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PUBLIC UTILITY COMMISSION
FILING CLERK

Mr. James Galloway
Filing Clerk
Public Utility Commission of Texas
1701 N. Congress 78701

RE: Grande Communication Networks, Inc. ("Grande") Workforce Diversity Report for October 2001 through September 2002. **Project 26715**

Dear Mr. Galloway:

Pursuant to Public Utility Commission of Texas Rule 26.85(d), I am enclosing for filing in the above-referenced Project an original and five copies of Grande's Workforce Diversity Annual report to the Five-Year Plan. Please acknowledge receipt of the Plan by returning a file stamped copy to me in the enclosed prepaid envelope.

Feel free to contact me if you have any questions or need additional information.

Sincerely,



Gabriel Garcia
Assistant General Counsel Regulatory Affairs

Enclosure

cc: The Honorable Rick Perry, Governor of Texas
The Office of the Lieutenant Governor of Texas
The Honorable Pete Laney, Speaker of the Texas House of Representatives
The African-American Caucus of the Texas Legislature
The Hispanic Caucus of the Texas Legislature



WORKFORCE AND SUPPLIER DIVERSITY FORM

NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR													
Occupational Categories	Combined Total	Company Totals		Caucasian		African American		Hispanic		Asian		American Indian	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Officials and Managers	108	65	43	58	33	3	1	4	9	0	0	0	0
Professionals	16	14	2	11	2	0	0	2	0	1	0	0	0
Technicians	163	135	28	102	20	11	1	18	6	3	1	1	0
Sales Workers	24	18	6	12	6	1	0	5	0	0	0	0	0
Office and Clerical	148	46	102	22	66	3	4	21	29	0	2	0	1
Craft Workers (Skilled)	75	75	0	43	0	5	0	27	0	0	0	0	0
Operatives (Semi-skilled)	4	4	0	3	0	0	0	1	0	0	0	0	0
Laborers (Unskilled)	0	0	0	0	0	0	0	0	0	0	0	0	0
Service Workers	1	1	0	0	0	0	0	1	0	0	0	0	0
Previous Year Totals	496	317	179	225	127	18	8	72	41	1	2	1	1
Year Totals	539	358	181	251	127	23	6	79	44	4	3	1	1

WORKFORCE AND SUPPLIER DIVERSITY FORM

Actual = [Total HUB(6) procurement + Total Small Business procurement]/Total Company procurement	Actual for Previous FY	Actual for Current FY	Percentage change
Construction Contracts (1)	32	67	48%
Commodities Contracts (2)	6	2	-66%
Other Services (3)	39	69	57%
Professional Services Contracts (4)	11	26	42%
Major Equipment (5)	4	21	19%
Other	2	0	-100%

(1) **Construction** -- Construction done by general contractors and special trade contractors which includes new work, additions, alterations, reconstruction, installations, repairs, remodeling, renovating, and repair of office buildings. Heavy construction other than buildings such as pipelines, communication and power lines, sewer and water mains, asphalt and concrete construction of roads, trenching, cable laying, conduit construction, land clearing and leveling.

(2) **Commodities** -- All materials, goods or tangibles purchased to conduct business, not including fuel or purchased power contracts and major equipment purchases and rentals.

(3) **Others Services** -- All specialty work, special circumstances that required contract labor, special consultants or other non-defined services. Examples include audio/visual, staffing services, landscaping, forestry, tree trimming, art and decorative services, janitorial, travel/lodging, automotive repair, and photography.

(4) **Professional Services** -- Contracted professional services which include legal, consulting, health, engineering, accounting, advertising/marketing, architectural, real estate, computer services, research and analysis, education/training, insurance, surveying services, weather services, environmental, financial, etc.

(5) **Major Equipment** -- Includes all major equipment purchases and rentals including but not limited to transmission and distribution equipment, power plant equipment, substation equipment, heavy construction equipment, fleet requirements, etc.

(6) **HUB** -- Business enterprises that are 51% owned and controlled by U.S. citizens who are socially disadvantaged because of their identification as members of certain groups, including African-American, Hispanic, Native American, or Asian Pacific and Women as defined in the Texas Government Code § 481.101(1).

(7) **Other** -- Any commodity or service not covered by the above categories.

WORKFORCE AND SUPPLIER DIVERSITY FORM

Describe the specific initiatives, programs, and activities undertaken under the plan during the preceding year:

Recruiting

Grande posts all position openings on its website, which is available to all employees and external applicants. We provide a link to our career website on our internal web page accessible by all employees. Recruiting ads which are placed in local news publications reference our website, as well as our address and fax number for submitting applications/resumes.

We participated in the following job fairs in 2002:

SWT Career Fair, SM
2002 Diversity Expo & Career Fair, Austin
SW Region Multicultural Expo, Austin
Charles Schwab Job Fair, Austin
Citi Cards Job Fair, San Marcos

Make an assessment of the success of each of the specific initiatives, programs, and activities listed above:

Grande has been very successful with its community outreach initiatives and has been recognized by many of the minority organizations and community groups for doing so. Grande has also had great success in obtaining minority support of our services through our diversity friendly marketing and advertising initiatives. Our recruiting and hiring practices are not specific to gender or race, and give equal opportunity to all individuals, whether currently employed or external applicants.

State the specific progress made under the plan filed by the utility:

- 1. Maintain a commitment to employ a diverse workforce with emphasis placed on recruitment.**
Grande posts all open positions on the career website on Grande's internet page, which is equally accessible by internal as well as external applicants. Additionally, we run ads in local newspaper publications that refer to our website as well as our address and fax number for submitting applications or resumes. We have utilized minority publications and typically use minority focused events to refer to Grande employment opportunities by promoting our career page on our website.
- 2. Encourage management to focus on employee retention.**
Grande is working hard to create an environment of accountability where employees know that their successes are celebrated and their challenges are identified. Grande employs a quarterly review system whereby all employees are formally reviewed each quarter for performance against specific and measurable targets established at the beginning of the quarter. Grande's expectation is that employees should never be surprised about how their performance is viewed by management, good or bad.

WORKFORCE AND SUPPLIER DIVERSITY FORM

3. **Develop Internal Candidates for Promotion.**
Grande maintains salary and grading structure which allows for career growth within a job family or promotional opportunities to other positions for which an employee may be qualified. Open positions are posted on Grande's career page, which is accessible by all employees as well as external applicants.
4. **Workforce Training Opportunities**
Grande has an educational assistance and continuing education program available to all employees. The company established "Grande University" to help provide opportunities to employees for on-site career development as well as an avenue to assist employees in locating outside opportunities for skill advancement. Training is a budgeted line item in every departmental budget to support employee continuing education needs. Additionally, Grande provides OJT training for skill level advancement once an employee has been accepted into a new position.
5. **Build a reputation for being diversity friendly.**
Grande marketing collateral focuses on representing the same diversity that can be found in our markets. We also employ a Value System that all employees are trained on and is used daily by all employees. The Value System calls for all individuals to be treated with respect and honesty.
6. **Evaluate the diversity plan annually.**
We are continually assessing our community outreach, recruiting, marketing and employee initiatives as they relate to diversity as well as our business needs.

Contracting

1. Through our active and diverse community outreach programs we are frequently able to make contacts with HUB's and small businesses who can supply goods and services to Grande.
2. Grande is actively involved in all the various Chamber of Commerce organizations in each market.
3. Grande actively encourages employees to become involved in community outreach opportunities as well as organizations such as the chamber of commerce. Announcements are continually sent to all employees for participation in community activities and organizations.
4. Grande's community relations department is very active in supporting and sponsoring many activities in the communities in which we serve throughout the year. Through our active community involvement we are presented with many opportunities to contact HUBs and small businesses who can provide services and goods to Grande.