

PLAIN TALKS

November
1982



MAIL BOX

THE COVER

Janet Thomas greets son Brandon as she picks him up in a downtown Beaumont day care center.

Mrs. Thomas, an executive stenographer, is one of many Gulf States parents who must select caretakers for their children during working hours.

For more details on how parents are coping, read the article on pages 8-9.

Sue Williams
Gulf States Utilities
Port Arthur, Texas

Dear Sue,

Thanks for coming to our school. The kids say they really learned or they were made more aware of how they waste electricity.

Everyone has tried boiling an egg by letting it boil, then turning the electricity off. It "really cooks," they say, so you got across to them.

Please come again anytime.

Thanks,

June Waits

Sabine Pass Independent School District

Editor's note: Sue Williams is a consumer service representative in Port Arthur.

Connie Calfee
Gulf States Utilities
Conroe, Texas

Dear Ms. Calfee:

On behalf of Alpha Zeta Omicron Chapter of Beta Sigma Phi, Corrigan, Texas, I would like to take this opportunity to say "thank you" for bringing your program to our September chapter meeting. The information you shared with us will prove very worthwhile in attaining our goal as consumers toward effective measures in decreasing costs of electrical power usage.

Please feel welcome to visit our chapter again in the future.

Yours truly,

Dale Smith

President

Editor's note: Connie Calfee is consumer information coordinator for the Western Division.

Jim Fernandez
Gulf States Utilities
Port Arthur, Texas

Dear Jim:

On behalf of the officers and members of the Port Arthur Rotary Club, please accept our sincere appreciation and thanks for the fine presentation you made to the club on Thursday, July 8.

I am certain the members of the club and the community-at-large are better informed as a result of receiving your speech.

Very truly yours,

Fay Foster

President

Editor's note: Jim Fernandez is consumer information coordinator for the Port Arthur Division.

Jim Richardson
Gulf States Utilities
Lake Charles, La.

Dear Mr. Richardson,

I want to take this opportunity to thank you on behalf of the League of Women Voters of Lake Charles for your excellent presentation of the Nelson 6 coal plant.

Your genuine interest and concern for informing interested groups is certainly appreciated by us all.

We were all favorably impressed with the safety, cleanliness and efficiency of the facility.

Sincerely,

Kay Nichols

Editor's note: Jim Richardson is superintendent of consumer services in Lake Charles.

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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.

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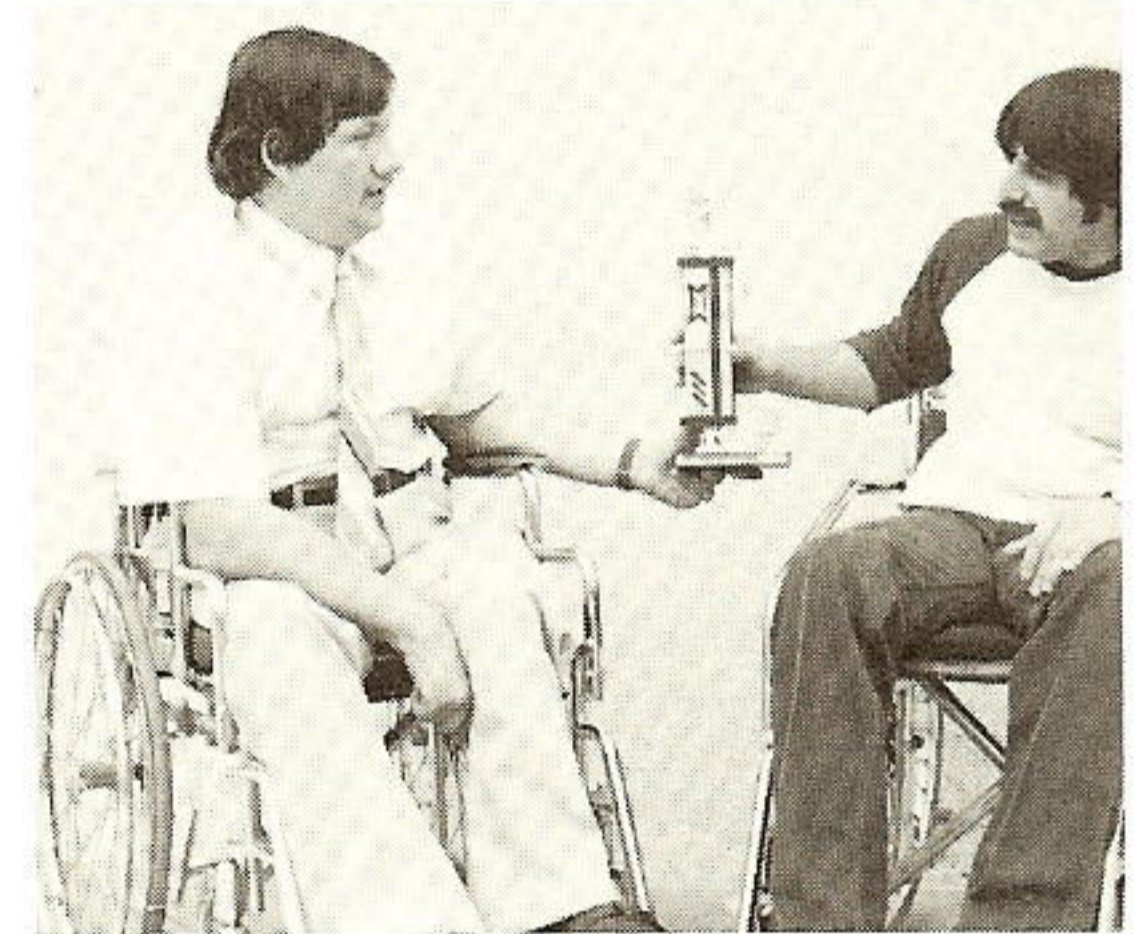
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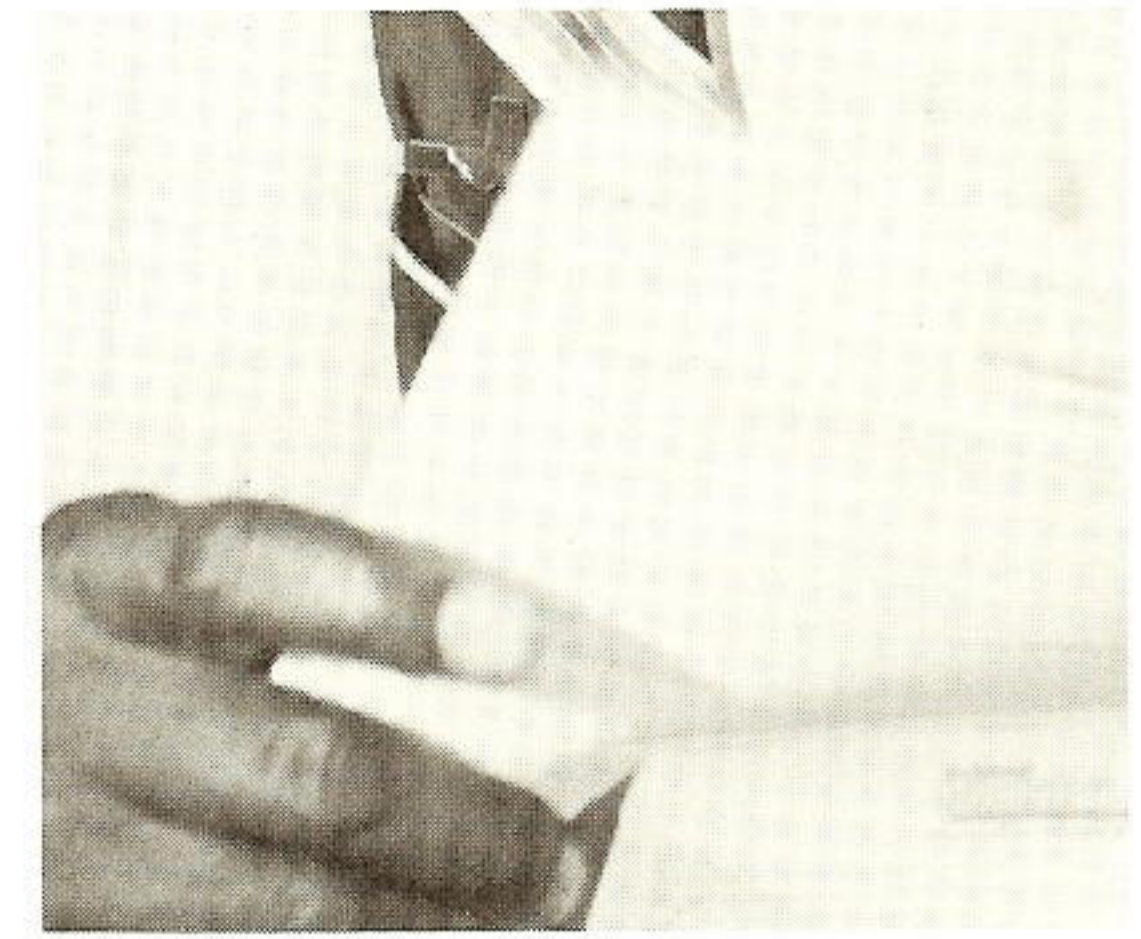
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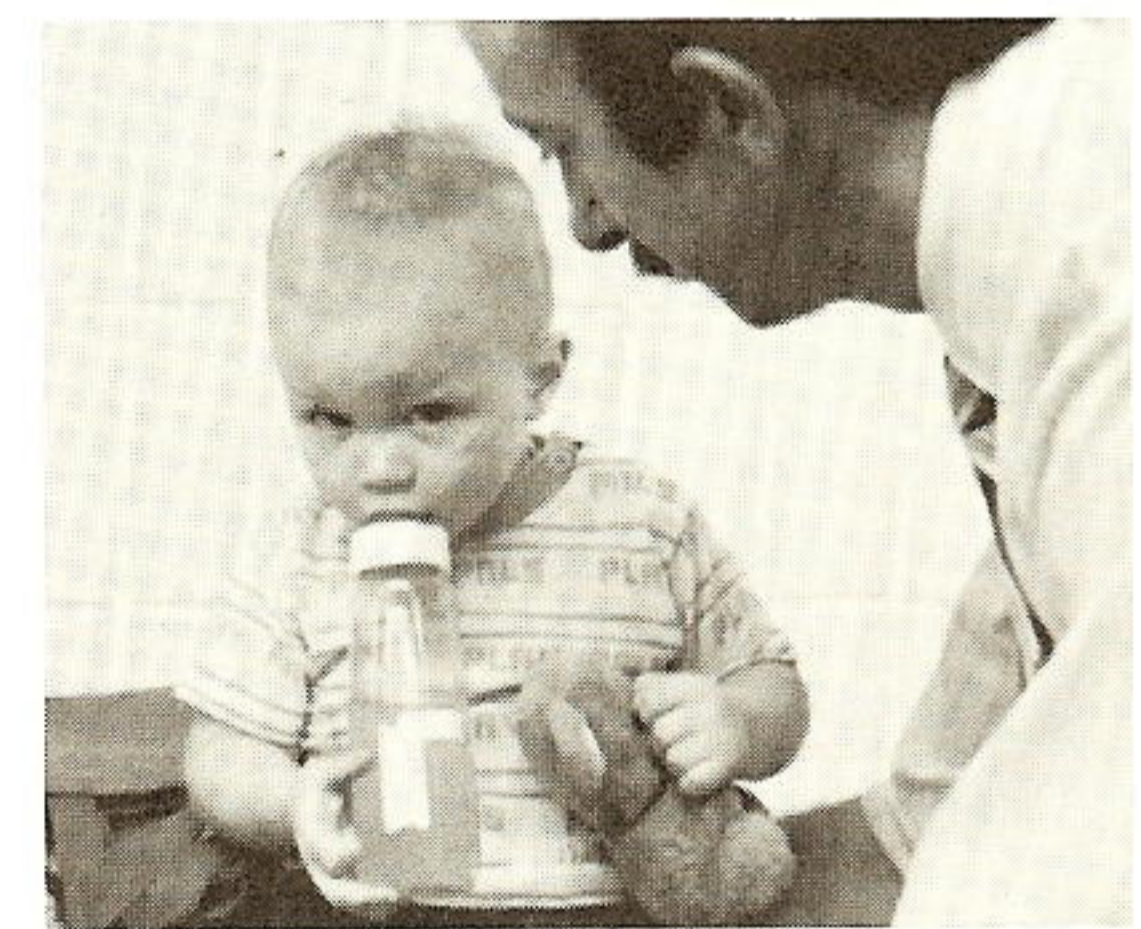
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NEWS BRIEFS

Two youths receive GSU scholarships

Two Lamar University freshmen in mechanical engineering have been awarded cooperative scholarships by Gulf States, announces Chuck Ludwig, recruiting representative.

Adam Fadhli, a graduate of Port Neches-Groves High School, and Chris Willman, a graduate of Elsie High School in Alief, Texas, received the combination scholarship-work study awards.

Fadhli is the son of Dr. and Mrs. Hussom Fadhli of Port Neches-Groves, while Willman is the son of Mr. and Mrs. Don R. Willman of Houston.

The two young men became



Beaumont Division Vice President Arden Loughmiller presents cooperative scholarships to Adam Fadhli (second from left) and Chris Willman (center). Observing are Dr. Otto G. Brown (left), head of Lamar's mechanical engineering department, and Chuck Ludwig.

the fourth set of recipients in the annual program. Although the awards are presented annually, until now, two electrical engineering students were selected for the award one year and two mechanical engineering students were selected the following year. Beginning next year, however, the awards will be given to an outstanding student from each discipline.

For both students and the university, the cash value of the scholarship portion is \$2,000. Each student receives \$400 for the first and fifth years of study. Lamar receives \$200 per student

for administering the program.

During their middle three years of study, the young men will alternate semesters of on-campus study with semesters of work as salaried cooperative employees of Gulf States.

Candidates for the awards must be high school seniors who plan to enter either field of study. Recipients must attend Lamar, where they must maintain a grade point average of at least 2.5, Ludwig explains.

Promotions reported for three GSUers

Three Beaumont Accounting Services employees were promoted Nov. 1, announces Bobby J. Willis, GSU's controller.

Prentice W. Ward was named the company's first principal accountant, Karl W. Jackson was promoted to director of regulatory reporting and Gary J. Sobczak became supervisor of the construction work in progress section of Plant Accounting.



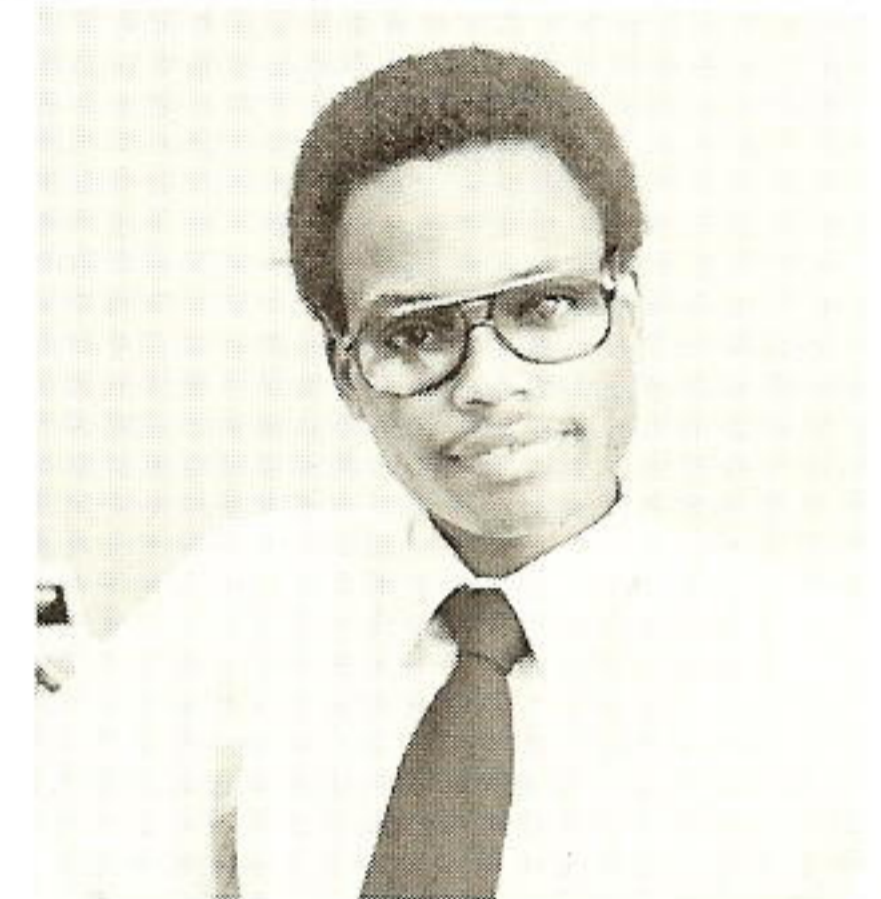
Prentice Ward

Ward, a 25-year Gulf States veteran, most recently served as supervisor of depreciation studies and accruals. He was appointed to the newly-created position because he "represents the highest level of technical expertise in the area of depreciation studies," explains Willis. The Beaumonter has served as both vice chairman and chairman of the Edison Electric Institute's depreciation committee.

A native of Tyler who was reared in Dallas, Ward graduated from the University of Texas in

Austin in 1956 with a bachelor's degree in business administration. He hired on with the company's payroll section as a junior accountant in 1957. After holding various positions in the accounting area, he transferred to the Rate Department as a rate analyst in 1972. He returned to Accounting Services in 1979.

Ward and his wife, Imogene, have one son, John.



Karl Jackson

Jackson, who joined the company in January 1977, holds a bachelor's degree in business administration from the University of Southwestern Louisiana in Lafayette. Most recently, he served as supervisor of regulatory reporting. In his new position, he reports directly to Jon Trevelise, assistant controller. Jackson is a native of Opelousas.



Gary Sobczak

Sobczak, who joined the company in January 1978 as an accountant, holds a bachelor's degree in business administration from Sam Houston State University in Huntsville. Most recently, he worked as a staff accountant in Plant Accounting. In his new position, Sobczak is responsible for monitoring construction work in progress for the company, except for River Bend. Sobczak and his wife, Patty, have one son, Garrett. The family lives in Beaumont, Sobczak's hometown.

The Rolling Outlaws

Steve Bagley and Don Viguet play a rough-and-tumble game of football; as teammates on a basketball team, they're two of the most mobile cagers around.

But the two Beaumont-based Gulf Staters play both sports with a difference — they must maneuver on the playing field or the court in lightweight aluminum wheelchairs. Both young men became wheelchair-bound following automobile wrecks — Bagley in November 1974 as a high school senior and Viguet in 1957 as an 18-month-old baby.

Bagley, who has been a GSU draftsman since 1978, earned an associate's degree in drafting from Lamar University. Viguet, who has been an accountant with the company since 1979, earned a bachelor of business administration degree from Lamar.

Bagley admits that he didn't want to sign up with the team when he first learned about it. "After watching a couple of practice sessions, though, I was hooked," he recalls. To play, "You've got to be quick and in good shape," Bagley asserts.

When Viguet heard about the team, he called Bagley for details. Although each knew the other worked for Gulf States, they didn't really become acquainted until after becoming Rolling Outlaws teammates.

The two men give several reasons for playing with the team, which recently joined the Lone Star Conference.

"It's a chance to meet other guys in wheelchairs. We have barbecues and get-togethers," Bagley explains. More than that, though, insists Bagley, "It's an inspiration. A lot of guys (in wheelchairs) get to feeling down, but this helps show what you can do."

Until Bagley's accident, he had played football and baseball and run track at Vidor High School. "I wasn't really tall enough for basketball," he remembers. In fact, a couple of schools — Lamar and Rice University — had dangled a couple of offers for Bagley to play college football before his accident. After suffering a broken neck, broken back and crushed ribs in the mishap, Bagley was in traction for about six weeks. For a formerly-robust athlete, the inactivity "was pretty hard to take," he concedes.



Don Viguet, Steve Bagley.

For Viguet, who lives in Nederland, this has been his first chance to play team sports. "I had played in the neighborhood with other kids, but never any organized sports," Viguet notes. Not only is team play "a learning experience," but, Viguet adds, "I like the sports first, and I also enjoy the fellowship with the other guys." He has also enjoyed the travel opportunities, since conference cities include Abilene, Corpus Christi, Dallas, McAllen and San Antonio. In football, Viguet plays linebacker on defense and tight end on offense.

When the Golden Triangle team beat Corpus Christi 7-6 in a Nov. 7 football game at Lamar, the local team used money raised through ticket sales to buy a bus

for hauling team members, their wheelchairs and other gear. (During that game, Bagley won a trophy as most valuable offensive player.)

Usually, Bagley uses a 50-pound, stainless steel chair. When playing, however, he and other team members use lightweight aluminum wheelchairs with easy-to-swivel wheels. The special devices were designed and built by Bagley's father, who works for Southeast Metal Works in Buna. The firm donated the aluminum and materials for the project, says Bagley.

Wheelchair games are played with only a slight variation of National Collegiate Athletic Association rules. In basketball, for example, a team cannot have more than 12 points on the floor at any given time. Team members are rated on a point system, ranging from one for most handicapped to three for least handicapped. Both Bagley and Viguet are rated as class one athletes. The ratings can change, the teammates point out, since physical therapists reclassify players before each game on the basis of strength.

Both Viguet and Bagley are eager to recruit more team members. Although present team members' ages range from 18 to 28, Bagley asserts, "If you're 50 and can play, we'll let you play."

Persons interested in obtaining more information about the team may contact Bagley at extension 733-4666 in Edison Plaza or at his home telephone number, 713/769-0949.

Affirmative Action:

'A Good-Sense Business Practice'

Editor's Note: Lorenzo Cole joined GSU as manager of the company's equal employment opportunity program this February. A 14-year veteran of the federal Equal Employment Opportunity Commission (EEOC), Cole was hired as a part of the company's commitment to equal opportunity for all GSUers. *Plain Talks* talked to Cole about his role at Gulf States and about his background as a federal administrator.

PT: Since you administer the company's affirmative action plan, could you explain what the term "affirmative action" actually means?

Cole: Simply speaking, affirmative action means dealing equally or fairly with all employees because it's good business to do so.

PT: What do you mean by "good business?"

Cole: GSU employees are working to provide electric service to our customers at a reasonable rate. To do so at any time, we must be efficient and effective in using all our resources. In these hard economic times, that task becomes even more important — and the most effective utilization of our human resources is to place the most-qualified person in

each job. To accomplish that, our human resources decisions must be fair and impartial, without regard to non-work related issues, such as race, religion, age, national origin or physical handicap.

PT: Does our company have specific affirmative action goals?

Cole: Aside from the good-sense business practice that it is, affirmative action is an actual management goal. Earlier this year, Board Chairman Paul Murrill and President Norman Lee signed an open memo to all employees stating our commitment to equal employment opportunity. One part of the policy statement said, "We will persist in searching for and correcting unfair practices and, in doing so, will maintain a company official to design and execute compliance programs and to act promptly where remedial actions are necessary."

PT: How does GSU carry out this commitment?

Cole: The company's personnel systems — "human resources systems" is the proper designation — are designed to deal impartially with work situations. For example, when several

people are being considered for promotion to a particular job, consideration is given to the objective work-related information that will put the most-qualified person in the job.

PT: What if an employee feels that there is a problem?

Cole: That's partly why I was hired. Part of my duties involves investigating employee reports of possibly unfair treatment.

PT: How does this work?

Cole: Any employee who feels that he or she may have been unfairly treated for any reason relating to race, religion, sex, national origin, color, physical handicap or any similar reason, may ask my office to investigate. Of course, we encourage employees to discuss their concerns with their supervisors first, but sometimes employees don't feel comfortable doing that. My office provides an alternative.

PT: What happens after you have investigated a problem?

Cole: My first job is to determine if there is a problem. If so, then we try to work out a solution that will correct the problem.

PT: Is this "internal complaint process" anything like the union grievance procedure?



"I'm sort of a teacher-counselor and my subject is fair employment."

Cole: Not exactly, since union employees have their own grievance procedure to deal with their grievances. Our office provides help when an employee has tried other available avenues and still feels that there is a problem that is possibly discriminatory in nature.

PT: Would you please give an example of a problem that you might be asked to investigate?

Cole: Let's say that a supervisory position opens up and the slot is filled after several applicants are considered. One female applicant, however, feels that she was the best-qualified person for the job. When she presents the perceived problem to my office, my associate, personnel specialist Cynthia Mudd, and I will interview all persons involved and study personnel records relating to the promotion decision. Finally, we'll submit our information and recommendations for action to management. Of course, we'll follow up with the employee when necessary.

PT: What else do you do, besides investigate problems?

Cole: Problem-solving is an essential element of all my work. Ever since enactment of Title VII of the Civil Rights Act of

1964, there have been scores of laws dealing with the subject of equal employment opportunity and affirmative action. It is my responsibility to be up-to-date on all federal, state and local regulations which apply to GSU. And since employment practices covered by such laws range from hiring to firing to promotion and compensation practices, I must work with management on an advisory basis to ensure that we meet all legal requirements.

PT: Are you a legal consultant?

Cole: I'm not a lawyer, however I must work closely with our company's Legal Department to give as well as receive advice regarding such matters. I try to help managers understand and respond to situations in suitable ways. I guess you might say that I'm sort of a teacher-counselor and my subject is fair employment.

PT: In a way, your earliest job experience — that of high school coach and teacher — even helps you in your present work. What else do you do to equip supervisors to cope with all employees fairly?

Cole: The Human Resources Department provides Title VII

training to all new supervisors and offers periodic refreshers on the topic to all supervisors.

PT: What's it going to take for GSU to meet its affirmative action goals?

Cole: It's going to take the cooperation of all employees, not just those who are supervisors. Since our ultimate goal as a company is to provide electricity at a reasonable rate, our individual goal as employees should be to work as cooperatively and fairly as possible with all other employees to accomplish that corporate goal.

It's not always as easy as A-B-C to select a caretaker for youngsters whose parents work, but several GSU parents share their choices for their pre-schoolers.

Day-Care Decision



*Cherryl and
Asa Johnson*

several GSU working parents, several kinds of child care arrangements were revealed. Some arranged their work schedules so that a relative could watch their children and some, such as Mrs. Colvin, placed their offspring in licensed day-care centers or nursery schools. Others selected more informal arrangements, placing their children with a sitter who keeps children in a private home or with friends and neighbors.

Cherryl Johnson, a general clerk in Baton Rouge's T&D Substation Department who has been with the company nine years, has two caretakers for her 5-year-old daughter, Asa. Before leaving for kindergarten each weekday at Buchanan Elementary School, Asa stays with Janie Jackson, a woman recommended by Mrs. Johnson's sister. After classes, the little girl walks home with Mrs. Jackson's children before going on to her own grandmother's house to await her mother's return.

John and Linda Nelson, also of Baton Rouge, have selected a couple of child care arrangements, too. Mrs. Nelson is a T&D employee, while Nelson worked for GSU before beginning his present job at Exxon Chemicals.

The couple's baby daughter, Stefanie, presently stays in a private home under the care of a woman who keeps only a few babies. "Her routine and discipline was agreeable with us," notes Mrs. Nelson.

Jocelyn Colvin, "Mom" to 4-year-old Phelicia and 2-year-old "Bubba," has been a working mother since hiring on with GSU in Port Arthur 3½ years ago. Her child care arrangements are more complicated than most, however, since she was widowed in August 1980. With no husband to help, Mrs. Colvin admits that she must depend on the help of her mother during emergencies.

Her children are among 8 million American pre-schoolers whose mothers hold jobs outside the home, according to a September 1982 *Parents* magazine estimate.

Nevertheless, Mrs. Colvin feels that she has been fortunate. Her youngsters attend a structured day-care program operated by a Port Arthur church.

"I selected the church because it was state certified and I knew that it was highly rated by peo-

ple in the area. Besides, my cousin is a cook there and I knew the kids would get well-balanced meals," explains Mrs. Colvin. She drops the children off at about 7:30 a.m. and picks them up after leaving her accounting clerk's job at 5 p.m. In the intervening hours, the children are served breakfast, lunch and morning and afternoon snacks. The youngsters are given different projects to work on during the day. Currently, Bubba is learning about different tastes and smells, and Phelicia brings home a children's newsletter.

Even so, Mrs. Colvin says she preferred not to place the children in day care as tiny infants. She did not begin work until Phelicia was about 9 months old. Her mother kept Bubba in her home until he was about 7 or 8 months old, she recalls.

In an informal survey of

When she turns 2, little Stefanie will spend her days at the same nursery school that her 6-year-old sister, Danielle, once attended. "The school we've selected has an excellent pre-school program with small classes and plenty of individualized instruction. During the summer, it offers swimming lessons," Mrs. Nelson points out. The little students, ranging in age from 2 to 4, also have access to a dance studio.

Danielle attends first grade at a private elementary school operated by the same party as the nursery school. Only 10 students attend first grade and each student is encouraged to progress at his or her own speed. All teachers have master's degrees.

Specific areas checked

In Lake Charles, credit and collections clerk Sheila Johnson, queried co-workers about their day-care decisions. Although Mrs. Johnson just married in February and is not expecting any children any time soon, she admits that she has already started to think about the factors she considers most important when selecting a caretaker.

"Some important factors in picking a day-care facility for your child are cleanliness, the number of employees and the type of people that are employed there, meals and snacks and activities that are pre-planned," says Mrs. Johnson. "But most important," she continues, "are the looks that are on the faces of the other children already attending the center. I think that children's looks can tell you a lot. If they are happy, their faces will show it and, more likely than not, your child will be happy, too."

Debra Towle, an accounting clerk, revealed that her two daughters, 10-year-old Lisa and 11-year-old Shelly, prefer to stay at home without a sitter. After school, the girls do their chores and then go swimming or enjoy

other activities with their friends.

Skating on the wood floor of her father's karate school is one of 10-year-old Christy Prejean's all-time favorite activities. The little girl's dad, Rodney, takes over child care chores after school while his wife, Marie, works as a customer contact clerk for GSU. During the summer, however, the little Lake Charles girl also participates in YMCA day camp and Campfire Girls camp.

Kathleen Chelette, a senior stenographer in Lake Charles, places her two sons, 9-year-old Chris and 2-year-old Grant, in a licensed child care center after school and during the summer. The facility she selected offers dance lessons, swimming, movies, putt-putt and trips to the local library.

Shared responsibility

Mom and Dad share some of the responsibility for getting their 18-month-old daughter, Kristen Michelle Nowlin, to and from her caretaker. Lance and Carolyn Nowlin selected a friend, who keeps their daughter in her home. Lance, a substation mechanic-1st class in Baton Rouge, picks Kristen up each evening after he leaves work. Mrs. Nowlin takes the little girl to the home each morning. According to the couple, the child gets the benefit of a one-to-one relationship at a time when they feel she most needs it.

In Beaumont, Janet Thomas, executive secretary, opted for the "wholesome atmosphere" of a downtown church-operated child development center.

Her son, 10½-month Brandon, has stayed at the center since he was 3 months old. Mrs. Thomas says, "The overall appearance of the place — it was neat, clean and modern — appealed to me." In addition, she liked the fact that activities were structured throughout the day. "At certain times during the day, Brandon plays with push toys. At other times, he listens to music.

Another time, he practices animal words," she reveals. The youngsters at the center also have outdoor play times.

Mrs. Thomas also appreciates the fact that her son's caretakers are now helping wean him from his dependence on the pacifier and the bottle. Later, they'll help toilet-train the little boy.

Dennis Pitman's son, 15-month-old Travis, attends the same center. Pitman, an assistant inventory analyst in Materials Management, says he is pleased with the facility. Nevertheless, until a few months ago, Pitman says he and his wife had "the dream" situation. A woman stayed in their home, taking care of the child, keeping house and even preparing a hot supper for the family, but ill health forced her to quit the job.



Travis and Dennis Pitman

Editor's note: Information for this article was contributed by Adelaide Bankston, Barbara Broussard, Edith Patterson and Sheila Johnson.

Division holds safety fair



Nelson Coal's ski team: Myra Castello, Susan Gaugh, Brian Beach, Ron Childress and Robert Manley.

Sack races, bubble-blowing contests, water balloon tosses, bingo and bait-casting were only a few of the activities Sept. 25 when the Lake Charles Division safety fair was held.

A tug-of-war ended in a three-way tie among Lake Charles line department, Lake Charles accounting and Nelson Coal employees in the men's category. The women of the Lake Charles line department won their category. Line department employees won a volleyball game and Nelson Coal employees won a skiing race.

Winners in a cookie-baking contest included Gloria Hebert, division accounting, and Mrs. William Bates, wife of right-of-way employee, tied for 1st; Chris Wright, son of Kathleen Chelette, division accounting, and Marie Prejean, division accounting, tied for 2nd; and Gloria Hebert, division accounting, and Bessie Esthay, Human Resources, tied for 3rd.

Winners of fire extinguishers or first aid kits given as door prizes were Carl Fruge, Robert Mayo, Dennis Singletary, Eli Benoit and Jackie Ellender, all of Lake Charles; Van Bushnell, Nelson Station; Warren Hebert and Joe Gallet, both of Lafayette; and Derrick Smith, Nelson Coal. Grand prize winner of a color television was David Busby of Nelson Station.

Throughout the celebration, five employees stayed busy bedecking youngsters with face paints. The painters were Esthay, Horace Gradney, Terry Elter, Judy Patterson and Barbara Lewis.

School crowns homecoming queen



A Gulf Stater's daughter was crowned the first homecoming queen for Beaumont's West Brook High School recently.

Kim Broussard, daughter of Mr. and Mrs. Wilson Broussard, was selected from a field of six finalists and crowned during halftime at West Brook's first homecoming football game. Her father is an equipment operator in the engine room of the Liberty-Pearl complex.

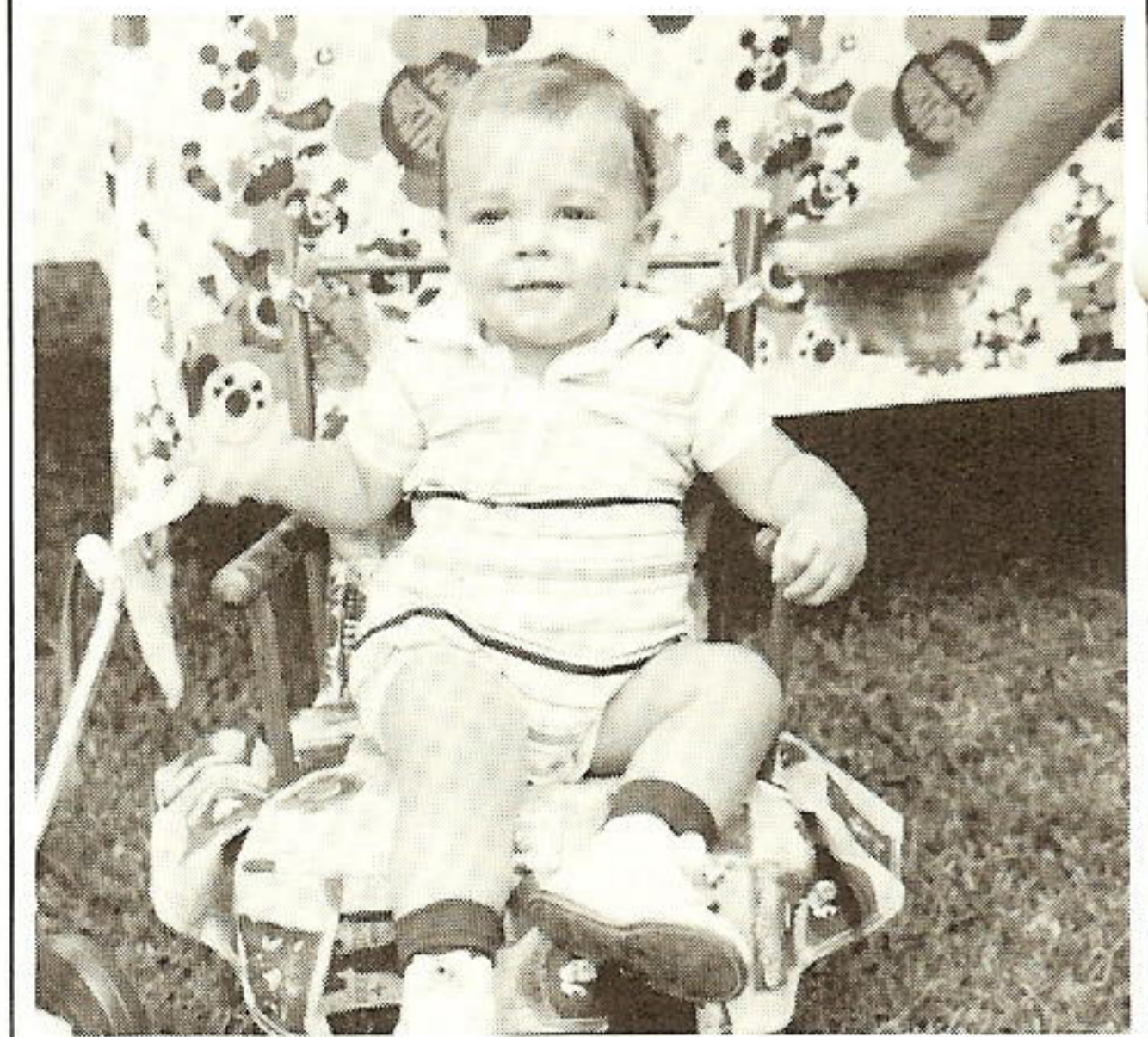
The senior class president, Broussard is a member of the varsity volleyball team and is chairman of the Student-Faculty Committee of the student council. She is also a member of the National Honor Society and has been listed in Who's Who Among American High School Students.

She plans to attend the University of Houston next fall in preparation for a career in law.

Child observes 1st birthday

William Eric Wellborn, son and grandson of Gulf Staters, celebrated his first birthday Aug. 31.

Eric's dad, Doug Wellborn, works in Cleveland T&D, while



his grandfather, Edd Mitchell, works in Cleveland Consumer Services.

Family announces new arrival



Dianne and Morris Bienvenue became the parents of 8-pound, 9-ounce Brett Matthew on July 7. The new arrival was 21½ inches long at birth.

Bienvenue is a district serviceman based in Lafayette, while his father, Edwin Judice, is a substation mechanic-1st class.

Nelson Coal hosts family picnic

Volunteer cooks Elie Courville, David Brawner, Horace Thibodeaux and Keith Owens served up barbecue chicken, sausage and beef brisket, rice dressing and potato salad for a Nelson Coal family picnic Oct. 2.

Held in a Westlake park, the picnic was planned by Billy Locke, Ed Jones, Alan Dougherty and Brawner.

Paxton heads Latin Club

Dana Paxton, daughter of a Baton Rouge GSUer, is the 1982-83 president of Istrouma Middle Magnet School's Latin Club.

According to news reports, the club was named Louisiana's outstanding Latin Club last school year.

An eighth-grader in the school's gifted and talented program, Paxton is the daughter of Don Paxton, senior purchasing agent.

Lafayette holds rescue exercise



Pole-top and bucket rescues were demonstrated for Lafayette line department employees during a recent training session.

Allen Hebert, utility line foreman, conducted the exercise.

Shown performing a bucket rescue is Dudley Duplechien, who is removing "victim" Kim Gallet with a rope.

Grisham honored on promotion

Nelson Coal employees honored Rose Grisham, who was promoted from employee relations representative at the plant to supervisor-employee relations at River Bend, with a farewell party Sept. 21.

About 40 co-workers and friends gathered at a local steak house for an appreciation dinner. During the day, she had been honored by a local radio station

as "boss of the day."

Among her gifts was a clois-soine, lapis lazuli, pearl and gold add-a-bead necklace.



Rose Grisham (center front) displays her farewell cake, surrounded by (from left) Calvin Jaetzold, Sheila Soileau, Bessie Esthay and Jim Hurley.

Little Will wins event



Will McClusky, 2, of Warren won first place Sept. 25 in the Winnie Rice Festival Horse Show lead line class.

According to Will's dad, Grady "Buck" McClusky, the child rode the family horse, Get Rocket. McClusky, a senior engineering assistant in Beaumont, says he and his wife, Linda, are expecting a second child in November.

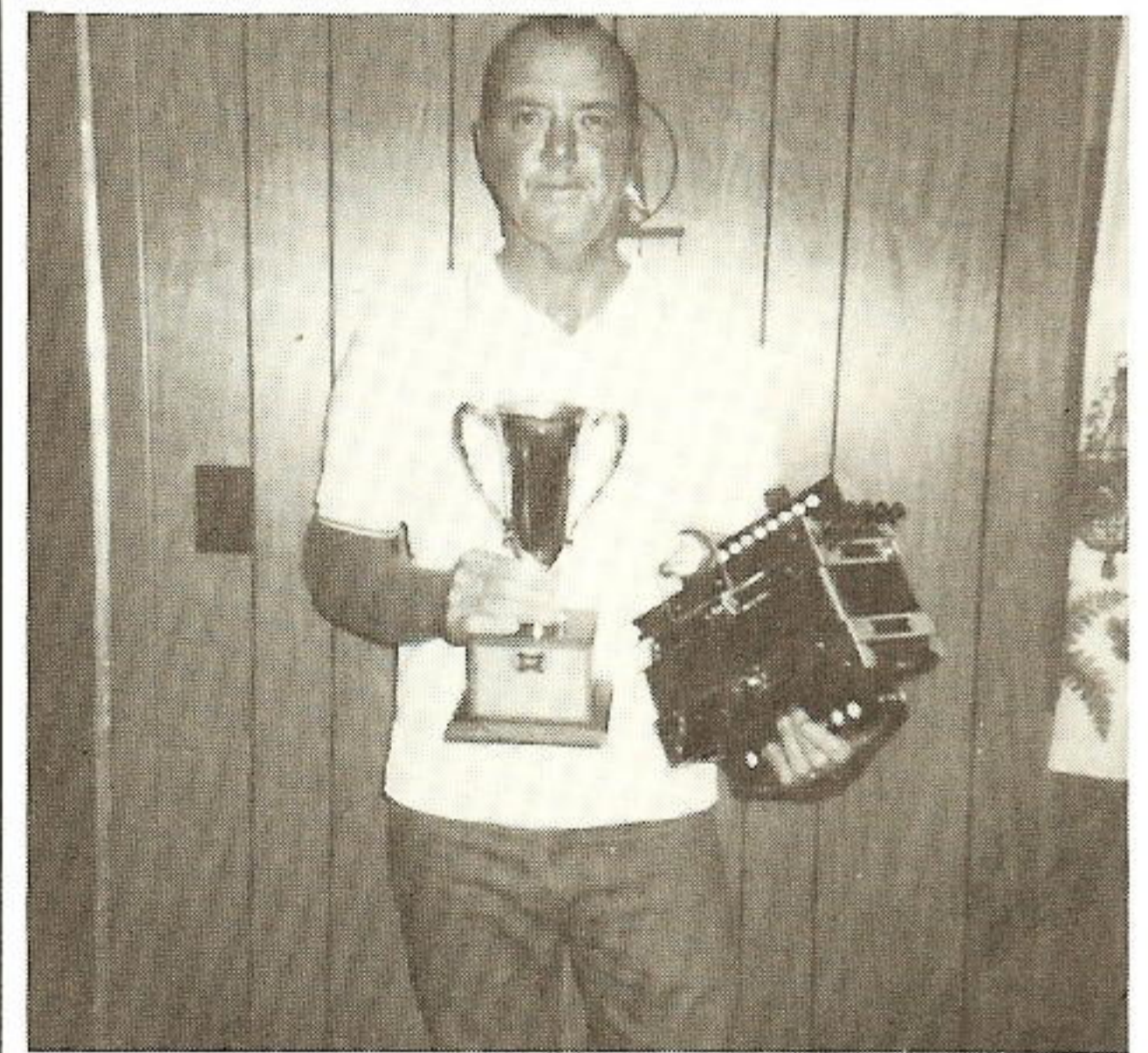
Fathers honored at baby shower

Two fathers-to-be were honored at a baby shower at Sabine Station recently.



Cake and gifts were presented to the two electric shop employees, Milton Briggs and Clint James (from left).

Employees place in festival



L. N. Saltzman

Two Gulf States' musicians placed in a contest at a festival in Kinder, La.

L.N. Saltzman, T&D truck driver, won first place in an accordion-playing contest, and Hubert Landry, meterman, won second place in a harmonica-playing event.

Both men are based in Lake Charles.

SERVICE AWARDS

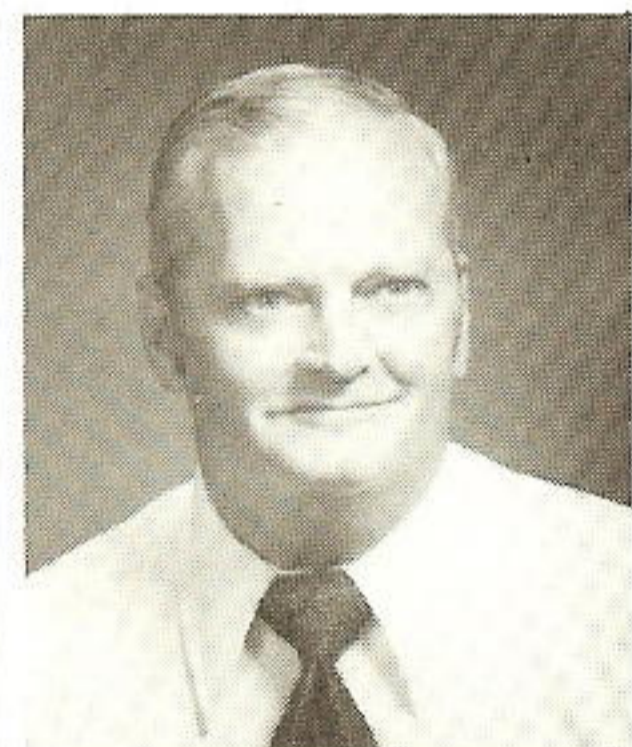
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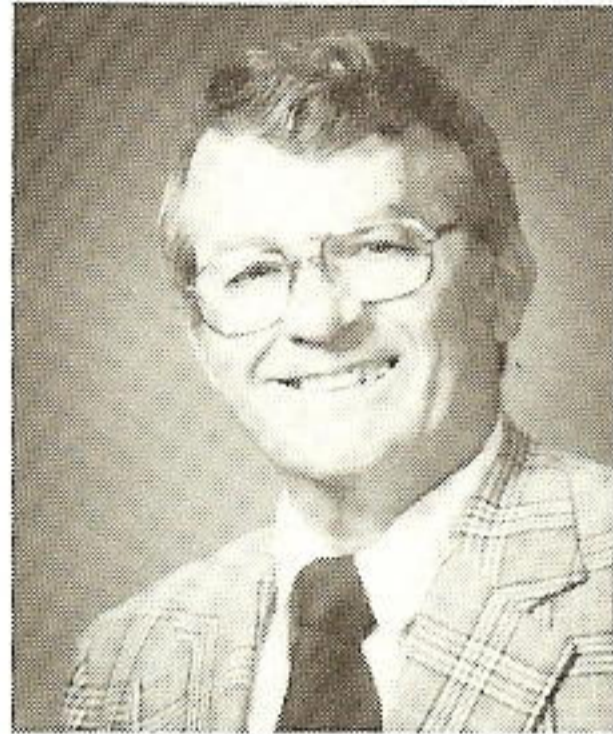
Edwin Judice
Electric T&D
Lafayette



Floyd T. Langlois
Plant Production
Lewis Creek



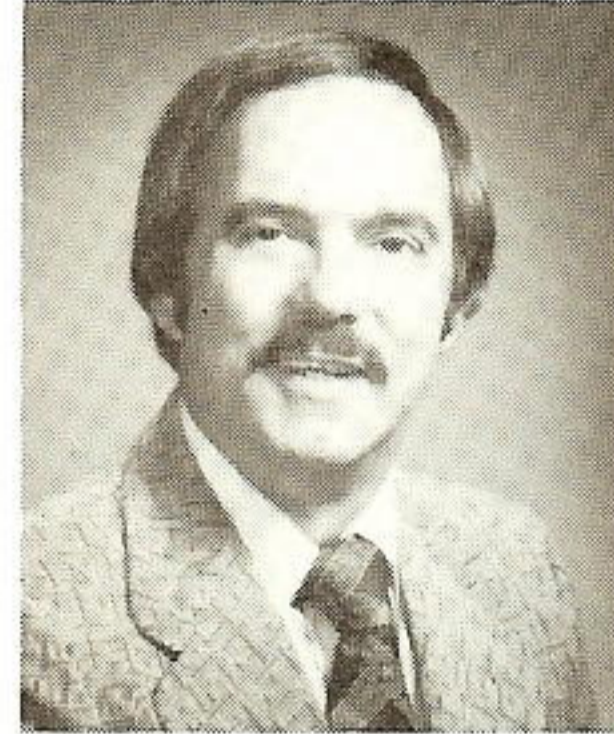
Earl A. Sandlin
System Engineering
Beaumont



Don R. Clawson
System Engineering
Beaumont



Alice E. Maldonado
Computer Applications
Beaumont

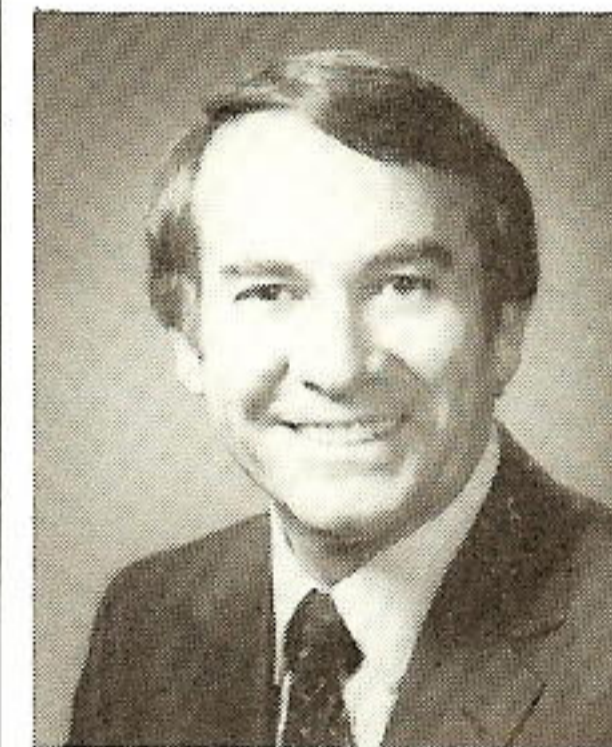


William R. Bryant Jr.
System Engineering
Beaumont

20
years



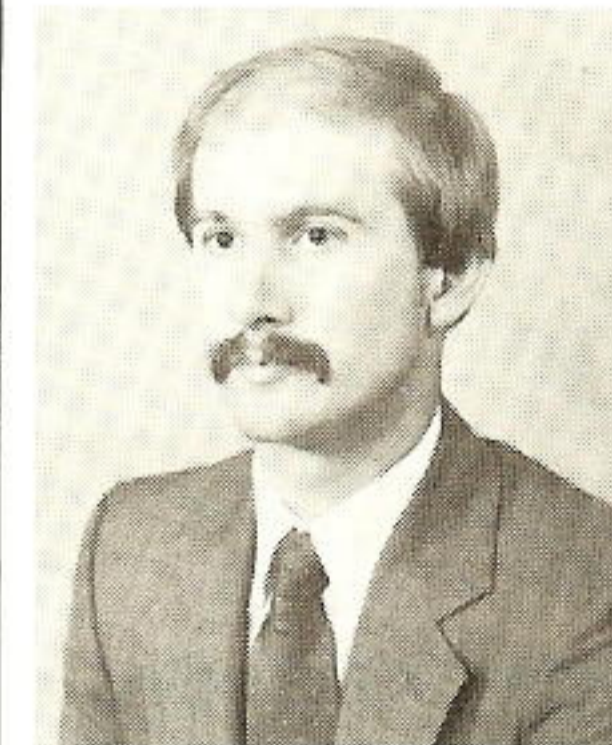
Marlene Belk
Human Resources
Beaumont



William H. Douglas
Office Services
Beaumont

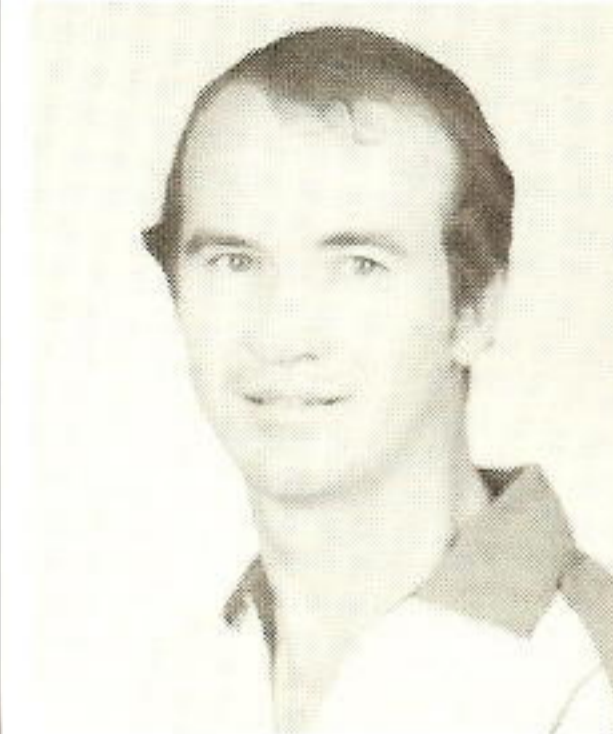


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Electric T&D
Lake Charles

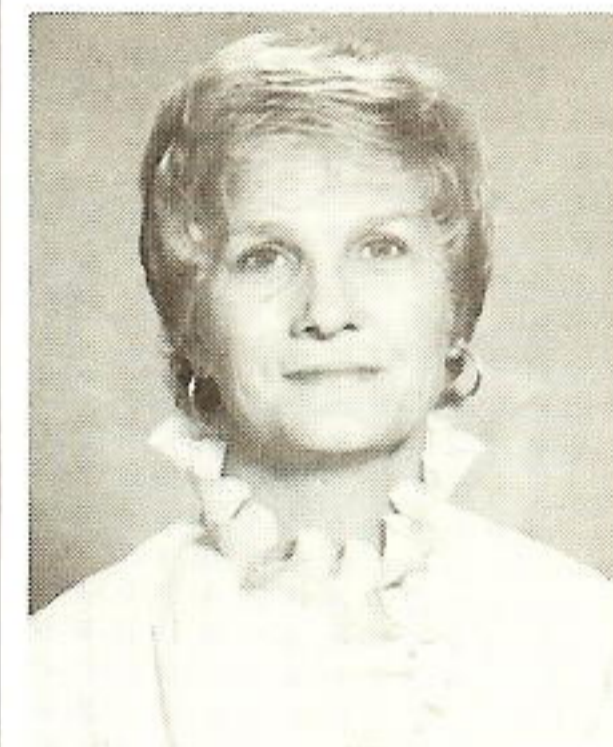


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Electric T&D
Conroe

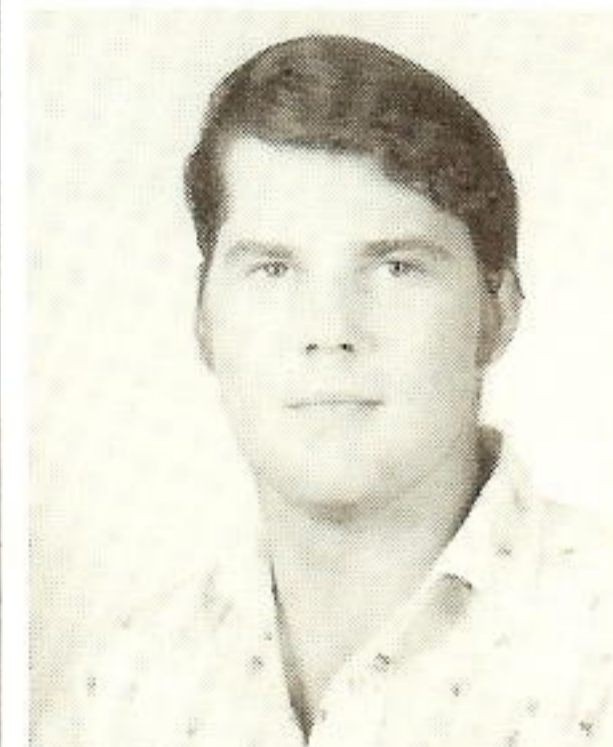
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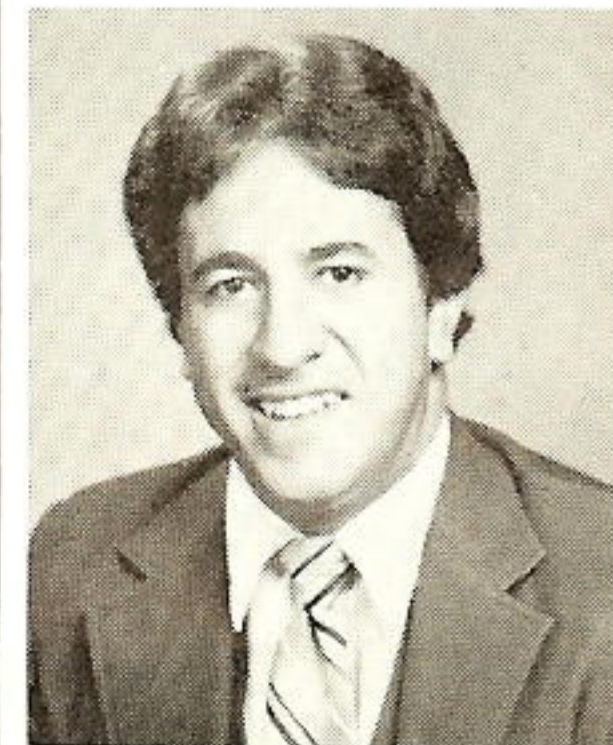
Danny Bozeman
Electric T&D
Lake Charles



Lillie B. Dronet
Electric T&D
Jennings



Richard W. Harrell
Plant Production
Nelson Coal



Ronaldo R. Trevino
Electric T&D
Port Arthur

RETIREE UPDATE

Party honors Carl Beaumont

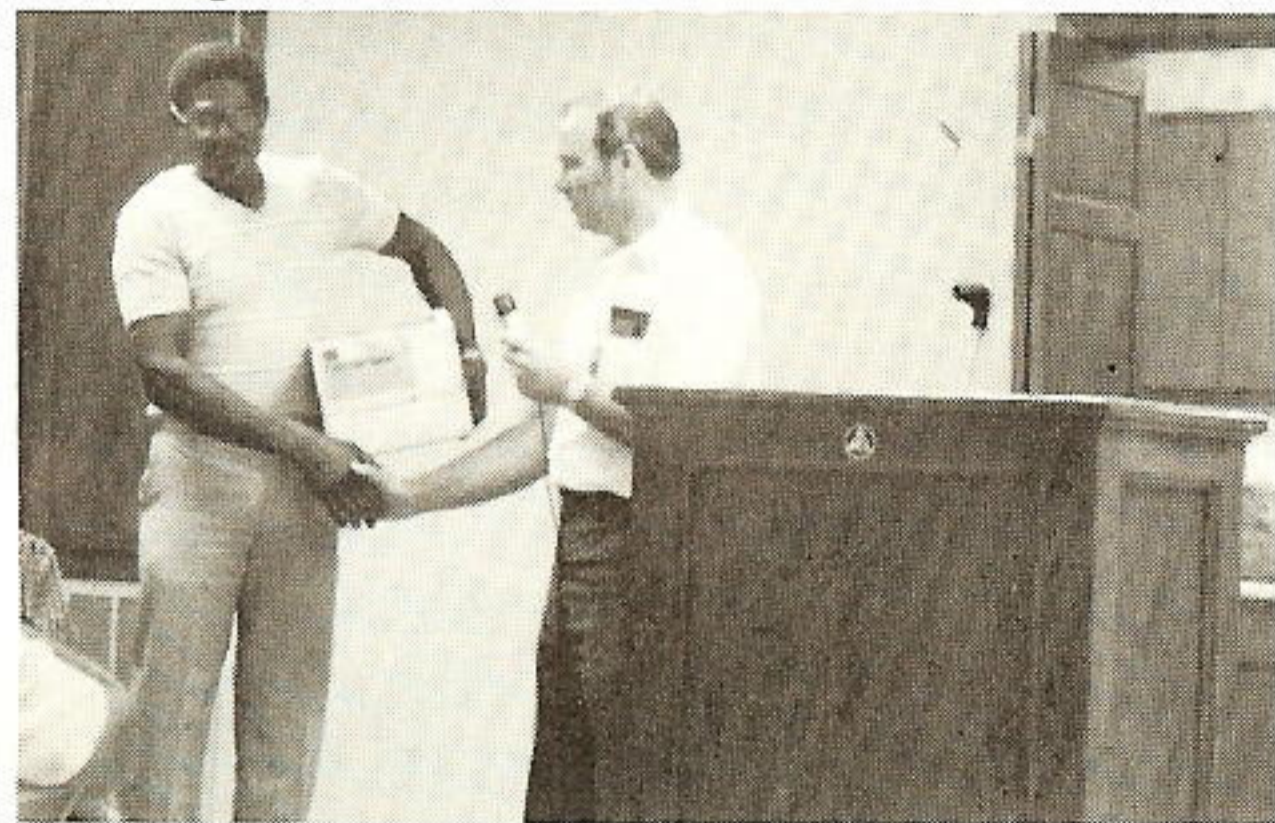
More than 300 well-wishers attended an Oct. 1 retirement party honoring Carl Beaumont, general line foreman in Port Arthur Division.

Held in the Groves activity center, the festivity marked the end of Beaumont's 43-year GSU career. Beaumont, who has participated in civic affairs through the years, was honored by the city of Groves with a proclamation designating the day as "Carl Beaumont Day."



Among those addressing the gathering was Beaumont Division Vice President Arden Loughmiller (standing). Shown seated from left are Beaumont's mother, his wife Dorothy and Beaumont.

Bolden ends 32-year career



Willie Bolden, a master repairman at Willow Glen Station, retired this autumn, ending a 32-year GSU career.

Friends and co-workers honored Bolden with a farewell party and gifts.

Bolden says he plans to spend retirement traveling, fishing, completing his hobby workshop and helping around the home place.

Festival honors three brothers

A GSU retiree and two of his brothers were honored during the 1982 Louisiana Cattle Festival in Abbeville.

Held Oct. 7-10, the festival honored Sabre "Pop" Guidry, who retired from Gulf States in mid-1959, and his brothers, William "Cat" Guidry and Howard Guidry for their contributions to community life.

Pop, 88, Howard, 81, and Cat, 73, are the sons of the late Mr. and Mrs. Euphrosie Guidry, who had 11 children. Beginning with the company's ice operations, Pop's GSU career spanned 35 years and included several power plant positions. He was working at Louisiana Station when he retired.



Brothers Pop, Cat and Howard Guidry (from left) were honored by the Louisiana Cattle Festival.

Howard is a former Abbeville policeman and parish deputy sheriff. He is presently a crossing guard for East Abbeville Elementary School and for the past 20 years has served as a guard for a drive-in bank branch.

Cat, also a former peace officer, once worked as a shoe stylist and salesman.

Sideliners visit Hilltop Herb Farm

Several members of the Beaumont GSU Sideliners Club toured the Hilltop Herb Farm in Cleveland Sept. 22.

In addition to touring the

grounds, the group lunched in the farm's Garden Room and heard a lecture on herbs.

The farm, located in Sam Houston National Forest, began in 1957 as a retirement project for Madalene and Jim Hill.

Deaths listed

— Clyde A. Boyd, 83, of Groves, died Sept. 20 at Doctors Hospital. He retired from GSU in 1964 as a turbine engineer. He joined the company in 1920.

Survivors include his wife, Bernie Boyd of Groves; one son, Clayton Boyd of Forth Worth; and two daughters, Clydene Edwards of Aurora, Colo., and Mrs. Garfield Vallow of Port Arthur.

— Alvin Joseph Jackson, 61, of Lake Charles died Sept. 24 in a local hospital. He retired from GSU in 1978 as a T&D truckdriver.

Survivors include one son, Joseph Timothy Jackson of Lake Charles; and four daughters, Deborah Washington, Sarah Austin, Linda Jackson and Jennifer Franklin, all of Lake Charles.

— Clarence Napoleon, 71, of Port Arthur died Oct. 4 in Park Place Hospital. He retired from GSU in 1975 as an appliance repairman helper. He joined the company in 1936.

Survivors include his wife, Alice Napoleon of Port Arthur; three sons, Donald Napoleon of San Antonio, Clarence Napoleon Jr. of LaCrosse, Wis. and Charles Napoleon; and one daughter, Florence Napoleon of Port Arthur.

— Charlie Waller, 75, of Corrigan died Sept. 25 in St. Luke's Hospital, Houston. He retired from GSU in 1972 as a district serviceman-1st class. He was with the company 45 years.

Survivors include one son, Charlie Fred Waller of Deer Park, and two grandchildren.

COMMENTS

Who Pays What, and Why

It seems simple enough on the surface. Utility companies are required by law to maintain service and anticipate demand for electricity in their specific regions. The prices they set are supposed to cover their costs and allow for a reasonable return on investment. And since most utilities have monopoly status, their rates are regulated to make sure every citizen has access to reliable service at a reasonable price.

During most of this century, there were few complaints about the price of electricity. Demand grew steadily, and utilities were able to rely on technological gains and economies of scale to reduce generating costs. In fact, right through the 1960s, electricity kept getting cheaper. But the oil embargo of 1973 marked an abrupt turnaround. Fuel costs went up, inflation hit the double-digit range, construction of new plants became prohibitively expensive, and electric rates started on an upward spiral that hasn't ended yet. Whether or not the price of electricity remains "reasonable" is now a matter of considerable contention.

Electricity is harder to price than most commodities because it's not something you can weigh or stockpile. You can't even see it. What the utility can do, though, is figure out how much it costs to generate, transmit and distribute the electricity to its customers when they need it, and charge accordingly. Most people agree that this "cost-of-service" approach is fair and equitable.

So far so good. Setting electric rates is essentially a three-step process. The first step is determining the *revenue requirement*, or the total amount the utility has to collect from ratepayers in order to meet its expenses, pay its taxes and investment. The second step is *cost of allocation*, which establishes the share of revenue to be contributed by each customer class (e.g., residential, industrial). The final step, *rate design*, sets prices that

will recover the proper amount of revenue from customers within the class.

Now here's where it starts to get complicated. The utility's total cost of providing service is usually divided into three basic components: *customer costs*, *demand costs*, and *energy costs*. *Customer costs* continue whether or not the consumer uses any electricity in a given billing period. Meters must be read and bills sent, for example, regardless of the amount of electricity used. *Demand costs* are determined by the maximum, or "peak" use of power — that is, the utility must have generating units, transmission lines and other facilities in place to meet the highest, or peak, requirements that its customers will impose on the system. Demand costs, like customer costs, do not vary with usage within a billing period. *Energy costs*, which reflect fuel and other variable costs of generation, are the only ones that are directly related to the customer's kilowatt-hour consumption of electricity.

How much revenue?

For starters, the utility's system planners decide on the mix of generating facilities that will be needed to meet not only current, but future demands. They have to look at least 10 to 15 years ahead to know when old plants should be retired and new ones added, and determine what kind of new plants to build. For example, should the company build a nuclear or fossil-fuel plant? It's also their job to assess the potential contributions of supplemental energy sources like cogeneration or solar power. These factors affect the utility's *investment*, or *capital costs*.

Once new plants are on-stream, the system dispatchers estimate the loads on the system to determine which plants will be used. *Baseload* plants — those that operate at lowest cost — are brought on-line first. As demand for electricity

builds up, units that operate less efficiently or rely on more expensive fuels are switched on. The highest cost *peakers* may generate electricity for only a few hours a year to meet extremely high demand. In some cases, power may even have to be purchased elsewhere. These costs vary considerably and designing rates to take these fluctuating costs into account is technically difficult, but possible.

Adding up the estimated investment costs and estimated operating costs yields the utility's projected total cost of service. But there is still another step. The company has to meet its financial obligations to investors, and safeguard its credit rating and favorable position in the money markets. The revenues collected must be sufficient to cover all these costs.

Pressures for change

The escalation in electric bills, up 153.4 percent on average between 1970 and 1980, together with a growing awareness of the need for conservation, has spurred a rising interest in new approaches to rate-making.

Utilities themselves are reassessing traditional formulas that were established during a time of abundant low-cost resources and rapid technological advances. The industry has conducted studies of its own and worked with governmental agencies to find better and more equitable ways to price electricity. The massive *Electric Utility Rate Design Study*, completed earlier this year by the industry-sponsored Electric Power Research Institute (EPRI), encompasses nearly six years of work and 94 research papers.

Further impetus for change was provided by the Public Utility Regulatory Policy Act (PURPA), one of five bills that make up the National Energy Act of 1978, PURPA not only set forth voluntary ratemaking standards but also gave both the federal government and individual consumers the right

to intervene in rate proceedings.

Setting rate of return

Fundamental to the ratemaking process is deciding the rate of return that the utility will be allowed to earn. The word "allowed," incidentally, means just that — under today's inflationary conditions, utilities rarely reach the level of earnings authorized by their state commissions.

It's important to distinguish between two kinds of rates of return: the *total rate of return* (also called *return on rate base*) and the *return on equity*.

The rate base includes two components: the total amount of money that the company has invested in facilities to serve the public, and the amount of working capital needed to keep the company operating. Utilities need huge amounts of capital — about \$4 worth of investment for every \$1 worth of electricity sold. Some of it (*debt capital*) is borrowed from banks and bondholders; the rest (*equity capital*) is contributed by shareholders.

The *total rate of return* then, has to include enough money to pay the interest due on the borrowed funds and to compensate the shareholders who are letting the utility use their money. The return to the shareholders is called the *rate of return on equity*. This figure, which is equivalent to *net income*, is in essence the utility's *profit*.

It's up to the state utility commission to decide what rate of return on rate base the utility will be allowed. For guidelines, regulators still look to a U.S. Supreme Court decision handed down almost 60 years ago. The decision, *Bluefield Waterworks & Improvement Company v. Public Service Commission of West Virginia*, states:

"The return should be reasonably sufficient to assure confidence in the financial soundness of the utility, should be adequate, under efficient and economical management, to maintain and support its credit and enable it to raise money necessary to the proper discharge of its public duties. A rate of return may be reasonable at one time and become too high or too low by changes affecting opportunities for investment, the money market, and business conditions generally."

Pricing problems

A primary ratemaking argument is whether rates should continue to be based on "embedded" (historic) costs — the number of dollars that originally went into the company's physical facilities — or on incremental costs that reflect true replacement costs and the current rate of inflation.

Another point of contention is whether new customers should pay higher rates. This is called *vintage pricing* and would require new customers, or those whose demand has expanded, to pay the higher prices associated with new generating capacity.

The problem of inflation raises another question. Is it reasonable for utilities to have to use economic data already outdated by inflationary pressures as a base for setting rates? Rates that are set on the basis of past experience with costs — which is how most regulatory commissions operate — often leave utilities chronically short of necessary revenue. As one observer commented, "companies that are getting rates set on last year's costs are just digging themselves into a hole." Utilities may apply for rate increases on an annual or semi-annual basis, but the relief that is granted is often too little and too late to compensate for rising costs.

Utilities would collect greater revenues if utility commissions permitted rates to be based on the costs of today's plants, though the concomitant rise in electric bills could impose severe burdens on some consumers. This raises the question of *time-of-usage*, or *time-of-day* (T-O-D) rates, which offer consumers the chance to take advantage of off-peak bargains in electricity prices. This concept is encouraged by PURPA and has already been tested in a number of studies and pilot programs.

Peak-load pricing

Time-of-day rates are a familiar concept to many utility companies. As far back as 55 years ago, Long Island Lighting Company charged its customers less for the power they used during daylight hours. Today utilities in about half the states use some form of peak-load pricing, most commonly on a

seasonal basis. Summer-peaking companies charge customers more during hot weather months when air-conditioning loads are heavy; winter-peaking companies impose higher prices to offset increased lighting and heating demands when days are short and temperatures frigid.

Time-of-day rates, however, are still unavailable to the vast majority of utility customers. According to the *Electric Utility Rate Design Study*, customers who have taken part in pilot programs generally accept the theory of T-O-D rates, but don't necessarily prefer them. Some residential customers are uncertain how to shift electricity usage to off-peak times. Others are unwilling to defer laundry, dishwashing and baking, for example, to the late evening or early morning hours when off-peak rates are in effect.

Other rate options

While T-O-D rates leave decision in the hands of the customers, other rate options involve control by utilities. Approximately 75 U.S. utilities are controlling the time or the amount of electricity they deliver. Interruptible rates, cheaper because power can be cut off temporarily during periods of peak demand, are commonly offered to industrial customers. Utilities in some areas now offer residential users a similar arrangement, usually involving only brief interruptions of power to hot water heaters or air conditioners.

Though efforts to modify existing rate structures will no doubt continue, future emphasis will probably be on designing rates which balance the costs of providing electricity with the willingness of consumers to pay for various levels of service. Electricity customers, particularly in the residential category, have become accustomed to receiving the same high quality of service for the same price under all conditions. It remains to be seen what service modifications they are willing to accept in return for lower prices.

Editor's Note: The following is excerpted from a Fact Sheet prepared by Reddy Communications Inc.

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Q.

Do nuclear wastes have any uses?

A.

They've been turning lowly sewage into high-grade fertilizer at a Sandia Labs pilot plant in Albuquerque, N.M. The cesium-137 isotopes extracted from nuclear reactor wastes destroy bacteria and other pathogens in the sludge, leaving a nutrient-rich soil conditioner that produces bountiful crops. There is no residual radioactivity. The irradiation process could solve a major disposal problem in the U.S., which generates 6 million tons of sludge a year.

