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PUBLIC UTILITY COMMISSION
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January 31, 2014

Texas Public Utility Commission
1701 N. Congress Avenue
P.O. Box 13326
Austin, TX 78711-3326

Re: Hypercube Telecom, LLC
FEIN: 22-3777361
Docket No: 24394
Project No: 30238, 30240

To Whom It May Concern:

On behalf of our client, Hypercube Telecom, LLC (22-3777361) (Hypercube), please find the attached *Annual Progress Report on Workforce Diversity and Historically Underutilized Business Reports* for the 2013 reporting year.

Please accept these filings as complete and in satisfaction of Hypercube's annual Workforce Diversity and HUB reporting obligations with the Texas Public Utility Commission.

Thank you in advance for your kind attention to this matter. Please do not hesitate to call me at 318-429-7552 or John Dietzel at 318-429-7580 should you have any questions or need additional information.

Very Truly Yours,

RBM LLP

Scotty R. Amos, CPA
Authorized Compliance Agent

cc: Karen Turner – *Regulatory Compliance Coordinator for Hypercube Telecom, LLC*

2274

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	22	18	4	12	4	0	0	1	0	4	0	1	0	
Professionals	5	2	3	2	1	0	1	1	0	0	0	0	0	
Technicians	24	18	6	9	5	5	1	0	1	3	0	0	0	
Sales Workers	3	2	1	2	0	0	1	0	0	0	0	0	0	
Office and Clerical	2	0	2	0	2	0	0	0	0	0	0	0	0	
Craft Workers (Skilled)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Operatives (Semi-skilled)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Laborers (Unskilled)	0	0	0	0	0	0	0	0	0	0	0	0	0	
Service Workers	0	0	0	0	0	0	0	0	0	0	0	0	0	
Previous Year Totals	49	37	12	26	10	5	0	1	2	4	0	1	0	
This Year Totals	56	40	16	25	12	5	3	2	1	7	0	1	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)				%
Commodities Contracts (4)				%
Other Services (5)	Hypercube does not currently track this information.			%
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:**

Throughout 2013, Hypercube Telecom, LLC (Hypercube) continued to demonstrate its commitment to its employees by responding effectively to employee concerns. Supervisors and employees continue to be strongly encouraged to discuss job performance and goals on an informal, day-to-day basis throughout the year. Formal performance evaluations were conducted at year end to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. Those employees meeting their stated goals will be rewarded with year end performance bonuses and compensation increases.

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

Experience has shown that when employees deal openly and directly with supervisors, the work environment is excellent, communications clear and attitude is positive.

- (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:**

Hypercube will continue to base all employment decisions on merit, qualifications and abilities. The Company does not discriminate against any person because of race, color, creed, religion, sex, national origin, disability, age, genetic information or any other characteristic protected by law.

Purchasing decisions will continue to be based on the projected needs of Hypercube's unique business model, equipment qualifications and competitive pricing.

**WORKFORCE AND SUPPLIER DIVERSITY FORM
COMPANY INITIATIVES**

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

Hypercube does not currently track this information.

SMALL UTILITIES HUB USE REPORT (purchases outside Texas)
Utility: HYPERCUBE TELECOM, LLC

MBE Procurement	Construction	Commodities	Other Services	Professional	Major Equipment	Other	Total HUB
	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures	Expenditures
African American Male	0	0	0	0	0	0	0
African American Female	0	0	0	0	0	0	0
Total African American	0	0	0	0	0	0	0
Asian American Male	0	0	0	0	0	0	0
Asian American Female	0	0	0	0	0	0	0
Total Asian American	0	0	0	0	0	0	0
Hispanic American Male	0	0	0	0	0	0	0
Hispanic American Female	0	0	0	0	0	0	0
Total Hispanic American	0	0	0	0	0	0	0
Native American Male	0	0	0	0	0	0	0
Native American Female	0	0	0	0	0	0	0
Total Native American	0	0	0	0	0	0	0
MBE Total (Male/Female Minority)	0	0	0	0	0	0	0
WBE Total (Non-Minority Female)	0	0	0	0	0	0	0
Total MBE & WBE Procurement	0	0	0	0	0	0	0
Total Unknown Status Procurement (1)	0	40,113,198	469,945	515,397	7,551,314	0	48,649,853
Total Non-Fuel Procurement (2)	0	40,113,198	469,945	515,397	7,551,314	0	48,649,853
Total Fuel and Purchased Power Procurement (electric only)							Total Utility Purchases
							0
Total Non-Fuel, Fuel, and Purchased Power Procurement							48,649,853

(1) Vendors for whom HUB status is not directly known.
 (2) Expenditures for goods and services from vendors not including wages, benefits, and other non-negotiable goods and services such as taxes and postage. Includes MBE/WBE and Unknown Procurement

Reporting Period: Oct 1, 2012 through Sep 30, 2013
 Address: 3200 W. PLEASANT RUN RD, STE 300
 City: LANCASTER
 Reporting Date: 1/31/2014
 Contact person: KAREN TURNER
 State: TX Zip: 75146
 Phone: 469-727-1631 Fax: 469-727-1511

To be filed by a utility which has more than 1,000 customers in a state other than Texas, or which purchases more than 10% of its goods and services from vendors not located in Texas
 X:\0206-00 Hypercube\Hypercube Telecom LLC (KMC Data)\2014\CY 2013 Regulatory Compliance\TX PUC SmUnonTxHubRpt_20140130Small Utilities (OT)

SMALL UTILITIES HUB USE REPORT (Texas purchases)
Utility: HYPERCUBE TELECOM, LLC

MBE Procurement	Construction		Commodities		Other Services		Professional		Major Equipment		Other		Total HUB	
	Expenditures		Expenditures		Expenditures		Expenditures		Expenditures		Expenditures		Expenditures	
African American Male	0		0		0		0		0		0		0	
African American Female	0		0		0		0		0		0		0	
Total African American	0		0		0		0		0		0		0	
Asian American Male	0		0		0		0		0		0		0	
Asian American Female	0		0		0		0		0		0		0	
Total Asian American	0		0		0		0		0		0		0	
Hispanic American Male	0		0		0		0		0		0		0	
Hispanic American Female	0		0		0		0		0		0		0	
Total Hispanic American	0		0		0		0		0		0		0	
Native American Male	0		0		0		0		0		0		0	
Native American Female	0		0		0		0		0		0		0	
Total Native American	0		0		0		0		0		0		0	
Total MBE	0		0		0		0		0		0		0	
MBE Total (Male/Female Minority)	0		0		0		0		0		0		0	
WBE Total (Non-Minority Female)	0		0		0		0		0		0		0	
Total MBE & WBE Procurement	0		0		0		0		0		0		0	
Total Unknown Status Procurement (1)	0		19,706,651		98,145		44,602		423,864		0		15,167,673	
Total Non-Fuel Procurement (2)	0		19,706,651		98,145		44,602		423,864		0		20,273,262	
Total Fuel and Purchased Power Procurement (electric only)													Total Utility Purchases	0
Total Non-Fuel, Fuel, and Purchased Power Procurement														20,273,262

(1) Vendors for whom HUB status is not directly known.

(2) Expenditures for goods and services from vendors not including wages, benefits, and other non-negotiable goods and services such as taxes and postage. Includes MBE/WBE and Unknown Procurement

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