

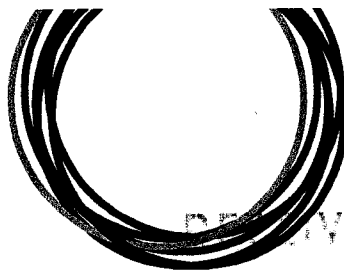
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ALPHEUS



Alpheus Communications, LLC
Alpheus Data Services, L.L.C.
1301 Fannin Street
20th Floor
Houston, Texas 77002

713-336-6565

2013 DEC 11 AM 10:43

PUBLIC UTILITY COMMISSION
FILING CLERK

December 10, 2013

Commission Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

Re: Project Number 30240 *2012 Annual Report on Workforce and Supplier Diversity.*

Dear Sir or Madam:

Pursuant to PUC Substantive Rule 26.85, I am filing Alpheus Communications, LLC (Alpheus) Annual Report on Workforce and Supplier Diversity. Consistent with the requirements of the rules, copies of this report are also being provided to: The Governor's Office, The Lt. Governor's Office, Texas House of Representative, The House Legislative Black Caucus, The Mexican American Legislative Caucus, The Texas Legislative Black Caucus and The Texas Senate Hispanic Caucus. Alpheus Communications, LLC has no employees; rather employees are staffed through ADP TotalSolutions which also staffs Alpheus Communications, LLC's wholly owned subsidiary, Alpheus Data Services, LLC. For the employee count in this filing, all employees that do not wholly and directly work exclusively for Alpheus Data Services, LLC were tallied herein. If there are any questions, please contact me at 903 675-1991 or patti@alpheus.net.

Sincerely,



Patricia M. Hogue

Sr. V. P. Regulatory Affairs

CC: The Office of the Governor
The Office of the Lt. Governor
House of Representatives, Speaker of the House of Representatives
Texas House Legislative Black Caucus
Mexican-American Legislative Caucus
Texas Legislative Black Caucus
Texas Senate Hispanic Caucus

2165

WORKFORCE AND SUPPLIER DIVERSITY FORM **WORKFORCE DIVERSITY**

Occupational Categories	NUMBER OF TEXAS FULL-TIME EMPLOYEES FOR REPORTING YEAR														
	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	12	8	4	7	3			1				1			
Professionals	2	1	1		1			1							
Technicians	65	57	8	43	5	7	2		1	6		1			
Sales Workers	8	4	4	3				1							
Office and Clerical	16	5	11	3	5	2	2		4						
Craft Workers (Skilled)	0	0	0												
Operatives (Semi-skilled)	0	0	0												
Laborers (Unskilled)	0	0	0												
Service Workers	0	0	0												
Previous Year Totals		88	63	20	41	10	7	4	10	6	5	0	0	0	0
This Year Totals		99	75	24	56	14	9	4	3	5	6	1	1	0	0

NOTE: Double-click on embedded Excel chart to open. Click on a cell or use arrow keys to select an occupational category and ethnic group to update workforce diversity numbers. Do not enter information in Combined Total and Company Totals columns or the This Year Totals row as these will update automatically. Cells left blank will be counted as zero. Click anywhere outside of chart to exit.

WORKFORCE AND SUPPLIER DIVERSITY FORM
HUB/SMALL BUSINESS PROCUREMENT AS A PERCENTAGE OF TOTAL COMPANY PROCUREMENT

Actual % = [Total HUB(1) procurement + Total Small Business(2) procurement]/Total Company procurement	Actual % for Previous FY	Actual % for Current FY	Percentage Change
Construction Contracts (3)	6.5200%	7.6500%	17.33%
Commodities Contracts (4)			%
Other Services (5)			%
Professional Services Contracts (6)			%
Major Equipment (7)			%
Other (8)			%

(1) **HUB** – Pursuant to Texas Government Code § 481.191(4), HUB means: (A) a corporation formed for the purpose of making a profit in which at least 51 percent of all classes of the shares of stock or other equitable securities is owned by one or more persons who are members of certain groups, including black Americans, Hispanic Americans, women, Asian Pacific Americans, and American Indians; (B) a sole proprietorship formed for the purpose of making a profit that is 100 percent owned, operated, and controlled by a person described by Paragraph (A) of this subdivision; (C) a partnership formed for the purpose of making a profit in which 51 percent of the assets and interest in the partnership is owned by one or more persons described by Paragraph (A) of this subdivision. Those persons must have proportionate interest and demonstrate active participation in the control, operation, and management of the partnership's affairs; or (D) a joint venture in which each entity in the joint venture is a historically underutilized business under this subdivision.

(2) **Small Business** -- Pursuant to Texas Government Code § 481.191(6), Small Business means a corporation, partnership, sole proprietorship, or other legal entity that: (A) is domiciled in this state; (B) is formed to make a profit; (C) is independently owned and operated; and (D) employs fewer than 100 full-time employees.

(3) **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.

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

(5) **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.

(6) **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.

(7) **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.

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

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

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

Alpheus believes that the true strength of our company lies in the diversity of our employees. At Alpheus, we recognize our employees as our most important asset, and we believe that successfully executing our business strategies depends upon contributions from people with dramatically different experiences, backgrounds, education, and perspectives. With that in mind, we strive to foster an environment that embraces all people. At Alpheus our differences strengthen us; our shared values and teamwork unite us.

Alpheus seeks to:

- Recruit, hire, and retain a group of employees who reflect the diversity of the communities in which we operate through relationships with many different sources for candidates.
- Maintain a culture of open-mindedness, empowerment, and respect that enhances and leverages the diversity of our workforce.
- Tie employee rewards to both the accomplishment of team goals and individual contributions toward those goals.
- Employ a diverse group of suppliers and vendors.
- Maintain close bonds to the communities in which we operate and support local initiatives within those communities.

2013 Action-Oriented Program:

1. Training and Awareness: Alpheus fosters a culture of open-mindedness, empowerment, and respect that will enhance and leverage the diversity of our workforce. This was accomplished by:
 - Annual EEO Computer Based Training (CBT) available to all employees.
 - Required annual EEO CBT and class room training for all supervisors.
 - Providing classroom and self-guided computer based training programs that allow our employees to develop their skills in order to be ready for developmental and advancement opportunities that become available.
 - Required all employees read, understand and sign Advantec (Alpheus' HR contractor) Code of Business Conduct booklet.
2. Employee Development and Promotion from Within: Alpheus fosters the development of its employees, including its women and minority employees, to encourage employees to develop the skills and obtain the experience needed to move up the organization as opportunities arise by training programs tied to annual performance reviews.
3. Advertising, Recruitment and Selection: In order to fill positions with qualified minorities and females, the Company utilizes diverse sources of candidates, including sources frequently read by females in similar jobs/industries. These sources will include, but are not limited to, America's Job Bank, WebHire, and/or Monster.com. While recruiting for 2012 has been limited based on Company needs, when the need for resources has arisen Alpheus recruits by posting job openings on a variety of websites to advertise opportunities to a diverse population of potential candidates. Additionally, all placements at or above manager level are reviewed by the President of Alpheus as well as the Vice-President of Human Resources to ensure an appropriate group of candidates

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

were considered and that indeed the best qualified applicant was considered.

4. Initiatives: Alpheus will maintain close ties to the communities in which we operate, supporting local initiatives important to the area in which we do business. The Company will accomplish this through:

- Participating in education and mentoring programs at local schools
- Development of career opportunities that assists talented minority students in finding meaningful summer and part-time jobs in corporate America.
- Financially supporting community organizations.
- Encouraging employees to give back to the community through service and volunteer actions.

WORKFORCE AND SUPPLIER DIVERSITY FORM COMPANY INITIATIVES

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

Alpheus continually assesses the initiatives and programs mentioned above and has been successful in demonstrating increased awareness in each area. Alpheus has studied its utilization rates of minorities and females in comparison to their availability.

(3) Describe the initiatives, programs, and activities the utility will pursue during the next year to increase the diversity of its workforce and contracting opportunities for small and historically underutilized businesses:

Alpheus has in place policies and programs for improving workforce diversity both in terms of new hires and development opportunities of current employees. Alpheus believes that these policies and programs have been effective in advancing workforce diversity; however, also believes that advancing diversity is a continuing task.

Alpheus strives to be responsible for ensuring that small business enterprises (SBEs), small disadvantaged business concerns (SDBs), woman-owned small business concerns (WOSBs), veteran-owned small business concerns (VOSBs), service-disabled veteran-owned small business concerns (SDVOs), and historically underutilized business zone small business concerns (HUBZone SBs) are provided with opportunities to compete on an equal basis with all other Alpheus suppliers. We are constantly working to increase awareness of the company's commitment to ensuring fair and equal consideration of all businesses through various activities

(4) State the specific progress made under the plan filed by the utility:

During the past year we continued working and refining processes that ensure an in-house diversity task force objectives with representatives from various Alpheus departments are met. The diversity task force agreed and initiated multiple modifications to its in-house vendor database required to accommodate diversity data. A vendor profile form is used by Alpheus to gather diversity data from its existing and potential suppliers and contractors. With this form, a survey of Alpheus suppliers was conducted in order to identify small business enterprises (SBEs), small disadvantaged business concerns (SDBs), women-owned small business concerns (WOSBs), veteran-owned small business

**WORKFORCE AND SUPPLIER DIVERSITY FORM
COMPANY INITIATIVES**

concerns (VOSBs), service-disabled veteran-owned small business concerns (SDVOs), and historically underutilized business zone small business concerns (HUBZone SBs)