electricity until the summer bills get too high or one is without, but I wanted to thank you for the prompt and courteous service," she writes.

DON'T FORGET COORDINATION OF BENEFITS

Coordinating medical and dental benefits when two insurance plans are involved can be confusing, but often results in a 100 percent payment of claims, says Jommy Holder, coordinator of employee benefits.

Coordination of benefits means that benefits under Gulf States' plan are coordinated with those of other group plans, including Medicare. When a GSU employee or dependent is covered by two or more group plans, the combined plan benefits can pay up to, but not more than, 100 percent of the actual medical expenses.

When a GSU employee's spouse works for another company that offers group coverage, the couple and their dependents, if any, can coordinate benefits as long as they are listed for coverage under both plans. Insurance regulations determine which plan must pay first (primary coverage) and which plan will pay second (secondary coverage). To avoid errors and payment delays, Holder says, it is important to understand the guidelines that determine primary and secondary coverage.

What are the guidelines? Each spouse's primary coverage is provided through his or her employer. For instance, Patty works for Gulf States and her husband, Jim, works for XYZ Company. If Jim is hospitalized, he would file a claim first with XYZ's insurance carrier. If Patty is hospitalized, she would first file with Provident Life and Accident Insurance Co., Gulf States' carrier.

When the couple files a claim for their children (if they've both enrolled them as dependents), the primary carrier is determined by the birthday rule. That is — the

parent with the first birthday in the year determines the primary coverage for the children. Referring to the example above, Patty's birthday is in January and Jim's birthday is in July. In all claims regarding their children, Provident (GSU) would be the primary carrier.

After Provident has paid, Patty could then file with her husband's carrier. With this filing, she would include a copy of the explanation of benefits already paid by Provident.

The parent with the first birthday in the year determines the primary coverage for the children.

Why bother to file with the secondary carrier? It will probably be to Patty's and Jim's advantage. For instance, if one of the children had surgery, Provident would pay 80 percent of covered physician's charges after the deductible was satisfied. In many cases, XYZ's insurance carrier will pay the deductible and other 20 percent, relieving Patty and Jim of that expense.

Problems occur when individuals file the primary claim with the wrong insurer or when they file with both plans at the same time. Holder says this usually causes a delay in claim payments. In the event that both plans pay primary benefits before realizing the error, the employee or spouse is required to repay any overpayment.

To file a claim with the intention of receiving overpayment from an insurance carrier is subject to employee discipline and prosecution by the insurance carrier, Holder says.

Questions regarding these or any employee benefit programs should be referred to 733-5715 or 733-2754.

1980 ESOP SHARES READY

Employees who participated in the Employee Stock Ownership Plan (ESOP) for Plan Year 1980 can withdraw their 1980 shares of GSU common stock beginning in April, reports Keith Stewart, employee benefits representative. To withdraw in April, however, participants must turn in an ESOP withdrawal election form to Payroll by March 31. In addition to 1980 shares, participants can also withdraw any 1976, 1977 or 1978 stock still in their ESOP account.

"Before withdrawing available ESOP shares, participants should consider the tax consequences as well as their financial needs," Stewart adds.

As a reminder, Stewart says certain procedures regarding ESOP withdrawals have changed. For instance, withdrawal election forms must now be requested from Payroll, at 733-4773 or (409) 838-6631, extension 4773, by the participant. Previously, withdrawal election forms were automatically mailed to participants at the end of each 84-month holding period, the time required by law before shares can be distributed to active participants. Also, withdrawals from ESOP are now made quarterly, rather than annually. As such, withdrawal election forms must be received in Payroll by the last day of a quarter (March 31, June 30, Sept. 30, and Dec. 31) for distribution in the following quarter.

Participants who leave their available shares of ESOP stock in the plan can elect to withdraw those shares during any future quarter.

Questions regarding ESOP can be addressed to Benefits at 733-5716 or (409) 838-6631, extension 5716.

The path of a

PAYCHECK



story and photos by E. Kelly Merritt

Processing Gulf States' payroll reminds payroll director Richard James of a unique juggling act from the Ed Sullivan Show. In the act, a juggler balanced dinner plates on several tall, spinning poles, keeping all the plates balanced and all the poles spinning. The act was precarious, but, as far as James can remember, the juggler never failed.

Such is the work of Payroll Administration and it, too, is accomplished every week without fail. Payday comes every other week for classified employees and twice a month for management employees, but, as far as Payroll's work is concerned, everyday is payday.

Besides preparing a paycheck for every employee on a regular basis, the group pays the company's payroll taxes. Eight times a month, James' group sends a check to different government entities. These taxes include federal income, social security, unemployment and other taxes.

Payroll also keeps track of each employees' deductions, maintains benefit plan records, balances the benefit plan accounts, and pays the benefit plans. It works closely with Human Resources, Computer Services, Office Services, Legal Services and the other sections of Accounting Services.

"We are not directly responsible for the production and sale of electricity and we don't collect bills," says James. "We are here to serve the employees of GSU, to make sure each employee gets paid the proper amount at the proper time."



1. Marsha Cozad, customer contact clerk-Beaumont, signs her time sheet before turning it in to her supervisor, Pluma Dorsey, section head, credit and collections. The time sheet records the days and hours employees work, plus sick or vacation days. It is sent to Payroll where ...



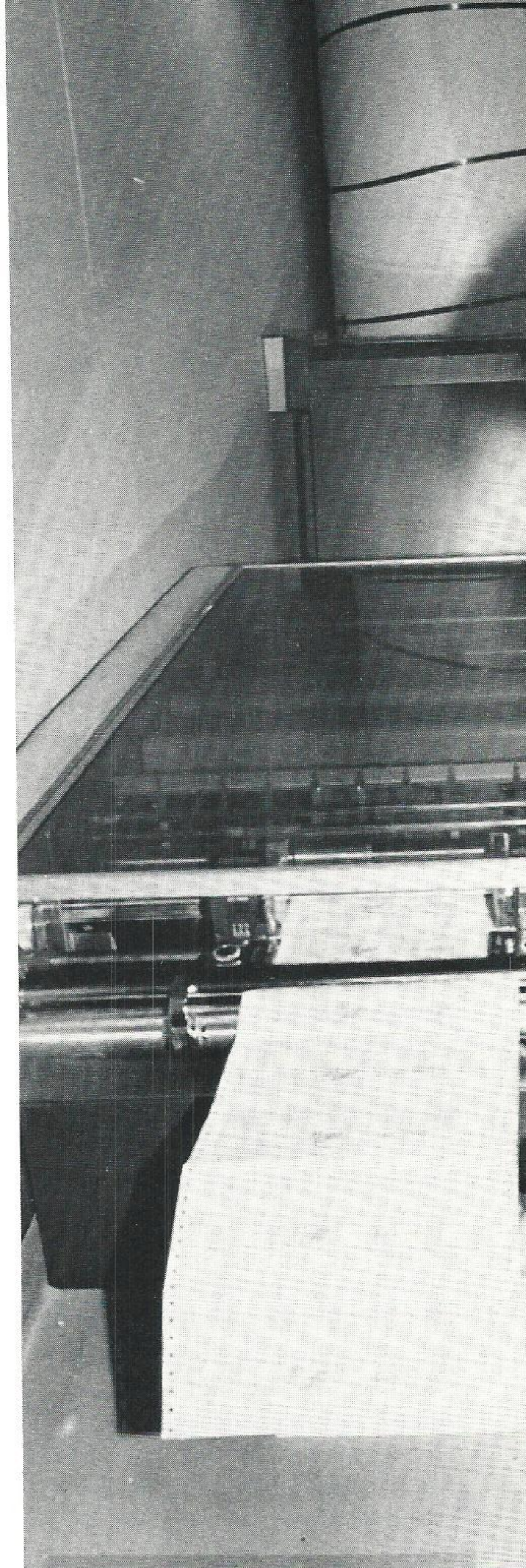
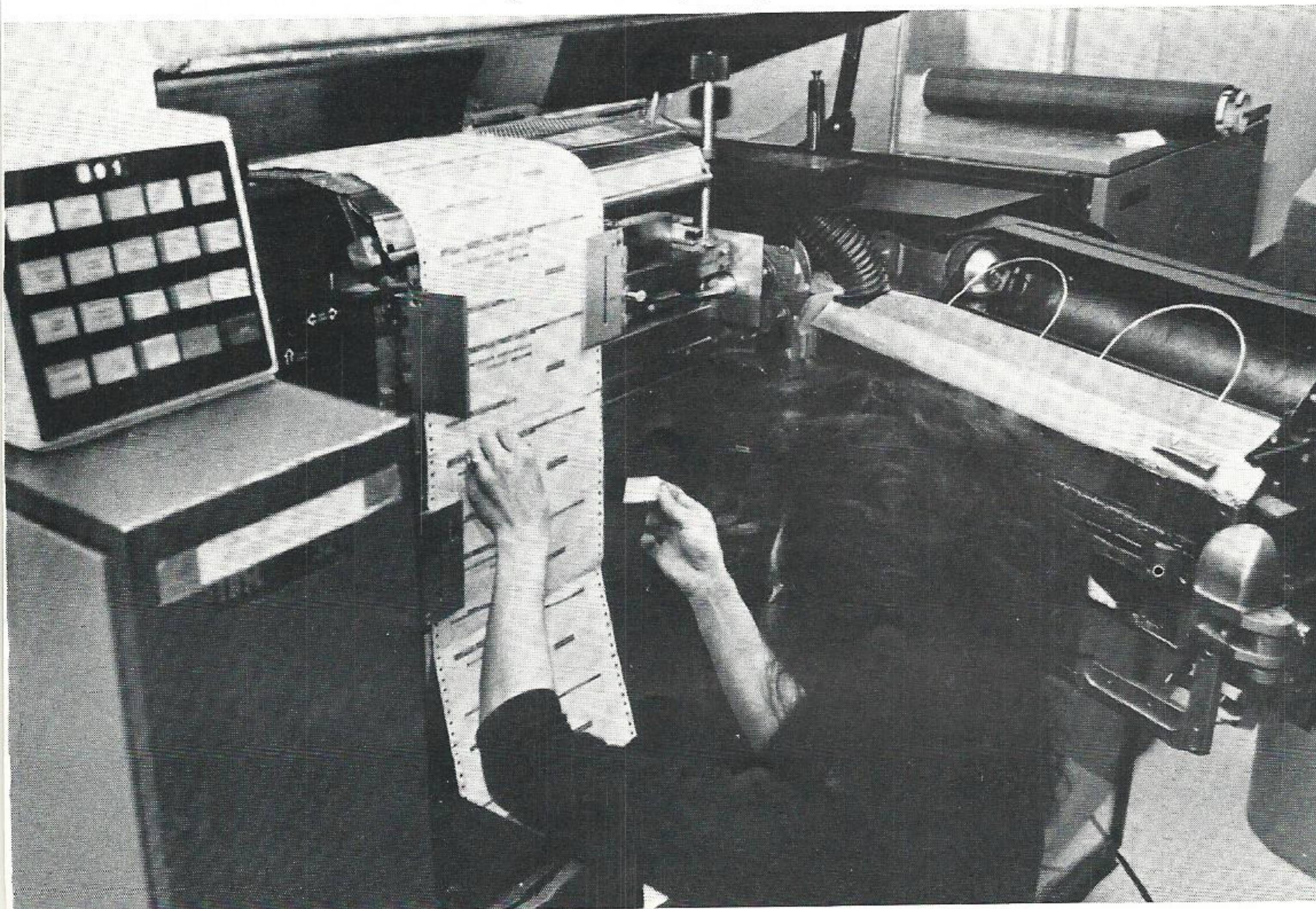
2. Clerks such as Carol Turner, classified clerk, check the figures for accuracy. Classified clerks process time sheets of bargaining unit employees and confidential records clerks process management time sheets. Time sheets require extra attention when they lack signatures or approvals, show discrepancies in overtime hours or when they don't specify whether an absenteeism is to be paid or unpaid.

The path of a paycheck



3. After their accuracy is assured, the classified time sheets are passed to Loyce Fonteno, section head-classified payroll. She double-checks the figures. The time sheets are then input into the GSU computer by Computer Services.

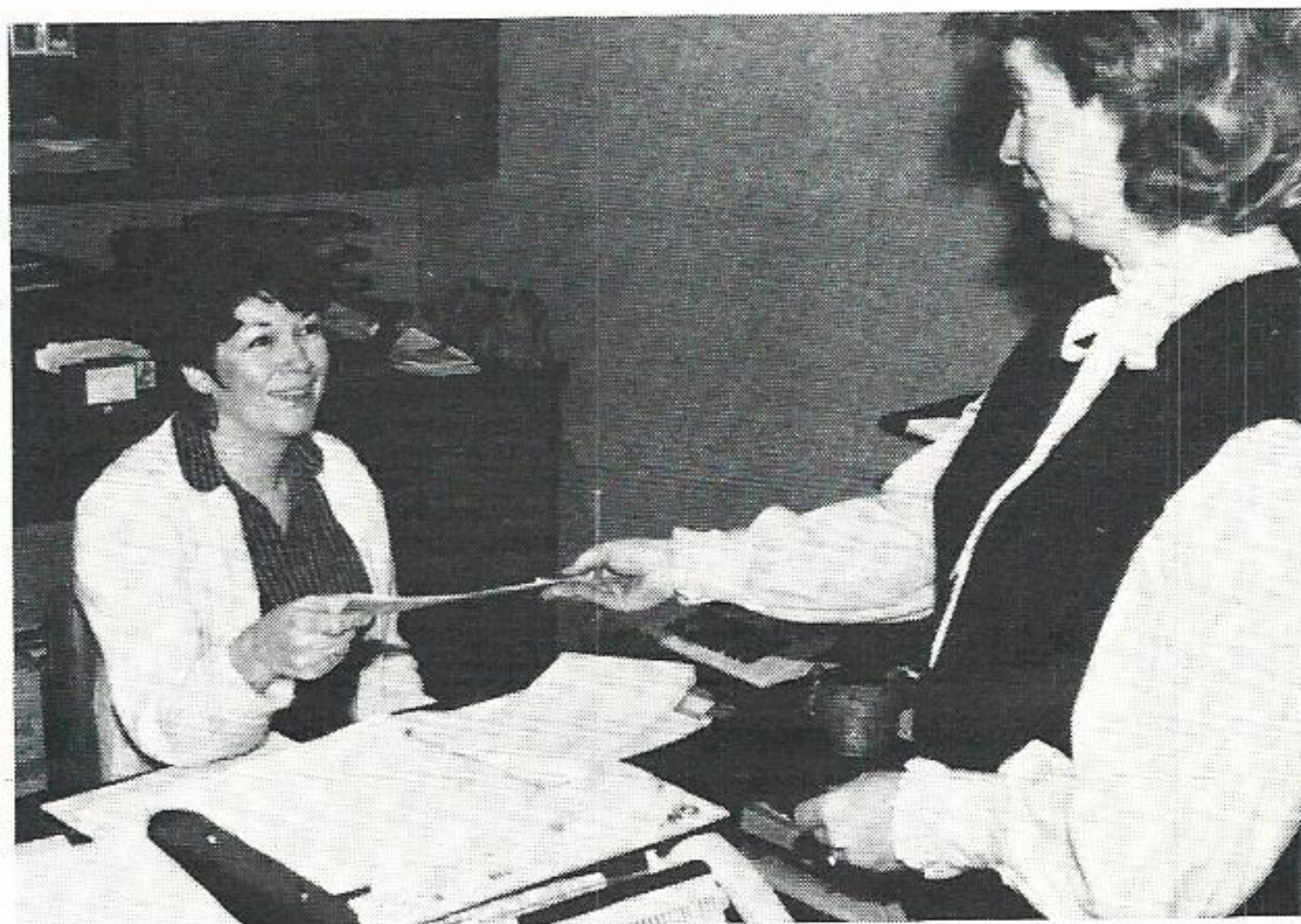
4. Computer Services then prints the paychecks on an impact printer. The characters are impressed upon a cover sheet. Carbon blocks on the cover of the check actually print the figures. Below, Cindy Fawcett, computer operator, aligns the blank checks.



5. The printed checks are not complete until they're signed. Above, computer operations associate Renee Westbrook loads the printed checks into a signing machine where vice president and treasurer Jack Schenck's signature is impressed.



6. *Mary Hudson, confidential records clerk, then sorts the checks according to pay location and sends them to the mailroom. Throughout this process, the actual check remains untouched by human hands.*



7. *The process is complete when the employee is paid. Above, Dorsey hands Cozad her paycheck.*



8. *Several other people in Payroll play a major role as well. At left, Amy Hornsby, general clerk, handles vacation check requests and special check authorizations. Confidential records clerk Ruth Kelly, far left, manages the Thrift Plan records. Employees with questions about their Thrift account are referred to her.*



Costbusting at

by E. Kelly Merritt

The individuals responsible for maintaining Gulf States' buildings and equipment play a major role in keeping the company's operations running smoothly. These employees have proven to be some of the most adaptable when it comes to cutting costs. They have a knack for "making do with what they've got." Below are four examples of maintenance people doing what they can to save company money.

Cool savings

Saving company money is something Russell Gautreaux does in small chunks. As building technician in the Baton Rouge Division, Gautreaux and his coworkers maintain the 300 or so refrigeration and air-conditioning units in the Baton Rouge area.

Before Project Save Cash, the group performed minor repairs and contracted out major work, "but we do it all now," Gautreaux says. However, thanks to the leadership of foreman Jack Gautreaux (no relation to Russ), the air-conditioning know-how of Russ Gautreaux and the skills of maintenance technicians Mike Shingleur and Leroy Wilson, the group has handled its increased responsibilities well.

Gautreaux searches enthusiastically for ways to save money. To him, it's a challenge to find the best prices on parts or to rebuild an AC unit from salvaged equipment.

The extra effort Gautreaux puts forth adds up. When a contractor quoted a price of \$3,000 to replace an air-conditioning cooling tower on Government Street, Gautreaux spent hours in the library researching the project. His group then replaced the tower at a cost of only



Debbie Cassel

Russell Gautreaux

\$300. He saved nearly \$500 by replacing a failed compressor in the Coly substation unit with one from a substation no longer in use. When he was quoted a price of \$156 for a small electric motor, he called around and found a replacement for only \$40. And before replacing components with new parts, Gautreaux checks his stock of used parts he has salvaged from retired equipment.

He also keeps track of equipment still under warranty. Instead of routinely replacing a unit that failed at the Port Hudson substation, he found that the unit was still under warranty, saving more than \$500.

These are just a few examples of Gautreaux's continuing quest for cost savings. "I want to take care of the company," Gautreaux says. "I want it to be here tomorrow."

Gulf States

E. Kelly Merritt



Andy Bunn, building technician, and Lonnie Leger demonstrate the gasoline-powered suction pump used to clean the cooling towers at Edison Plaza and Liberty-Pearl.

Minds over money

The Buildings and Grounds Services group in Beaumont's Edison Plaza and Liberty-Pearl complexes keeps close track of the money it spends. Maintenance superintendent J. W. Hemby can quickly show where and by what amounts his group has cut costs. And, says buildings and grounds supervisor Lonnie Leger, the group is always looking for additional cash savings.

One of the money-saving measures Leger developed simplifies the process of cleaning the air-conditioning cooling towers at the Liberty-Pearl and Edison Plaza buildings. The cooling towers remove heat from 40,000 gallons of condenser water for the 1,300 ton capacity air-conditioning units at Edison Plaza and the 700 ton

capacity unit at Liberty-Pearl. Over time, airborne particles such as pollution, dust and spores combine with algae, creating a destructive sludge that can clog condenser tubes and erode cooling tower components, thereby eroding efficiency.

Until April of 1987, the cleaning process involved shutting down the systems, dumping the 40,000 gallons of water and scrubbing and hosing the towers. Four employees worked on an overtime basis because of the continuous need for air-conditioning during regular working hours.

Leger designed and built a vacuum-cleaner-type suction pump powerful enough to remove the sludge. Much of the overall device,

which is powered by a small gasoline engine, was fabricated from surplus parts.

Now, the towers are cleaned by one person during regular working hours. There is no need to shut down the system or drain the water. The total cost of the pump was about \$300 and Hemby estimates the procedure will save about \$3,000 per year.

The \$3,000 savings is minimal compared to other Buildings and Grounds projects. The group is now working on rebuilding 440 fan and coil units used for air-conditioning and heating in the Liberty-Pearl building at a projected savings of \$300,000 compared to the price of an outside contractor.

Precise savings

The River Bend Standards Laboratory is a state-of-the-art testing facility certified by the National Bureau of Standards. Here, specially trained employees calibrate precise measuring tools such as digital multimeters and micrometers used at River Bend. The cost of the lab itself has been repaid several times over since instruments don't need to be sent away for calibration. Other power plants use precise measuring tools, as well, but usually send them to an outside vendor for calibration. Engineers working on the Louisiana Station turbine project learned of the River Bend lab and arranged for their tools to be calibrated there. The in-house job saved approximately \$10,000. Besides the cost savings, the job took only one day, compared to a one-week turnaround time quoted by an outside vendor.

Lionel Thompson, measuring and test supervisor, says his lab can handle other jobs from GSU power plants. "We'd like to see more. All equipment has to be maintained and sending it off site costs a lot more than testing it here." Turnaround time is also critical, Thompson says. "If you send a meter to an outside vendor, forget being in a hurry."

Bringing technical talent together

When Lewis Creek Station was looking for a way to install a new high pressure feedwater heater on a reduced budget, the production department decided to do the project in-house. The high pressure feedwater heater is a 23-ton, 34-foot-long pressure vessel that preheats water before it enters the boiler to make steam. Henryk Olstowski, system production engineer, was called to coordinate the project. Olstowski oversees boiler

repairs throughout the system and knows who at Gulf States has the technical expertise for specific jobs. "We had the personnel to do it," Olstowski says, "but the knowledge was spread throughout the company."

Before work began, plant management decided on two essential objectives: the heater would be installed in compliance with the American National Standards Institute/American Society of Mechanical Engineers (ANSI/ASME) Power Piping Code and services of outside contractors would be kept to a minimum.

To satisfy the strict power piping requirements, GSU welders had to be certified. Lewis Creek repairmen Tim Casey and Mike Dalton prepared, practiced and then passed the six Welder Performance Tests and flawlessly performed all of the code heavy wall welding for the installation.

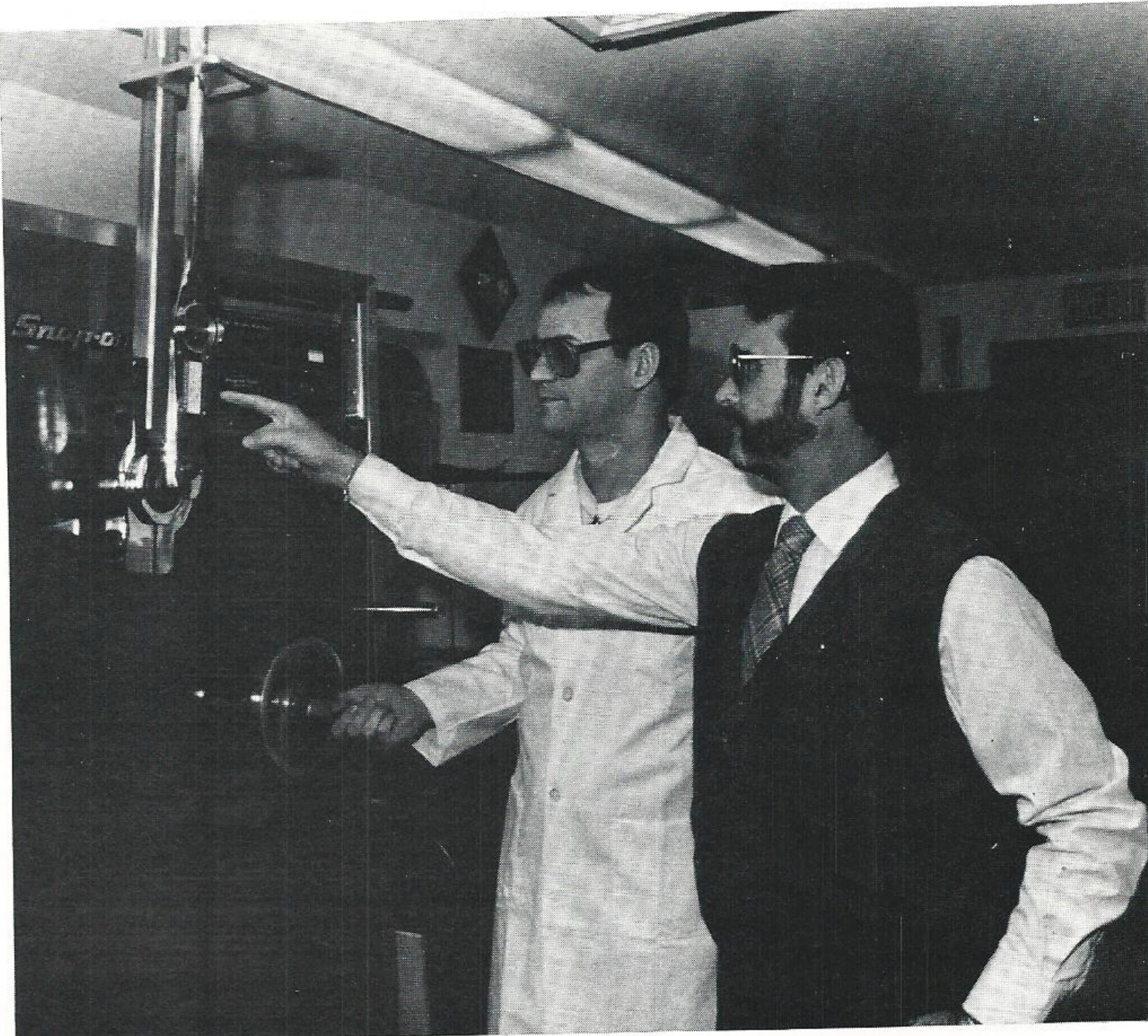
While Casey and Dalton were being certified, Archie McClure,

mechanical maintenance foreman, and his crew of machinists from Willow Glen Station machined the piping ends for welding. McClure "has trained Gulf States hands to do excellent work," Olstowski says. The Special Projects group led by Benton Brown, engineering analyst, helped with code interpretation and welder qualification. Willow Glen Station added the finishing touch by loaning insulator — 1st class Tom Ashley, who instructed and worked with Lewis Creek personnel on the insulation and aluminum jacketing.

The \$30,000 estimated cost savings is just one benefit of the project. "By doing it ourselves, we are that much smarter, that much more talented," says Greg Marshall, Lewis Creek general maintenance supervisor.

Says Olstowski, "The plant management's opinion is that it's a good installation, probably better than a lot of contractors would have done."

Lynn Vairin



Dallas Ballmer, instrumentation and control technician-nuclear, left, and Lionel Thompson calibrate a torque wrench in the River Bend Standards Laboratory.

NEWS BRIEFS

Ken Haynie



A safe '88 ...

Looking forward to a safe year in 1988 is the Beaumont Division Safety Committee. The photo above, submitted by Beaumont correspondent Wilma Shaw, is from one of a series of posters distributed in the Beaumont Division to remind employees of the importance of safety — on the job and at home. Safety committee members are, from left, Larry Crile, Leonard Shipman, Mike Ducote, Willie Taylor, Gene Tillery, Robert Parsons, R. L. Grubbs, Joe Pickart, Melvin Grimes, Sunnie Landry and Shelton Stevens.

Barbara Broussard



Johnnie Carter, communications foreman, steadies a transmitting antenna from a GSU bucket truck before the annual CavOILcade parade in Port Arthur. Carter and the Jefferson County Amateur Radio Club provided a live video broadcast of the parade to students of the Huguen Center for Physically Handicapped Children. Other Gulf States radio enthusiasts who volunteered their time were Steve Gomez, communications serviceman, and Raymond Costilla, relay serviceman. Without the video broadcast, the club's second to the Huguen Center, the children would have been unable to view the parade.

PLAIN TALKS

P. O. Box 2951
Beaumont, Texas 77704

Address Correction Requested

BULK RATE
U.S. POSTAGE

PAID
Beaumont, Texas
Permit No. 11



WHY
enroll in the Thrift Plan?

BECAUSE
Thrift Plan members:

- build a nest egg for themselves and their family through easy payroll deductions
- receive an immediate 50 percent return on their investment of 2 to 6 percent of their base income
- watch their savings grow beyond the immediate 50 percent return through automatic reinvestment of any interest or dividends
- have the option of where their savings are invested — full shares of GSU common stock, a savings plan or a guaranteed fixed income fund
- can reduce their **taxable** income by making pre-tax contributions to the Basic 401(k) section of the plan
- can get low interest loans from their own account (beginning July 1988)

ENROLL TODAY

To enroll, call 733-4320 or (409) 838-6631, ext. 4320.