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NEW DIRECTIONS

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Benefits

- 8 Employees Respond To Benefit Statement Survey

Features

- 4 AEP System Survey Shows Employees Understand Need For Change
- 6 Ethical Issues Addressed In New Code Of Conduct
- 7 AEP Announces New Code Of Conduct
- 10 Kings Take Missionary Work Trip To Fiji

News

- 3 Four From APCo Win Stock Awards
Slovakians Visit APCo's Bluefield Office
OAD&D Enrollment Is March 1
Harza, AEP To Oversee Chinese Project
- 9 Appalachian Power Attracts Large Industrial Customer

Power People

- 11 Retirements
- 14 Promotions
- 15 APCo Helps With Stadium Lights
Dance Held At Roanoke Garage
Logan Crews Help Build Tower
Van Donated To Rescue Squad
- 16 Salvation Army Donation
Party For Needy Children
Employees Fill Christmas Stockings
Salvation Army Bell Ringers
- 17 Bluefield Employees Help Needy Children
Beckley's Human Bean Club Performs Community Service Projects
Roanoke Establishes School Partnerships
- 18 Who's News
- 20 Weddings & Births
- 21 Friends We'll Miss
- 22 Service Anniversaries

About the cover:

This month's cover reflects the new directions the company is taking in a changing business environment.

IABC

International Association of Business Communications

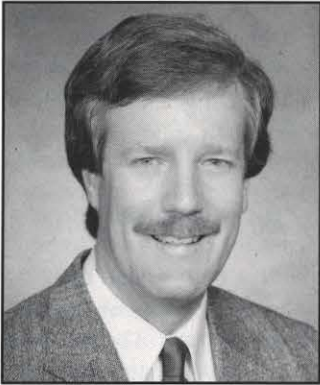


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NEWS

Four From APCo Win Stock Awards



Barger



Sayre

Four Appalachian Power Company employees are among the winners in the AEP System's 1995 *Operating Ideas* stock awards competition.

The 11 winners received a total of 750 shares of American Electric Power Company common stock.

The first prize, 175 shares, was divided by **William Sayre**, Amos Plant maintenance supervisor, and **Stephen Buchanan**, senior engineer, AEP Service Corporation. Their idea was "Liners Restore Air Heater Sector Plates, Saving Amos Plant More than \$580,000."

David Barger, engineering technologist I, GO T&D Engineering, Roanoke, won 150 shares for his idea, "New Tester Improves Troubleshooting of High Pressure Sodium Luminaries."

Joel Kirby, transmission crew supervisor NE, and **Robert Blackburn, Jr.**, transmission mechanic A, GO T&D Transmission, Bluefield, divided 100 shares for their idea, "Tower Parts Made Thief-Proof by Permanently Locked Bolts." □

OAD&D Enrollment Is March 1

The open enrollment date for the Optional Accidental Death & Dismemberment Insurance (OAD&D) is March 1, 1995.

Employees who did not elect this coverage when it was first offered and now wish to be covered by the plan or employees who wish to change their coverage have until February 27 to complete and submit an enrollment card for March 1 coverage.

Contact your Human Resources Department for a card and further information. □

Slovakians Visit APCo's Bluefield Office



A delegation of 13 Slovakian (former Czechoslovakia) business professionals and government officials visited Appalachian Power's Bluefield office to meet with Division Manager Ted White and discuss Appalachian's economic development activities and the United States electric utility industry in general. The group, participating in an international development program sponsored by Bluefield State College's Center For International Understanding, stayed in the Bluefield area for three and one half weeks. □

Harza, AEP To Oversee Chinese Project

Harza Engineering Company and AEP Energy Services, Inc., have agreed to oversee engineering services for a 1,700 mile 500 kilovolt transmission project for the Sichuan Electric Power Administration of the People's Republic of China.

The Ertan transmission project, expected to be completed by the year 2000, will transmit electric energy to the Sichuan Electric Power System to meet load demands in the Chengdu and Chongqing areas.

The Ertan project will include design, material procurement, and construction of transmission lines, one 500 kilovolt switching station, five 500 kilovolt/200 kilovolt substations, 230 kilovolt transmission lines and substations, and associated communication, protection, and control systems. □

AEP System Survey Shows EMPLOYEES UNDERSTAND NEED FOR CHANGE

The AEP System's employees have spoken.

Final results of the recently conducted AEP System employee survey show that employees are positive about the necessity for changing both AEP's business strategy and its corporate culture.

Survey results show employees clearly understand the need to change the way AEP treats customers. Employees indicated that they see AEP's New Directions as a vehicle for wanted and needed changes.

Employees voiced strong support for the New Directions vision statement, goals and enabling characteristics, and believe they are good for AEP. However, they see significant room for improvement in results — less than half think the System is doing an excellent job in meeting the goals and enabling characteristics.

Final results of the survey indicated that employees believe the anticipated changes will be better for AEP customers and shareholders than for them, but they still believe it is worthwhile for them to assist AEP in making the necessary changes.

More than 55 percent of the System's employees — 11,310 out of nearly 20,000 — took the time to offer their viewpoints on topics related to AEP's New Directions and its likelihood for success in a more competitive environment.

Vision and Goals

Among those who responded to the survey, 85 percent indicated that they believe AEP's vision statement (AEP: customer focused, employee oriented, shareholder conscious, the world's premier supplier of electricity and related services) is a vision worth achieving, and 82 percent said they believe the vision makes sense. A majority of employees — 65 percent — also believe their individual actions can make a difference.

Generally speaking, employees are very positive about the eight goals AEP has set, agreeing that they are good objectives for the System to have. Employees clearly understand safety and health (93 percent) as a goal, followed strongly by customer satisfaction (88 percent), employee development, and community involvement (both 87 percent). Employees have less of an understanding of shareholder value (77 percent) and public policy (80 percent) goals.

Scores for "doing an excellent job of meeting this goal today" range from 19 percent for employee development and 22 percent for customer satisfaction to 51 percent for environmental leadership and 65 percent for safety and health. The survey also indicated that many employees sense the need for change and welcome the opportunities for improvement.

The Need for Change in the AEP System

Knowledge of changes taking place in the electric utility industry is quite low among survey respondents. Yet, even with limited knowledge of the industry changes, employees acknowledged that the AEP System needs to change to continue to be successful.

Seventy-six percent of respondents believe that treatment of customers will have to change in order for the System to be successful in the future. Some 73 percent believe that the culture of the AEP System will have to change for the System to be successful in the future. Interestingly, only 51 percent of the employees believe that AEP must lower costs, and only 50 percent think their company is taking steps to achieve New Directions.

Only 14 percent of the employees responding said that they have as much information as they need about the changes taking place in the electric utility industry today. Only 10 percent said that the AEP System would continue to be very successful without changing the way we have always done things.

Enabling Characteristics

Employee understanding of the seven enabling characteristics that are part of AEP's New Directions is quite high. Respondents also indicated that all seven characteristics are very desirable for individuals in the AEP System to have in the future.

Respondents have the clearest understanding of the "innovative and flexible" enabling characteristic (87 percent), while "value creators" received the lowest rating (72 percent).

When asked if they believe employees do an excellent job of exhibiting these characteristics right now in their own departments, the highest ratings were given to "ethical conduct" (48 percent), "understanding our customers" (44 percent) and "innovative and flexible" (42 percent).

Respondents gave higher ratings on current behavior to their own departments than they did to their company or the AEP System as a whole, indicating that employees see substantial room for improvement.

Doing Your Job Well

Although employees indicate that they are relatively well informed about what is expected of them in their job (68 percent), only 51 percent said they receive the on-the-job training and help they need, and just 36 percent said that they receive the formal classroom training needed to do their job well.

Only 39 percent agreed that their management or supervision makes a satisfactory effort to keep them informed of matters affecting them and their job, and just 36 percent said that formal communication channels do a satisfactory job of keeping individuals informed of matters affecting them and their jobs.

Some 86 percent of the survey respondents said they know enough about the purpose of their work to have ideas about better ways to do it, and 78 percent said that when they have ideas about better ways to do their work, they offer them. However, only 39 percent said that management is interested in their ideas about better ways to do work.

Employees said their immediate supervisor is their No. 1 current source of information, followed by employee publications, bulletin boards and the grapevine. Ideally, they said, their immediate supervisor should be the No. 1 source of information, followed by division/region or department management, employee publications, and newsletters from senior management.

Is It Worth the Effort?

Survey respondents indicate that the effort required to change the AEP System's business practices is worth it (73 percent). They believe changes will be valuable for customers and shareholders, but are somewhat dubious about what change will mean for them.

Employees clearly indicate that the AEP System will be more successful "if we change than if we don't change at all," with 79 percent agreeing with that statement. Only 18 percent agreed with the statement that, "I wish we didn't have to make any changes."

Some 55 percent said they believe the AEP System is serious about these New Directions and will follow through on them. Seventy-three percent said they believe it is worth their time and effort to support the AEP System's New Directions.

Write-In Comments

Approximately 3,000 of the 11,310 employees who responded to the survey wrote additional remarks or comments in the space provided at the end of the survey form. The 10 most-common themes emerging from these write-in comments are as follows:

- New Directions is the way for success.
- Members of senior management must show they have changed.
- Training and career development need attention.
- More timely, honest communication needed in all directions.
- Increase our focus on customers.
- Morale has been depressed by the job eliminations from restructuring.
- Provide employees with rewards/incentives to generate more pride in the company.

- Listen to, empower and respect people.
- Make AEP employee oriented — trust people and treat them as an asset.
- Streamline paperwork, procedures and planning.

Who Responded to the Survey?

The largest segment of survey participants — 34 percent — came from division or region operations in the AEP System's operating companies, while 30 percent came from generating plant locations. Some 18 percent came from general offices, and 13 percent came from the Service Corporation.

Seventy-one percent of those responding have been employed with the AEP System for more than 10 years, and 33 percent have been employed for more than 20 years. There was an almost even distribution of responses among management/supervisory employees, professional/technical employees and skilled/semi-skilled workers.

Next Steps

"The employee survey is a very important element of our New Directions," said E. Linn Draper Jr., AEP chairman, president and chief executive officer. "The survey findings will help the AEP System more precisely target areas where improvement needs to take place.

"Although we believe that the AEP System will require different business strategies and a different way of working together in order to be successful in the future, change doesn't occur merely by making an announcement," he said. "We need to understand employees' views and communicate effectively with employees in order to make these changes happen.

"Change only occurs when people have a common vision of what they want to achieve, believe change is necessary to get there, know what they want to do differently, know how to do it, and believe it is worth the effort," Draper said.

"The employee survey is showing us what type of information, training and development our employees need. It will also give us a starting point against which we can measure our progress as we go forward."

Representatives of Mercer Management Consultants tabulated and compiled the survey results, and each employee's responses have been kept strictly confidential.

The results of the employee survey — in addition to the work of the AEP Strategic Planning Team, the Policy Development Task Force, the Culture Task Force, and the AEP Executive Program — will all be used to help the AEP System develop its strategy for succeeding in this new era of increased competition, Draper said.

The next step is to bring together the recommendations and the strategies from each of these groups and activities. After that, AEP's senior management will begin putting together a plan or overall strategy that outlines how the System will make the transition to a competitive environment. □

Ethical Issues Addressed In New Code Of Conduct

“...Honesty and integrity are the basis for ethical conduct, and nothing less is acceptable,” E. Linn Draper Jr., AEP chairman, president and chief executive officer, writes in the introduction to the new AEP Code of Conduct.

A copy of the revised and more comprehensive AEP Code of Conduct — a booklet containing the company’s ethical standards broken into eight sections (see page 7) — will be mailed to the home address of each AEP System employee early this month.

“The company’s reputation is built on the personal integrity and performance of all its employees,” Draper wrote. “Therefore, each person is responsible for knowing the regulations related to his or her job and complying with them.”

The AEP System has had a Code of Ethics for years. It has been replaced by a new Corporate Code of Conduct that is the basis of a broader Corporate Compliance Program that includes training, communications, monitoring, and field review aspects.

The program is being developed in support of goals established by AEP’s New Directions and by a congressional challenge to American business to develop and implement corporate programs that will help assure full compliance with all applicable business law by engendering an environment of strong ethical conduct.



The training aspect of the Corporate Compliance Program was kicked off at the AEP Service Corporation in January with a series of all-day workshops on antitrust regulations.

Receipt of the booklet by each employee through the mail is the next step in Systemwide communication of the company’s ethical standards under the new Corporate Compliance Program.

“The company’s reputation is built on the personal integrity and performance of all its employees.”

— Dr. E. Linn Draper Jr.

Meetings to ensure awareness of the Corporate Code of Conduct will be held throughout the System for all AEP employees, beginning in early March. The meetings will be centered around a videotape that will explain the AEP Code of Conduct and will introduce the confidential Employee Concerns Line. Calls to the line will be monitored directly by an independent, third-party company, Alertline, located in Charlotte, N.C., and staffed by professionals trained to be responsive to employee concerns.

The training aspect of the Corporate Compliance Program was kicked off in January with a series of all-day workshops on antitrust regulations. These initial workshops were attended by various personnel from throughout the AEP System identified with the highest exposure to antitrust regulations. It is expected that the workshops will be extended to other personnel at a later date.

The workshops were conducted by Jeff Howard of the Washington law firm of Crowell & Moring and organized functionally to maximize the opportunity for interaction with the audience. □

AEP Announces New Code Of Conduct

AEP's new Code of Conduct contains eight sections, each explained more fully in the Code of Conduct booklet:

I. Protecting Corporate Assets

Assets include money, equipment, supplies, facilities and materials as well as information and data. Everyone has a duty to safeguard such assets against theft, loss or misuse.

II. Relationships with Employees

AEP has long-established policies related to safety and health, equal employment opportunity, harassment, and other employee issues.

III. Environment

All employees are expected to assume responsibility for environmental protection and will be held accountable for their actions. The AEP Statement of Environmental Principles provides guidance on environmental obligations.

IV. Relationships with Customers, Suppliers and Competition

- Antitrust — The basis of antitrust law is that the economy and public benefits most if businesses compete vigorously, free from unreasonable restraints of competition and trade.
- Gifts and Entertainment — Gifts, favors, services, payments, privileges or special treatment are not acceptable except under limited circumstances.
- Procurement Standards — Overall cost performance is the objective and must be achieved through fair and impartial treatment of suppliers.
- Improper Payments — No bribes, kickbacks or improper payment may be given or solicited to obtain or retain business.

V. Conflicts of Interest

Employees must avoid any business or financial relationship where personal interests conflict with or appear to conflict with the interests of AEP, its shareholders, or the general public.

VI. Politics and Government

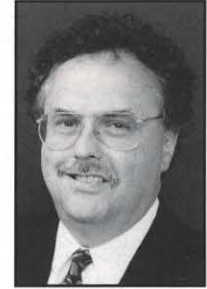
Employees are encouraged to participate in civic and political activities but must ensure that no conflict of interest exists between employment and civic affairs. Likewise, AEP will exert no pressure to influence decisions of employees who serve in public positions.



Lhota



Mueller



Moeller

VII. Code Compliance

Anyone who violates policies in the code is subject to disciplinary actions.

- William J. Lhota, AEP executive vice president, has been designated Chief Compliance Officer to promote awareness of ethical standards, advise the chairman and board of directors concerning such standards, and respond to issues brought to the company's attention. Lhota is supported in the Office of the Chief Compliance Officer by R. A. Mueller, director of internal audits and compliance, and A. C. Moeller, Jr., manager of corporate compliance for the AEP System.
- Employees should report illegal conduct promptly to persons with authority to respond to the matter.
- If help is needed with ethical issues, employees should consult with their supervisor or others higher in their management chain or with members of the Office of the Chief Compliance Officer either directly or through the confidential Employee Concerns Line.

VIII. Questions & Answers

The exercise of good judgment is essential in the ethical decisions that we each make. Individuals should ask themselves various questions when confronted with the types of issues raised in this section and in the daily workplace. □

BENEFITS

Employees Respond To Benefit Statement Survey

More than 3,500 AEP employees responded to the survey included in their 1994 personalized benefit statements. Their responses have been tabulated and suggested changes have been considered for incorporation into the next statement.

“We’re very pleased with the number of employees who completed the survey,” says Robert H. Strahan, assistant vice president-compensation and benefits for the AEP Service Corporation. “Overall, their comments were quite positive with 94 percent of the respondents rating the statement ‘very good’ or ‘good,’ 99 percent finding the statement ‘clear and easy to understand’ or ‘generally clear,’ and 82 percent feeling they receive enough benefit information.”

The benefit statements, which were sent out in August, used personalized data as of March 31. In answer to a number of survey respondents who questioned the four-month delay, Strahan explains that the data is accumulated from a number of areas including internal payroll records and various outside sources. Then calculations and projections are done and a sampling is checked for accuracy before the final statements are prepared, printed and mailed.

Some survey respondents questioned why the retirement plan section of the benefit statement included Social Security and savings plan estimates. According to Strahan, “The effort is to provide as complete a picture of known sources of retirement income as possible. Social Security is clearly a retirement income benefit funded 50 percent by the company and 50 percent by the employee. With respect to the savings plan, federal government regulations make clear that the tax-deferred benefits exist only because the principal purpose of 401(k) plans is to provide savings for retirement. Showing all three elements in combination provides employees with a realistic monthly retirement income estimate,” he says.

The current personalized statement projects retirement income at ages 55, 62, and 65. Since a considerable number of survey respondents asked that the next statement also show projections at age 60, this change will be incorporated into the next statement.

Some survey respondents commented that the four percent base pay increase assumption used in the retirement plan and savings plan projections is too high compared to recent general and merit increases. Strahan disagreed, saying that “the number represented a long-term perspective, taking into account not only general and merit increases but also promotions, and while not precise for any single individual was a reasonable reference for the AEP System as a whole.”

A large number of survey respondents also asked why retirement income estimates are shown as a percentage of pay rather than as a dollar amount. “Unfortunately, the use of even a conservative pay increase assumption can result in estimated retirement benefit dollar amounts misleadingly large in terms of current purchasing power, especially for younger employees,” says Strahan. “Inflation significantly affects purchasing power over time. That’s why the retirement plan section shows projected retirement benefits as a replacement percentage of an employee’s estimated base pay at retirement. It is then up to employees to decide what income — stated as a percentage of base pay at their expected retirement age — is sufficient.

There is no hard and fast rule about how much income a person will need at the start of retirement, but financial planners often suggest that one should plan to have an income from all sources equal to about 80 percent of pre-retirement income.”

Strahan encourages any employee who is eligible to retire and who is considering retirement to contact the Human Resources Department for a calculation of his or her retirement income in dollars.

Any employee who has specific questions on retirement benefits or any other portion of the benefit statement should also contact the Human Resources Department. □

NEWS

Appalachian Power Attracts Large Industrial Customer

Achievement of two company objectives — providing low cost electric service and being responsive to its customers' needs — is already paying off for Appalachian Power.

Parkdale Mills, one of the nation's largest producers of spun yarn for the apparel market, recently announced that it will build a new manufacturing facility in Appalachian's Carroll County, Va., service area. The plant, to be known as Magnolia Mills, will employ approximately 350 people and will comprise more than 1 million square feet of manufacturing space under one roof. When fully equipped, it will represent a \$170 million investment by the company.

"In their search for a site for their new manufacturing facility, Parkdale had also considered sites in North Carolina (the company is based in Gastonia, N.C.), South Carolina, Alabama, Georgia and Mexico," says Dan Vaught, energy services manager in the General Office Marketing and Customer Services Department, Roanoke. Vaught represented a team which included members of Appalachian's executive staff, Pulaski Division, General Office Rates and Contracts, General Office Transmission and Distribution, and General Office Marketing and Customer Services.

"Our filed tariffs with the Virginia State Corporation Commission are more than competitive," says Vaught. "That was one definite advantage we had. But our fast reaction was what won us the business. Usually we have weeks, even months, to negotiate and present proposals to a potential customer of this size. In the case of Parkdale, it took less than 10 days from the time of our initial contact to announcement of the deal. We all felt that we had one chance at bat and from our end everyone did what was necessary to hit a home run.



The Magnolia Mills building under construction in Appalachian Power's Carroll County, Va., service area is beginning to take shape. The building is expected to be completed in May. Photo courtesy Larry Chambers, Galaz Gazette.

"In our meetings with Parkdale, it became clear that they saw the opportunity to locate in Virginia as a way to be in close proximity to other textile industries already in the area — many of whom are customers of theirs," says Vaught.

"We presented Parkdale with a proposal that was designed to meet their needs, on their timetable. And it meant committing our people to an aggressive service date. Parkdale wants electric service by May 1 and they're scheduled to be in full production on September 1. That gives us less than six months to complete our work — which is less than half of the normal time for work of this magnitude."

In addition to a planned three-mile extension of its 138-kv line, Appalachian Power is also constructing a substation on county-owned land near Parkdale's new site. The substation will serve the Parkdale plant.

"Construction of their new facility represents a real departure for Parkdale," says Vaught. "While their previous expansions have been into existing facilities, this represents their first 'from-the-ground-up' project that will also include a special climate controlled environment and state-of-the-art robotics. With this new facility, Parkdale intends to be globally competitive. We're pleased that they'll be in Appalachian Power's service territory." □

Kings Take Missionary Work Trip To Fiji

Most of us can only dream about a trip to the exotic islands of Fiji in the Pacific Ocean. Billed by travel agents as a tropical paradise, there is another side to Fiji that Ruby King, Central Machine Shop plant clerk A, and her husband Arthur found on a 14-day missionary work trip there last summer.

The work itinerary for the Kings and eight others was planned by the Missionary Committee of the Cross Lanes (W. Va.) Bible Church and two American missionaries, but each individual paid his own expenses.

"Fiji consists of more than 300 islands," Ruby said. "New Zealand and Australia are nearby. It took us 29 hours of flight time before arriving in Labassa (pronounced Lambassa as the letter "b" carries a "mb" sound).

"There are several different cultures in Fiji. You might see an Indian woman wearing a sari in the sugar cane field, a Fijian woman washing clothes in the streams, children in bright colored uniforms walking long distances to school, as well as men in trucks loaded with sugar cane, waiting in line for many, many hours to get into the sugar cane factory. There are Christian churches, mosques, Hindu and Sikh temples. There was a mosque next door to the Island Bible Institute where I stayed, and they chanted eight times a day to wake up their



Ruby and Arthur King at the Yeager Airport in Charleston, W. Va., waiting for their flight to Fiji.

god. Everywhere you went there was some kind of shrine."

Ruby continued, "There were four women in our team. One was a school teacher so she home taught the missionary children. The other two women and I painted the dormitory rooms at the Institute. Work was most difficult due to inadequate equipment. We also held a sewing session for the Fijian women, teaching crocheting, cross stitching, and knitting.

"Most people travel by bus, but we were very fortunate to have the missionary's vehicle to use. We went to several teas, where we met the people one on one, and into town to shop in the open air markets. Surprisingly enough, we met other Americans over there.

One lady from Ohio was there representing the Church of God.

"The natives speak both Fijian and English," Ruby noted, "but they were very hard to understand. You could buy American food and goods in the stores, but everything was expensive. For instance, a hand mixer that you can buy at home for \$9.95 was on sale there for \$79.95. Grapes were \$7.98 a pound. And even though they refine sugar there, the Fijians can't buy it. When you go to the other islands, they are very, very poor."

Ruby continued, "Arthur and the other men traveled to the remote Nabua village, which had no running water or

(please turn to page 24)



Ruby King, second from left, holds a Fijian girl on her lap.

R E T I R E M E N T S



“I asked to come to work for Appalachian and have given 41 years and four months of my life to do what I could to make it a stronger company. When my supervisors asked me to do something, I always gave 100 percent. I never asked what the company could do for me,” said **Bill Angelo**.

Bill, who elected early retirement on February 1, began his career in 1953 as a station man helper in Charleston. He transferred to the Turner Regional Dispatch Center at Institute, W. Va., in 1967 and advanced to regional chief dispatcher in 1985. He has been on special assignment since Turner closed on September 19, 1993.

“Turner handled all system dispatching for Beckley, Charleston, and Logan-Williamson Divisions,” Bill said, “and I enjoyed working with different people throughout the company. I made a lot of friends, and I enjoyed the work I did.”

Bill reflected on the many, many storms, floods, explosions, and other system emergencies which he dealt with through the years. “The most challenging time I believe was when we had a big snow-storm in April 1982. The leaves were on the trees, and we lost so many lines that it was just devastating.”

During his operations career, Bill was so dedicated that he never took long trips, preferring to be readily available for any emergencies. Shortly before his retirement, however, he and his wife Barbara took a seven day cruise to the western Caribbean.

“Since my wife retired after 32 years as a teacher at Charleston High School, she has been home waiting on me to retire, too,” Bill said. “We plan to travel some now and visit our son, who is a CPA with Georgia Power in Atlanta. Barbara volunteers one day a week at St. Francis Hospital, and I’ll probably help out there also.”

An active member of Sacred Heart Catholic Church, Bill enjoys walking and woodworking. □



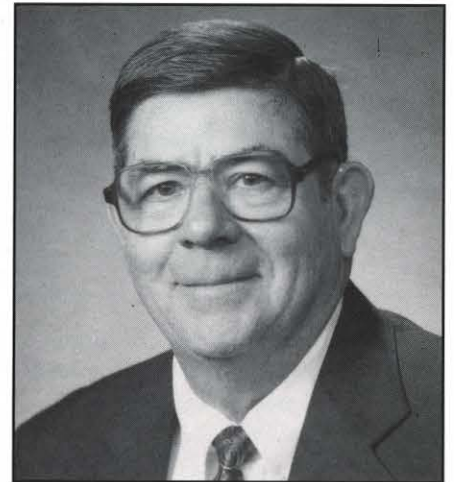
“Appalachian has more or less been my life for 62 years,” claimed Transmission Superintendent **H. D. “Shorty” Brewer**. “My dad was an APCo employee and retired in 1964 with over 40 years service, mostly in the Bluefield Division.”

He continued, “In 1955 I was hired as a lineman in a System Transmission line crew working out of the Bluefield office, and I have remained in the Transmission Department my entire career. Working in GO T&D and traveling company wide has permitted me to meet many people and make many friends.”

Shorty, who elected early retirement on February 1, admitted he had “mixed emotions, knowing I will miss the people I have been associated with for so many years. Yet I’m looking forward to new experiences that freedom from the job will allow.”

He concluded, “Janice and I will have more time to visit our four sons and their

families and to do some traveling. We plan to remain in Bluefield, and I will probably begin a new career of doing the million things around the house that I have neglected for so many years.” □



“Pete Dove and I retired our old Packard line truck #13H, our three-legged mule, and our ape,” said **Clay Fletcher**. “Pete has retired, and now it’s time for me to go, too. After 38 years, I’m really looking forward to retirement.”

Clay was transmission general supervisor, GO T&D Transmission, Roanoke, before electing early retirement on February 1. He added, “I’m grateful to the company for the opportunity to work and make a good living for my family. I’m going to miss the men and women I have worked with, but hopefully I will be able to see these people occasionally.”

According to Clay, his most challenging time with the company was in 1994, when ice storms caused the lockout of ten 138 kV, one 345 kV, and two 765 kV lines. “This was the most detrimental time ever to our transmission line system. Hopefully, it won’t happen again.”

Clay and his wife Shirley plan “to do some traveling and visiting with our son and his family in Pennsylvania. We’ve already gotten attached to our two-year-old grandson and we’re going to have another grandson in May.”

A Navy veteran, Clay attends St. John Lutheran Church in Roanoke. His hobbies include fishing and hunting. □



After more than 41 years of service at Kanawha River, Plant Janitor **Jack Allen** elected early retirement on February 1. Now he will have more time to do the things he likes best — traveling, motorcycle riding, camping, and water skiing.

“My wife Helen and I camp just about every weekend if we’re not riding our motorcycles,” he said. “Our favorite place is Lake Stephens near Beckley.”

Jack has traveled throughout Canada, Mexico, and all of the United States, mostly via motorcycle. “When the weather breaks, we’re going to Alaska,” he said. “We bought a van so we can take our dog with us. He went with us to the beach last year, too.”

The Allens will continue to make their home in Glasgow, W. Va., where they have considerable property which Jack maintains. □



Princenton Line Crew Supervisor **Bert Herald, Jr.** officially retired on February 1 after nearly two years on long term disability leave. “LTD has been great,” he said. “That and the savings plan are two good benefits the company has.”

Bert began his career in 1956 as a junior T&D clerk at Narrows. “That’s where the crew headquarters were,” he recalled. “We were a part of the Pulaski District in the old Bluefield Division. In 1957 I helped set up the storeroom in the new Pearisburg office.”

When Pulaski became a division, Bert went to work at Princeton, which remained in the Bluefield Division, and stayed there the rest of his 38-year career.

“When I started, we didn’t have any hydraulic equipment and had to dig pole holes by hand,” he remembered. “Years ago, when there was trouble, my wife Lena used to answer the phone all night. The company has made great progress since then.”

Bert particularly enjoyed the line mechanic training schools because “I met people from all over the company.”

An Army veteran, Bert’s hobbies are fishing and woodworking. “I have a little workshop and make old timey egg baskets and things of that sort.”

Retirement plans include spending some time on the coast of North Carolina and camping and boating on Claytor Lake.

Bert is a member of Princeton Masonic Lodge #134 and a former deacon in the Princeton Presbyterian Church.

The Heralds have two sons and five grandchildren. □



“I just enjoyed my work all the way through,” said Glen Lyn Plant Shift Operating Engineer **Earl Thornton**. He elected early retirement on February 1 after more than 38 years’ service.

Earl continued, “I made a good living with the company over the years; I enjoyed the type of work I did and the fellowship with other employees.”

An Army veteran of the Korean War, Earl began his career at Glen Lyn in 1956 as a laborer. He recalled playing softball for the plant team in his early years.

Earl and his wife Jeanette are country music fans and enjoy visiting Nashville and Pigeon Forge, Tn. Future plans may include a trip to Elvis Presley’s home, Graceland, although Earl said he’s “not a great hand for running all over the country.”

He has done considerable research on his family tree, tracing the Thornton family back to 1299 in England.

Earl is a former member of the Glen Lyn and Narrows Fire Departments and the Glen Lyn Ruritan Club.

The Thorntons have one son and two grandsons. □

R E T I R E M E N T S



Don Jones, Central Machine Shop equipment inspection superintendent, elected early retirement on February 1 after nearly 14 years' service.

"Since 1951 when I went in the Navy, I've never been out of work a single day," he said. "I've never had to draw any kind of benefits, and I've never had a disabling injury. That's a lot to be thankful for."

Don worked for Monongahela Power and was a field engineer for General Electric Company before joining CMS in 1981.

"I liked the people I worked with and the challenge of the job here," he noted. "My work was almost all travel because CMS serves all the AEP System plants."

He added, "I've seen a lot of changes and traveled too much, but I always went where I was sent and always accomplished what I was sent to do. Jerri has been a real understanding wife, and she was a good manager and raised our family while I traveled. If it hadn't been for her, it would have been almost impossible to do what I've done."

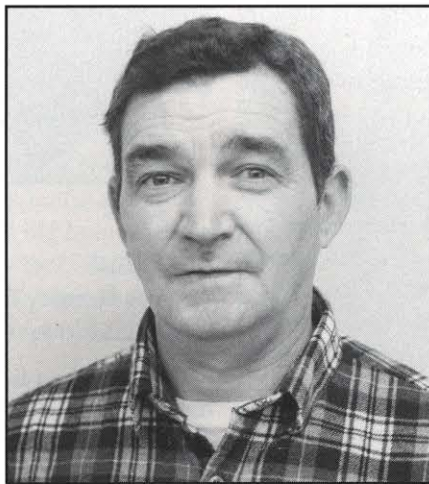
Don continued, "I have given some thought to doing some consultant work, but I may lay down and rest until that feeling passes."

"As I worked, I had the opportunity to witness to people, and I will miss that. There are a lot of people who need words of encouragement and need to know about the Lord. I have made

application to the Gideon Society and plan to do a lot of lay speaking. My license plate reads '4 Jesus' so people know who I work for!"

He added, "Since the children have been gone, Jerri and I have traveled a lot. We will continue to make a trip abroad each year as long as our health holds out."

Don's hobbies include refinishing violins and playing with a bluegrass and gospel music group named Putnam Station. The couple attends Wesley Methodist Church at Culloden, W. Va. □



Gene King, Philip Sporn Plant equipment operator A, took advantage of the company's improved retirement plan, electing early retirement on February 1 at age 55.

"I have mixed emotions about leaving," he said. "I enjoyed the people I worked for and the job, but I've been planning for quite a while to go early."

Gene worked for Sollitt Construction Company at Sporn Plant before a two year tour of duty with the Army's 169th Engineering Battalion. He returned to work for Sollitt and joined the AEP Civil Engineering Lab, then located across the road from Sporn Plant, in 1968. Gene transferred to Sporn's Operations Department in 1979.

"I'm hoping to travel a little bit and see some new scenery," he said, "and I also want to be with my son, daughter, and three grandchildren more. I have quite a few hobbies. I just enjoy everything." □



"I have mixed emotions about leaving," said **Loren Phillips**, Kingsport meter electrician A, who elected early retirement on February 1. "I'm glad to retire, but I have a world of friends here and I hate to leave them."

"The power company has been a good place to work and we have good benefits," Loren added. "I started out reading meters, and I enjoyed that, but I always wanted to be an electrician."

Loren plans to travel some, including visits to his son and three grandchildren in Nashville. "If we get up in the morning and take a notion to go, we will," he said. Another son lives nearby in Mt. Carmel, Tennessee.

Loren enjoys working on his computer, hiking, and other outdoor activities. An Air Force veteran and knife collector, he is a member of the Kingsport Knife Club and Fellowship Freewill Baptist Church. □

P R O M O T I O N S

David Bailey, Clinch River plant engineer senior, was promoted to plant staff engineer senior on January 1. He holds a bachelor of science degree in mechanical engineering from Virginia Tech.

Matt Morgan, John Amos plant engineer senior, was promoted to performance supervising engineer on November 1. He holds a bachelor of science degree in mechanical engineering from West Virginia Institute of Technology.

Bruce Casto, John Amos unit supervisor, was promoted to assistant shift operating engineer on December 1.

Mike Jones, station operator A, Holston Station, Kingsport, was promoted to regional assistant chief operator on August 1.

Bob Wolford, transmission mechanic A, GO T&D Transmission, Bluefield, was promoted to transmission line crew supervisor on August 1.

Jon Painter, personnel services coordinator, was promoted to personnel services administrator, GO Human Resources, Roanoke, on October 1. He holds a bachelor of science degree in business administration from Virginia Tech.

Abingdon

Dolores Hockett from area T&D scheduler B to stores attendant B.

Beckley

Dusty Gilbert from station mechanic B to service mechanic A.

Charleston

Penny McGinnis from customer services representative D, St. Albans, to junior clerk, Charleston.

Anita Roberts from junior clerk, Charleston, to customer services representative D, St. Albans.

Clinch River

Ricky Chafin from chemist I to chemist senior.

General Office

Cindy Jimenez from centralized cash operator to centralized cash operator-intermediate, GO Accounting, Roanoke.

Steve Harvey from stores attendant to stores attendant senior, GO T&D Transmission, Bluefield.

Mark Whitley from transmission station mechanic C to transmission station mechanic B, GO T&D Station, Roanoke.

Rob Gallimore from engineer III to engineer II, GO Hydro, Roanoke.

Glen Lyn

Donny Bradley from utility worker B to utility worker A.

Edward Bradley from utility worker B to utility worker A.

Anthony Pack from utility worker B to utility worker A.

Clifford White, Jr. from utility worker B to utility worker A.

Huntington

Kimberly Maynard from clerk to intermediate clerk.

Lesa Jordon from customer services representative D to customer services representative C, Milton.



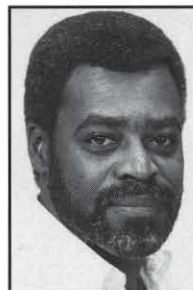
Bailey



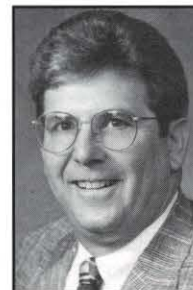
Morgan



Casto



Jones



Wolford



Painter

Kingsport

Thomas Hensley from drafter A to engineering technician.

J. Mark Machen from drafter A to lead drafter.

Lynchburg

Steve Davenport from line mechanic D to line mechanic C.

Cheryl Guthrie from T&D clerk B to T&D clerk A.

Pulaski

Linda Chrisley from customer services representative B to customer services representative A, Wytheville.

Dennis Cox from line mechanic D to line mechanic C, Galax.

Stacy Hardin from line mechanic C to line mechanic B, Wytheville.

Roanoke

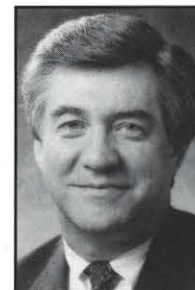
Matthew deSimone from station mechanic C to station mechanic B.

Randy Miller from line mechanic C to line mechanic B.

Phillip Farmer from line mechanic C to line mechanic B.

Don Hall from ground worker to line mechanic A. □

Heninger Named Purchasing Director



Purchasing Supervisor Wayne Heninger was promoted to purchasing and materials management

director for Appalachian Power on January 1.

Heninger holds a bachelor of arts degree in history from Emory & Henry College and a master's degree in personnel management from Lynchburg College. He has attended the AEP System Management Program at Ohio State University.

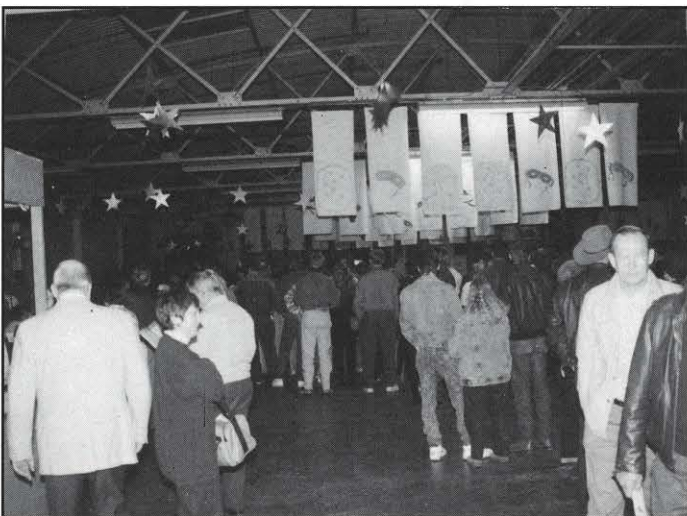
Heninger joined Appalachian in 1984 as a junior buyer in GO Purchasing, Roanoke. □

APCo Helps With Stadium Lights



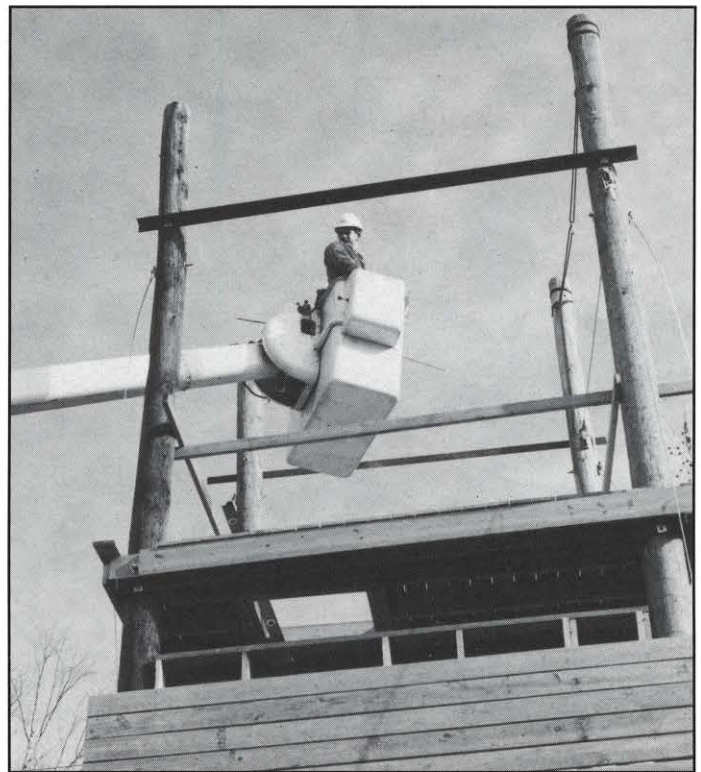
Bluefield Division employees assisted in the erection of stadium lights at the new James Monroe High School football field near Lindside, W. Va. They provided technical assistance, engineering design work, and labor to dig holes and set four 70-foot light poles. Pictured are (clockwise) Mac Bogle, line mechanic A; John Harvey, line crew supervisor; Bob Edwards, Jr., engineering technologist I, and Carville Griggs, Monroe Sports Foundation co-chair. □

Dance Held At Roanoke Garage



For the third consecutive year, Appalachian Power's Second Street Garage in Roanoke served as a site location for First Night Roanoke, an alcohol-free New Year's Eve celebration. The garage was used for country and western dancing, with music provided by a disc jockey from Radio Station WYYD. More than 80 businesses donated goods or services to First Night Roanoke, an event of Festival in the Park. The event featured 11 locations in Downtown Roanoke with 35 hands-on activities for adults and children and 75 stage performances. □

Logan Crews Help Build Tower



Logan-Williamson Division crews helped construct and secure a new emergency training tower for Logan County Public Rescue. The four story structure will be used for emergency rescue demonstrations, training, and competitions. □

Van Donated To Rescue Squad



Appalachian Power Company has donated a four wheel drive utility van to the Giles Lifesaving and Rescue Squad for use as an emergency response vehicle. Pulaski Division Manager Bob Kilgore, left, presents the van title and keys to Steve Davis of the Giles Squad as Barry Evans and Patrick Lloyd look on. Photo courtesy *Virginian Leader*, Pearisburg, Va. □

Salvation Army Donation



Roanoke Division and General Office employees donated \$247.85 and canned goods for admission to a concert of Christmas music by William Byrd High School choirs in the company auditorium. Glenn Echols, engineer senior, System Operation (right) presents the food and money to Major Dan Delaney of the Roanoke Salvation Army (left) while Wayne Alexander, property representative assistant, GO Land Management, looks on. □

Party For Needy Children



Christmas For Kids, a non-profit charitable organization, hosted 42 underprivileged children for its annual Christmas celebration in the auditorium of Appalachian's Huntington office. The children were selected by the Huntington City Mission. After the children were fed and entertained, Santa Claus arrived on a fire truck to distribute gifts, including clothes, toys, and at least one item from each child's wish list. Each one also received a gift certificate for a turkey. Twenty active and retired APCo employees, who are members of Christmas For Kids, worked throughout the year to raise funds for the event. □

Employees Fill Christmas Stockings



Employees of Logan-Williamson Division donated about 300 Christmas stockings, filled with \$20-\$30 worth of candy, fruit, toys, and winter wear, to needy youngsters through the Logan Salvation Army. Pictured, l. to r., are Steve Summers, Beth Burgess, and Raymond Blackburn. □

Salvation Army Bell Ringers



Logan-Williamson Division employees rang bells for the Salvation Army, in addition to doing double duty as members of various service clubs. Representing the Logan Kiwanis Club were, l. to r., Kiwanian Tom Weaver; Harry Ruloff, T&D superintendent; and George Mathis, building supervisor. □

Bluefield Employees Help Needy Children

Bluefield Division employees were involved in many community service activities during the Christmas season.

Welch employees bought gifts for children whose names were on Magic Mart's Angel Tree. Also, the Welch Employees Benevolent Association bought \$600 worth of toys and necessities for an "adopted" family of six.

Bluefield employees purchased gifts for 21 needy children attending Wade Elementary School, the division's Partner in Education. In addition, the Employees Benevolent Association, Girls' Service Club, and Coffee Club combined resources to provide gifts for five brothers and sisters attending the school.

The Grundy office served as a drop point for coats and toys for the Christmas in Buchanan County Program. CIBC, Inc., is a local organization which sponsors needy children from within the county each year at Christmas. Appalachian employees held a workshop to repair broken toys which were donated. □

Beckley's Human Bean Club Performs Community Service Projects



Human Bean Club members play Santa's helpers at the Haven of Hope, handing out toys and clothes to homeless children.

Seventeen Beckley employees have formed a group called the Human Bean Club, whose mission is "to improve the quality of life in our community and to encourage volunteerism by setting a positive example of reaching out to help others."

The group's first project was in October, during the Points of Light Foundation's 4th annual "Make a Difference Day." Groups and organizations participating in the annual event were eligible to win a donation for their favorite local charity.

The APCo club collected over 1,100 pounds of canned food which were distributed to the Salvation Army, Pine Haven Homeless Shelter, Women's Resource Center, and the Fayette County Emergency Food Assistance Center.

The club also raised money through raffles and donation jars to hold a Christmas party for children living at the homeless shelter. □

Roanoke Establishes School Partnerships



Third graders at Irisburg Elementary School sing Christmas carols in the lobby of the Fieldale office.

Roanoke Division has established business-education partnerships with three elementary schools in its service area. Included are Mason's Cove Elementary School in Roanoke County, Round Hill Primary School in Roanoke City, and Irisburg Elementary School in Henry County.

A number of joint ventures already have taken place although the partnerships were recently established.

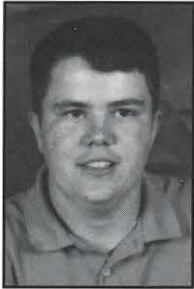
SMART trees were planted on the grounds at Mason's Cove School. SMART trees, developed for American Electric Power by a horticulturist at Ohio State University, represent two types of species: fast-growing, energy-saving shade trees and small trees that grow under but not into utility lines.

Irisburg Elementary students, with assistance from employees, used the Fieldale office garage to build its float for the Martinsville Christmas parade. The float, featuring Louie the Lightning Bug and a gingerbread house with a power line nearby, won second place in its category. Also, third graders from the school sang Christmas carols in the Fieldale lobby. Students decorated the company's Christmas tree and break room, and Appalachian employees participated in a canned food and toy drive with the school.

About 100 Roanoke Division and General Office employees volunteer to spend time working with students and teachers throughout the year in the school partnerships. □

Abingdon

by Bill Roeser



Jason, son of Russell Fields, automotive mechanic A, has been named to *Who's Who Among High School Students*. A senior at Patrick Henry High School, he is president of Vocational Industrial Clubs of America, chairman of district and state chapter Business Procedure Champions, and winner of the local chapter's "vocational student of the year."

Gin Humphrey, T&D clerk A, was selected by audition as a member of the Bristol Concert Choir. She participated in the choir's recent presentation of Handel's Messiah.

In the recent Christmas Give-Away sponsored by WJHL-TV and various area businesses, Debra Kiser, customer services representative D, won a complete ski package donated by the Highlands Ski & Outdoor Center. □

Beckley

by Dana Peery

David Langford, marketing and customer services supervisor, was installed on the board of directors for New River Habitat for Humanity. He will serve on the fundraising committee for 1995. Active in the Southern West Virginia Homebuilders Association, he chaired the local chapter's Christmas party and performed as the emcee during the event held at Black Knight Country Club. □

Bluefield

by Karen Simmons



Amy, daughter of Grundy Area Supervisor Larry Stiltner, was named second team All-State AA basketball in Virginia. A senior at Grundy High School, she also was named Southwest District and Region IV player of the year. Amy was selected by sportswriters at the *Bristol Herald Courier* to the first unit on the All-Southwest Virginia girls basketball squad. Averaging 19.2 points and 10 rebounds per game for the Golden Wave,

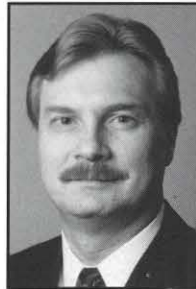
Amy helped the team to its first state tournament appearance in 15 years.

Ben Donevant, human resources supervisor, was elected to the board of trustees of Glenwood Park Retirement Village, Princeton, W. Va.

Troy Coyner, Welch area supervisor, was elected to the Welch Area Chamber of Commerce board of directors. □

General Office

by Earl Smith



Smolak



Channaiah

The Council for Community and Economic Development has named John Smolak to temporarily oversee the day-to-day operations of the West Virginia Development Office, following the resignation of the office's executive director and top aide. Smolak is economic development specialist in GO Executive, Charleston.

A. C. Channaiah, staff engineer, GO T&D Engineering, Roanoke, is the recipient of the "Whole Village Award" given by the Roanoke County Education Association/William Byrd High School. The award is in recognition of A. C.'s contribution to the education of children through involvement in the William Byrd PTSA, County Council, international studies and mentor programs, gifted education, and other school-related activities. □

Huntington

by Barbara Collins



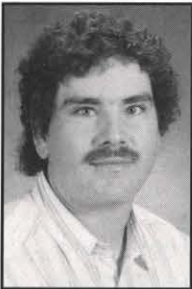
Greta Boggess, Point Pleasant T&D clerk A, was honored at a luncheon as one of the top 50 Sunday School teachers of the year in the Tri-State area. The national Henrietta Mears Sunday School Teacher of the Year contest was sponsored locally by Zondervan Company and the Family Bookstore at Huntington Mall. Greta has been teaching preschool children at Leon (W. Va.) United Methodist Church for 12 years.

Joyce Keith, customer services representative D, and Dale Chatterton, electrical engineer senior, played in the Buffalo High School alumni band which performed at the last football game of the season. □



Kingsport

by Leta Dingus



Bill Brooks, building maintenance mechanic C, was elected to *Who's Who Among Students in American Junior Colleges* for the 1994-95 school year. Bill, who is working on an associate degree in electrical technology at Northeast State Technical Community College, has a 4.0 grade point average. □

Logan-Williamson

by Raamie Barker

Staci, daughter of Dreama Cadd, Logan T&D clerk B, was named to the U. S. Achievement Academy, an honorary listing of outstanding students. A student at Logan Junior High School, she is a member of the National Junior Honor Society and the winner of a national science merit award.

Diane Bias, Madison office supervisor, took first place in the beauty and elegance categories of the Christmas outdoor decorating contest for Madison residences. The **Madison town office** won honorable mention in the decorating contest. The office decorations included an outdoor winter scene with trees, snow, and a snowman.

The family of **Julia Lee McComb Myers** participated in several public programs sponsored by the City of Charleston to mark its bicentennial. The wife of John Myers, marketing and customer services supervisor, Julia is a direct descendant of Charles Clendenin. He is credited with establishing the town which would become West Virginia's state capital on December 19, 1794. □

Lynchburg

by Mel Wilson



Joni Sue, wife of Ray Foster, line mechanic A, was inducted into the Phi Theta Kappa honor society at the College of Health Sciences, where she is majoring in physical therapy. Students with a GPA of 3.5 or higher are eligible for nomination by the faculty. □

Pulaski

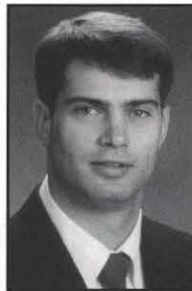
by Glenda Wohlford



Alyson Janelle, daughter of Emory Felty, Wytheville collector, has received her certified nursing assistant (CNA) license. A senior at George Wythe High School, she is historian for the Health Occupation Student Association of America. Alyson plans to pursue a nursing career upon graduation.

Serving as officers of the Galax Volunteer Fire Department for 1995 are **Charles Burnette**, Galax meter reader, captain of rescue, and Retiree **Tater Anderson**, captain of fire. Burnette's wife **Pam** is president of the Ladies Auxiliary. □

Congratulations, Graduates



Newman



Smith

Michael Newman, Huntington line mechanic B, bachelor of arts in military management, The University of Charleston.

Doris Ann Smith, Charleston customer services office supervisor, bachelor of science in business administration, West Virginia State College. □

Corrections

In the December 1994 issue of the *Illuminator*, Jerry Holt, who had a 25-year service anniversary, was incorrectly identified as an engineering technician senior. His job title is engineering technologist supervisor, Charleston.

Also in the December issue was incorrect information about family members of Jim Showalter, staff engineer, GO T&D Computer Resources, Roanoke. The photograph, "Curiosity at the Vietnam Wall," which was selected best of contest in the Bristol Press/Kodak International Newspaper Snapshot Awards Contest, was made by his mother Luella. Pictured in the photograph was his daughter Jamie. □

Beckley

Ashley Nicole, daughter of Jerry Martin, engineering technician senior, December 13.

Bluefield

Krystal Beatrice, daughter of Ronnie Cantrell, Grundy line crew supervisor NE, December 15.

General Office

Megan Michelle, daughter of Wanda Perdue, purchasing clerk C, GO Purchasing & Stores, Roanoke, October 31.

Gary Michael, son of Jim Shwalter, staff engineer, GO T&D Computer Resources, Roanoke, November 14.

Jamie Beth, daughter of David Brown, transmission mechanic A, GO T&D Transmission, Abingdon, November 29.

Nolan Kyle, son of Barry Harman, transmission mechanic B, GO T&D Transmission, Abingdon, December 18.

Jonathan Blaine, son of Blaine Hypes, transmission equipment operator senior, GO T&D Transmission, Bluefield, October 21.

Tyler Scott, son of Scott Deel, transmission mechanic C, GO T&D Transmission, Roanoke, January 4.

Huntington

Tiffany Lynn, daughter of William Casto, Ripley meter reader, December 31.

Matthew Lawrence, son of Regina Cardwell, Milton customer services representative B, December 29.

Lynchburg

Victoria Lacy, daughter of Terri Wilson, customer services representative D, November 18.

Andrew Tyler, son of Tony Woodall, power engineer, November 22.

Kattie Nicole, daughter of Teresa Cox, customer services representative C, January 9.

Philip Sporn

Ausin Wade, son of Marlene Johnson, maintenance mechanic A, December 31. □



King-Robinson

Kristina Kae Robinson to J. Mark King, Philip Sporn Plant chemist assistant, December 9.

Wed 60 Years



Clint and Mae Weatherly celebrated their 60th wedding anniversary with a dinner given by their children in the Kellysville Church of God fellowship hall, Kellysville, W. Va. The couple has three sons, three daughters, 16 grandchildren, 11 great-grandchildren, and one great-great-grandchild. Clint is a retired Glen Lyn Plant unit foreman.

Wed 45 Years



Wilbur and Betty West celebrated their 45th wedding anniversary on November 25 with a reception at the South Charleston Women's Club. He is a retired Charleston meter electrician A. The couple has two sons.



F R I E N D S W E ' L L M I S S

John F. Barnes, Jr., 89, retired assistant R/e & R/w superintendent, GO T&D R/e & R/w, Roanoke, died December 13. A native of Bowersville, Georgia, he was hired in 1924 as a clerk and retired in 1970. Barnes is survived by his wife Maude, 325 Knoll Woods Drive, Rosell, Ga.; two sons; one daughter; six grandchildren; nine great-grandchildren; and two brothers.

Eldon Walton Meador, 87, retired communications engineer, GO T&D Communications, Bluefield, died December 12. A native of Bluefield, W. Va., he began his career in 1941 as a carrier current helper and retired in 1972.

Jesse E. McClain, 87, retired Kanawha River Plant unit foreman, died January 8. A native of Beach Lick, W. Va., he was hired in 1934 as a filter plant man C and elected early retirement in 1972. McClain is survived by his wife Bernice, 1345 SE 40th Terrace, Condo 1E, Cape Coral, Florida; one son; one daughter; eight grandchildren; and four great-grandchildren.

Samuel H. Wise, 86, retired senior staff engineer, GO T&D, Roanoke, died January 7. A native of Nelson County, Ky., he was employed in 1931 as a helper and elected early retirement in 1971. Wise is survived by one son, one daughter, and four grandchildren.

James C. Shelton, 83, retired Roanoke line inspector, died January 5. A native of Gretna, Va., he was employed in 1935 as an overhead man D and elected early retirement in

1975. Shelton is survived by one son.

Theodore F. Valley, 84, retired Logan-Williamson customer accounts assistant, died January 2. A native of White-wood, Va., he began his career in 1928 as a lineman helper in the old Bluefield District and elected early retirement in 1972. Valley is survived by his wife Gladys, 1719 Forrest Hills Drive, Vienna, W. Va.; one daughter; two grandchildren; three great-grandchildren; and two sisters.

Archibald D. Stockton, Jr., 88, retired station design supervisor, GO T&D Station, Roanoke, died January 4. A native of Lynchburg, Va., he was hired in 1926 as an assistant valuation engineer and retired in 1971. Stockton is survived by his wife Anna, 3867 South-lake Drive, Roanoke, Va.; one stepson and one brother.

Roland M. Witt, 89, retired Beckley engineering aide, died January 6. A native of Bram-well, W. Va., he was hired in 1937 as a surveyor and retired in 1970. Witt is survived by three sons and one daughter.

Orvie F. Toalston, 94, retired Logan records supervisor, died December 19. A native of Norristown, Oh., he began his career in 1926 as a statistician and retired in 1965. Toalston is survived by his wife Merna, 1722 Tierra Liberta Road, Escondida, California; two daughters; and three grandchildren.

James A. Whitlock, 79, retired Charleston customer services clerk A, died December 20. A native of Fire Creek, W. Va., he joined the company in 1938 as a rural solicitor in Charleston and elected early

retirement in 1977. Whitlock is survived by one daughter and one grandchild.

Chester F. "Butch" Casto, 80, retired communications engineer, GO T&D Communi-cations, Charleston, died De-cember 10. A native of Leon, W. Va., he began his career in 1938 as a meterman and elected early retirement in 1976. Casto is survived by one son and two grand-children.

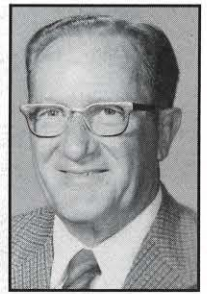
Jerry N. Wimmer, 53, trans-mission station mechanic A, GO T&D Station, Roanoke, died December 2. A native of Floyd County, Va., he was employed in 1966 as a system



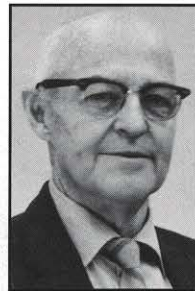
Barnes



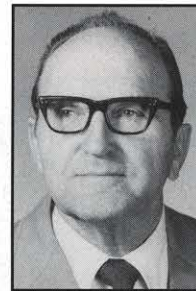
Meador



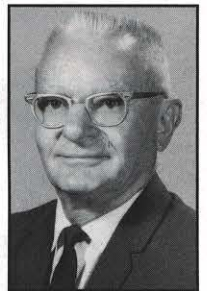
McClain



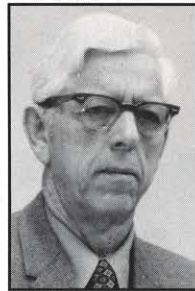
Wise



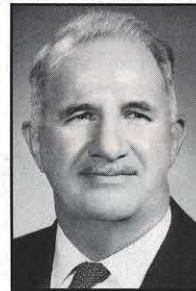
Shelton



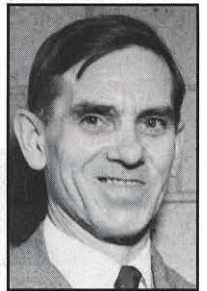
Valley



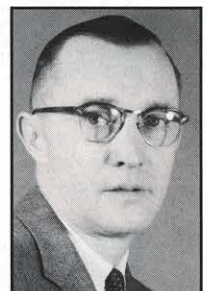
Stockton



Witt



Toalston



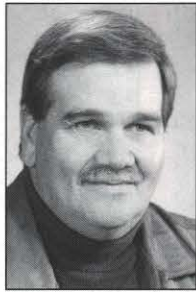
Whitlock

station man helper. Wimmer is survived by his wife Trena, Route 1, Box 234, Check, Va.; one daughter; one sister; and his mother. □

S E R V I C E A N N I V E R S A R I E S



Rod Goins
reg. chief disp.
GO-Tri State
35 years



Ernie Harmon
trans. line crew supv.
GO-Abingdon
30 years



Edith Williams
sr. tele. op.
Logan
30 years



Leonard Bird
trans. sta. supv.
GO-Marmet
30 years



Ronald Poe
meter elec. supv. NE
Abingdon
25 years



Delta Purkey
cust. serv. off. supv.
Gate City
25 years



Jerry Scott
line mechanic A
Lynchburg
25 years



Ronnie Kidd
line crew supv. NE
Roanoke
25 years



Bill Fisher
eng. technol. I
Bluefield
25 years



Dan Carson, Jr.
vice president
GO-Roanoke
25 years



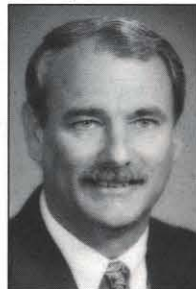
Bill Rose
elec. eng. sr.
Roanoke
25 years



Buddy Carroll
T&D rep.
GO-Bluefield
25 years



Mike Duffy
sta. crew supv. NE
Roanoke
25 years



Grady Blake
stores & gar. supv.
Lynchburg
25 years



Billy Breeding
maint. mech. A
Clinch River
25 years



Harold Dawson
general servicer.
Grundy
25 years



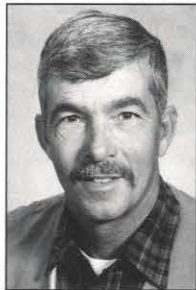
Jerry Corder
line mech. A
Charleston
25 years



Danny Wymer
meter reader
Charleston
25 years



David Stinnett
line crew supv.
Charleston
25 years



Jim Cogar
area servicer
Point Pleasant
20 years



Connie Dawson
stores attendant
CMS
20 years



Marsha Larch
collector
Charleston
20 years



Robert Bird
meter reader
Charleston
20 years

Abingdon

10 YEARS:
Kevin Sigmon
line const. & maint. representative

John Amos

15 YEARS:
David Laughlin
stores attendant
Tim Echols
stores attendant
Joel Hurley
control technician junior
Jim Rasnake
outage coordinator
Fred Tipane
plant engineer senior
Bobby Gibson
performance technician

10 YEARS:
David Alford, Jr.
maintenance mechanic B

Beckley

10 YEARS:
Andy Shaffron
area supervisor, Oak Hill
Dave Romine
line mechanic A, Rainelle

Bluefield

15 YEARS:
Jeff Smith
meter reader, Princeton
Gary Bazzie
line mechanic A, Princeton

10 YEARS:
Teresa Belcher
human resources clerk B

Central Machine Shop

5 YEARS:
Curt Pennington
winder 2nd class

Clinch River Plant

35 YEARS:
Jessee Hackney
instrument maintenance supervisor

General Office

20 YEARS:
Barry Thomas
state rate regulation manager
GO Rates, Tariffs & Contracts, Roanoke

15 YEARS:
Karin Gastineau
statistical clerk A
GO Accounting, Roanoke.

Ewell Fykes
engineering technologist I
GO T&D Telecommunications,
Huntington

Dillard Price
engineering technologist I
GO Hydro, Roanoke

Tim Summers
transmission mechanic A
GO T&D Transmission, Turner

Doris Harris
classification & accounts payable clerk A
GO Accounting, Roanoke

10 YEARS:
Allen Crowder
intermediate clerk
GO General Services, Roanoke

Alan Argabright
heating, ventilation & air cond. specialist
GO General Services, Roanoke

5 YEARS:
Al Taylor
engineer senior
GO T&D Administrative, Roanoke

Glen Lyn Plant

10 YEARS:
Allen Redcay, Jr.
plant engineer senior

Huntington

15 YEARS:
Jeff Preston
drafter senior, Pt. Pleasant
Wes Fizer
line mechanic A

5 YEARS:
Mark Meadows
line mechanic C
Bill Harless
automotive mechanic A

Logan-Williamson

15 YEARS:
Isaac Webb III
division manager

10 YEARS:
Charlotte Bell
customer services representative B,
Madison

5 YEARS:
Dennis Savriol
electrical engineer I

Lynchburg

15 YEARS:
Raymond Rucker
line mechanic A

5 YEARS:
Paul Hanson
electrical engineer senior

Pulaski

5 YEARS:
Stacy Hardin
line mechanic B, Wytheville

Roanoke

15 YEARS:
Randolph Keys
line mechanic B, Fieldale (LTD)

Kenneth Boone II
line mechanic A

Doug Jacobs
station mechanic C

5 YEARS:
Teresa Mitchell
T&D clerk C, Fieldale

John Becker
meter reader

Philip Sporn Plant

5 YEARS:
John Thorne
chemist assistant

Jennifer Bailey
utility worker A

Marty Hager
utility worker A □

Missionary Work Trip To Fiji (continued from page 10)

electricity. This is only 60 miles from Labassa but the road condition is so poor that it takes three hours to travel by a four-wheel drive vehicle. There has never been a church out in this bush area, and they worked on a 40'x60' church building. The foundation had been completed earlier by a work party from another American church.

"The lumber was still in the form of trees," she said. "The natives cut the trees and pulled them to the work site by oxen. There they were cut by a chain saw; but, needless to say, the cuts on the logs were not precise. The trusses weighed approximately 800 lbs. each and had to be raised and put in place by manpower only."

After work was completed, the women traveled to Nabua the last day to meet with the men. "The Fijians in Nabua had a great feast for us," Ruby recalled. "They served everything from prawn (shrimp), Katova (a potato-like vegetable), greens and fish, to wild pig. The Americans were served first, then the Fijian men and children, and the Fijian women ate last.

"The Fijian people have very little to work with, but they make many things with their hands, nature's materials, and a cane knife. They make beautiful baskets from coconut branches in just a matter of minutes. They use these for carrying everything — live chickens, coconuts, bananas, etc."

To show their appreciation, the Fijians presented each American with a woven hat

and fans made from coconut leaves and a lei. "The people are very friendly, and we all were well accepted," Ruby said. "They were very thankful for the work we did and could not believe that we cared enough about them that we would take our own money to come there and work."

When asked if she would like to go back, Ruby replied, "I would love to see the people again (we correspond with

several of them regularly); and, if I felt I could be beneficial in ministering to their needs, I would. But I really do not like leaving the United States. This was Arthur's second trip to Fiji, and he has a great desire to go back."

The Kings' church is now planning a missionary trip to the island of Antiqua in the Caribbean Sea. □



The missionary group from the Cross Lanes Bible Church pose at the entrance to the church building under way in the village of Nabua.

Illuminator

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NEW DIRECTIONS



MISSION PROJECT

A SPECIAL REPORT • FEBRUARY 1995

Appalachian Power Company
PO Box 2021
Roanoke, VA 24022-2121
703 985 2300



Dear Fellow Employee:

I am pleased to report to you that we are moving ahead with the implementation of several recommendations which I first outlined in my Mission Project videotape last month.

Steps we already have taken include:

- 1.) Approved customer relations training for more than 2,000 company employees which will begin later this spring.
- 2.) Ordered Interactive Voice Response (IVR) test equipment for installation during the first quarter in the Charleston Division. IVR will expedite the handling of our customers' trouble calls. If testing is successful, we will introduce IVR across the company.
- 3.) Approved enhancements to the Trouble Entry Reporting System (TERS) which will help us further test this customer information tool. Some of these enhancements will be installed in the first quarter and "capture" accurate customer telephone numbers and specific directions for reaching a customer's service location. Additional analytical enhancements will be completed by mid-year.
- 4.) Identified capabilities in the service area and established procedures to outsource video productions which will help us simultaneously handle multiple projects and permit us to use the best available video production technologies. The increased use of video in training and employee and public information applications is part of our commitment to upgrade our total communications program.

On January 17, the company's officers, division managers, plant managers and general office department heads received additional information about the steps we will be taking to implement the Mission Project recommendations. The group has already received special briefings on subjects and procedures that will help in accomplishing Mission Project recommendations.

This special insert outlines the relocation assistance and severance plans which have been developed to deal with situations where they are necessary. I also call your attention to other features of the insert for additional background on our changing industry, the Mission Project, and New Directions.

As I said in the tape, I continue to be optimistic about the future and enthusiastic about our opportunity to make a good company better. I will be reporting to you on a regular basis during the year about our implementation actions and how we're doing in meeting our 1995 goals. Your ongoing support of our mission and 10 supporting objectives is very much appreciated and essential to the success of our Appalachian Power team.

Sincerely,

A handwritten signature in cursive script that reads 'Joseph H. Vipperman'.

Joseph H. Vipperman

Future Mission Project Steps Outlined

In a recent interview with the *Illuminator*, Appalachian President Joe Vipperman described the importance of the Mission Project and outlined how department staffing configurations will be determined and implemented.

“The ultimate goal of our Mission Project was to organize and configure our company so that we could achieve our 10 objectives, realizing that if we are successful — and do things the best and most efficient way we know — then we can compete successfully in the future,” said Vipperman.

“As part of the project, we benchmarked and studied other industries and individual companies who had been through a deregulation experience,” Vipperman noted. “One of the things we learned along the way was that those that survived and were successful had first asked the question: ‘As a business, what do we want to become?’ Next, they determined what and who they would need to run the business in a new era. Interestingly, they did not concentrate only on reducing costs.

“We have tried to learn from the mistakes of others,” he said.

Vipperman explained that a two-step process is being used to configure affected organizations. In the first step, the necessity of job functions is evaluated. In the context of our overall plan, some are deemed unnecessary or low-value work; others had a high priority. While some activities might be removed from a particular position, others will be added.

The elimination of certain functions requires the reconfiguration of various staff positions, with some positions taking on new duties to round out their full-time schedules in light of the functions that have been eliminated.

The second step in the process will require the assignment of individuals.

“What this means is that you aren’t necessarily out of a job because your position has been eliminated,” Vipperman explained. “It’s our intention to come out at the end of this with the most qualified total team in order to meet future challenges. So it is possible that an individual may, in some cases, displace another employee. This is part of the overall process of assessing employee qualifications and determining who should be retained.”

“This is the most equitable way possible to determine positions,” Vipperman said. “Despite our genuine efforts to be as fair as possible, it will be little comfort to those employees who are terminated. For those eligible employees displaced as a result of the restructuring study, the severance packages offered will mirror the ones offered by other AEP units. We have in place a severance package that will be based on years of service. It is a high-quality package that we hope will be looked on favorably by those who find themselves in need of it.

“We hope to be as expedient as possible with decisions regarding individual employees,” he said. “I know the waiting period is by far the most difficult element of the process, but we feel it is important to be sure we have accurately assessed each individual within Appalachian Power.

“It’s important to keep in mind that the great majority of employees will not be faced with termination. Positions will be evaluated as part of each department’s implementation plan as we put the study recommendations into practice.

“What we all have to realize is that what’s ‘normal’ or ‘business as usual’ just isn’t going to be successful in the future. The only thing that will be ‘normal’ is change.”

— Joe Vipperman

“Many companies make significant job cuts quickly, as part of some short-term austerity program. I don’t believe that’s the best way to go about it. Our study is extraordinarily detailed. Implementation will take time because we don’t want to make short-term decisions that we may later regret.

“During our study, we attempted to challenge every assumption about the way we do business, to make sure everything we do makes good sense. We have looked at organization, process, technology and communication. This is not simply a cost-cutting process. It’s a reshaping of our company and its underlying philosophy so that we can better meet the emerging competitive challenges.”

“I’m sure some people are thinking it will be nice when the Mission Project is over and things can get back to normal. What we all have to realize is that what’s ‘normal’ or ‘business as usual’ just isn’t going to be successful in the future. The only thing that will be ‘normal’ is change.

“As an industry consultant has said, ‘There will be winners and losers in the new competitive era.’ We are positioning ourselves to make sure that Appalachian Power is among the winners.” □

Regarding reorganization-related moves

Relocation Assistance Will Help Employees Who Are Transferred

A special group relocation assistance program will be available for eligible employees who move to new Appalachian Power work locations as a result of Mission Project changes.

“Employees who are offered an opportunity to relocate as part of the restructuring program can receive assistance in a wide variety of areas connected with the move,” said Ed Bradley, human resources director.

Assistance is offered in connection with choosing a community and finding a residence; disposing of an owned residence or terminating a lease; buying or building a residence; moving household goods to a new residence; transportation expenses; temporary living expenses and miscellaneous expenses.

Details of this special plan will be explained and provided to eligible employees. At this time, eligibility is limited to non-union employees. Here are some highlights:

Selling a residence

The company has developed a special sales assistance plan for employee moves, and has retained a third-party home purchase company, Homequity, Inc., to assist employees.

Homequity will determine the fair market value of an employee's home based on the average of two independent appraisals. It will arrange a sale at the fair market value if the employee has not found a buyer by the time he or she wishes to sell or by the time he or she wishes to move, whichever is earlier. And it will assure that the employee receives at least 100 percent of the appraised fair market value when the home is sold.

An employee may have to close on a house or may have to begin paying rent before selling or terminating the lease on his or her present residence. With prior human resources department approval, the company will reimburse certain duplicate expenses on an employee's present residence for up to 60 days.

Buying a residence

Employees who relocate will be reimbursed for reasonable and necessary closing expenses such as title search; legal fees; land survey; appraisal fee; loan origination fee or points not representing interest, up to 2 percent; loan application fee; termite and gas line inspections; credit report; document preparation fee; closing fee and recording fees.

If an employee needs funds for a deposit and/or down pay-

ment on his or her next residence before he or she sells the present one, Homequity will arrange for a bridge loan that is interest free for 90 days.

Moving household goods

The company will pay the cost of moving household goods from the employee's present residence to the new one. When an employee is ready to schedule his or her move, it will be arranged and coordinated by a Homequity counselor.

An employee who relocates will be reimbursed for reasonable meal, mileage and lodging expenses incurred in transporting his or her family to the new residence.

Spouse's employment

If an employee's spouse who is presently employed desires employment at the new location, assistance can be obtained through the human resources department. Human resources will provide or arrange for assistance on such matters as resume writing, preparing for interviews, employer referrals, etc.

Miscellaneous expenses

The company recognizes that a variety of other relocation expenses may be incurred which differ in kind and amount from one employee to another. Therefore, each employee who moves under this program will receive a miscellaneous allowance equal to one month's salary, with a minimum of \$1,500 and a maximum of \$5,000.

“Overall, the special relocation assistance program includes several kinds of payments and reimbursements. The federal and state governments consider some of this financial assistance to be taxable income,” Bradley said.

“Accordingly, an employee who moves under this program will receive an extra payment from the company to meet his or her added income tax liability due to payments under this program. This extra payment also will take into account the tax on the extra payment itself.

“The company has tried to make this special group relocation assistance program as comprehensive as possible,” Bradley concluded. “It is specifically designed to help employees make decisions that will be good for them and for their families.” □

Severance Plan Described

Provisions of a severance plan have been developed for eligible employees of Appalachian Power Company whose employment is eliminated as a result of Mission Project recommendations.

Ed Bradley, human resources director, explained that the severance plan is designed to reduce the financial impact of separation for the affected employees.

“For example,” he said, “it has provisions for employees to receive lump-sum payments based on length of service, and for continuation of life and medical insurance coverage.” The latter, he noted, is designed primarily to act as a “bridge” from coverage available with Appalachian to coverage elsewhere, although there are provisions for it to continue until one becomes eligible for Medicare if employment elsewhere or new coverage is not found.

Bradley also pointed out that the company’s retirement program, improved on January 1, 1992, allows early retirement beginning at age 55 and retirement without penalty at age 62. Previously, early retirement was not available until age 60, with full retirement at age 65.

Copies of the severance plan will be distributed at a later date. Here are highlights of the plan:

Lump sum allowance

The severance plan will offer eligible employees a lump sum allowance of one-half a month’s base pay for each year of service, or portion of a year. The maximum lump sum allowance will be equal to 12 months of pay, the minimum a month and a half.

Medical coverage

Employees and their covered dependents may continue medical coverage under the Severance Plan for up to 12 months at the applicable active employee contribution rate unless they fail to make a timely payment; and thereafter at 100% of the cost until they become eligible for coverage through other employment or through Medicare (or another public program) or unless they fail to make a timely payment.

Dental coverage

Employees and their covered dependents may continue dental coverage under the Severance Plan for up to 12 months at the applicable active employee contribution rate unless they fail to make a timely payment; and for an additional 6 months at 100% of the cost.

Life Insurance

They also will have the option to continue group basic and supplemental life insurance at termination of employment, in

an amount not exceeding that carried as an employee. Eligible employees may continue such coverage by paying 100 percent of the contribution rate applicable to retirees, until the employee becomes eligible for life insurance coverage through subsequent employment, or until age 65, whichever comes first.

Age 55 eligibility

Those who are at least age 55, with 10 or more years of service at termination of employment, are eligible to continue group personal and family retiree medical coverage, as provided by the Appalachian medical plan. They are also eligible to continue group basic and supplemental life insurance, as provided under the Appalachian life insurance plan, by paying the retiree contribution rate.

Counseling services

Eligible employees will also receive outplacement counseling to assist in their search for new employment. Group sessions conducted by outplacement professionals will include resume preparation, job lead development and interview training, as well as information on networking and financial management. Some job search assistance will be available as a follow-up to the group sessions.

Eligibility for plan

In order to be eligible for the severance plan, employees must have been with Appalachian on a full-time basis for at least six consecutive months, and must also sign a release of claims agreement. Excluded from the preceding severance benefits are those employees who decline an offer of employment at Appalachian at the same or higher salary. At this time, eligibility is limited to non-union employees.

A smaller severance package will be provided for any employee who is terminated after declining an offer of employment at Appalachian — at the same or higher salary — which requires relocation of the employee’s primary residence. Such an employee would receive a lump sum allowance equal to four weeks of base pay, plus one additional week for each full year of service, up to a maximum of 15 weeks of pay. Outplacement counseling would also be made available to such employees.

Severance-related questions and answers

- Q. Why doesn’t the company have any plans to further enhancements to its early retirement program?
- A. The early retirement program was significantly liberalized in January 1992, allowing employees early retirement at age 55 and retirement at age 62 without

penalty. Further enhancements at this time, particularly of a one-time nature, might motivate the retirement of persons that the company would prefer not retire who are needed for the challenging times ahead. Other companies have seen a substantial loss of critical personnel through such programs.

Q. Will employees age 55 or older, who are terminated as a result of the restructuring and who opt to retire, also be eligible for the severance package?

A. Yes, employees will be eligible for the severance package in addition to their retirement benefits, but only if they are terminated as a result of restructuring. The severance package is not being offered as an incentive to encourage retirement of employees who are not so affected.

Q. Will employees who have been in the Educational Assistance Program be required to pay back educational assistance? How about employees who have completed a degree but are terminated before completing the three consecutive years of employment needed to gain the additional 25 percent reimbursement?

A. Employees terminated involuntarily are not required to pay back educational assistance. For employees who have earned degrees through the program, the reimbursement will be pro-rated on the basis of the number of full months the employee has worked since receiving the degree. For example, 12 months of service since completing the degree would result in one-third of the total reimbursement.

Q. Will terminated employees be paid for unused vacation?

A. They will be paid for unused vacation in the year in which the termination occurs.

Q. Will terminated employees be allowed continued access to the Employee Assistance Program so that they may meet with a qualified counselor?

A. Employees whose positions are terminated as a result of the restructuring will have access to the Employee Assistance Program for the normal number of sessions as covered by the company's program. This access will continue for a period of 18 months following termination or until the individual gains other employment, whichever comes first. □

Mission Project And New Directions

Understanding the relationship of Appalachian's mission and 10 objectives to AEP's New Directions vision, goals, and enabling characteristics will become increasingly important as Mission Project recommendations are implemented in the coming months.

"The elements of our own Mission Project and AEP's New Directions can lead to some possibly confusing perceptions which make the communications job rather challenging," said Appalachian Public Affairs Director C. Wayne Hasty.

"Fortunately, our Mission Project initiatives fit very well within the New Directions concept," said Hasty.

The New Directions goals and enabling characteristics outlined in the August 1994 *Illuminator* are universal to all AEP units. The corporate vision, as stated in New Directions, defines AEP as "customer focused, employee oriented, shareholder conscious, the world's premier supplier of electricity and related services."

"We're very comfortable with this vision and will be expressing it as the AEP/Appalachian Power vision whenever it is appropriate," Hasty said.

As certain communication situations dictate, the Appalachian mission statement and 10 objectives (see back cover) will be used independently of the New Directions information.

"They are compatible with, and complement nicely, the eight New Directions goals and enabling characteristics. Again, as certain situations dictate, we will be using these components in our communications," said Hasty.

"As we go along, however, our employees may more often see our own Appalachian mission and 10 objectives because they are specific to Appalachian," said Hasty. "But everyone should understand that the higher visibility of these Appalachian elements is not meant to diminish in any way our commitment to New Directions."



The special logo (shown here) has been created for use during the "transition" from the Mission Project to New Directions. By the end of 1995, the words "Mission Project" will be dropped and the fuller New Directions graphics will be linked to the Appalachian Power logo to become a standard graphic whenever we're communicating about our mission and goals.

"We will begin communicating our own 'mission statement' as 'Appalachian Power's Mission' and the 10 objectives as 'Appalachian Power's Objectives,'" Hasty said.

General Office Public Affairs is responsible for the language and graphic design of all Mission Project and New Directions materials. Questions about correct usage should be directed to Charlotte Lavinder in General Office Public Affairs, extension 2690. □

Deregulation Driving Utilities To Change

(Editor's Note: The changes facing Appalachian Power mirror the changes facing utilities across the country. The following article looks ahead to what those changes mean. It was published in the December 1994 issue of *Electric Light & Power* and was authored by Craig Dreilinger of The Dreiford Group. It is reprinted here by permission.)

If utilities are to weather the gathering storm deregulation is bringing, they must hasten to balance a strategy for the present with a strategy for the future. Over the next five to 10 years, retail wheeling may create full-scale open competition for customers among local utilities everywhere. With California, Michigan and New Mexico leading the way, U.S. consumers in every state will one day benefit from weekend electricity rates and service options if they choose to shop for them. Retail wheeling may transform utilities from monopolies into market-driven suppliers, and that will spell trouble for the utility that has its head in the sand.

Electricity is what is known by product and service marketers in other industries as a parity product. With no perceived differentiation in quality, price becomes the primary reason for choosing a utility. Since it's obviously self-defeating for most utilities to compete on price alone, deregulation will put them in the business of distributing energy as well as producing it. They must recognize the implications of this profound change in the nature of their operation.

To envision a worst case deregulation scenario, utilities need only to recall the painful lessons learned by the telecommunications spinoffs.

They were late in grasping the wisdom of developing workable culture strategies in the same breath as effective competitive strategies. They discovered that poorly implemented downsizing could fail to produce increased profits and productivity gains, and that poorly communicated ethics programs could fail to prevent lawsuits and financial penalties. Failure to grasp the need for a new vision and a fundamental change strategy is where the regional Bell operating companies went wrong. They did ask the question, "What opportunities are out there?" But first they needed to ask, "What is our core competency?" and "How can we add value and leverage more business?"

In making staff cuts, instead of focusing first on what their business would become and asking what and who they would need to run the business under newly-developed rules, they concentrated only on basic cost reduction and asked what

and who they didn't need under the current rules. By failing to prepare employees for change, their downsizing left behind a dysfunctional corporate family of survivors and led to further staff cuts.

Utilities that will succeed in a deregulated environment will be those that become truly market driven and intentionally craft a culture to support their new game plan (see table). The leaders of the change will identify the extent of change that is necessary. They will make choices based not on an incremental change strategy (doing the same thing differently) but on a commitment to fundamental change strategy (doing different things).

In order to successfully create a market-driven culture, utility leaders must do several things over time: develop and promote a new customer-oriented vision, which includes removing barriers to that goal; garner trust by consistently demonstrating personal support for new goals; provide the necessary resources; mobilize and energize supporters for the change; stress goals and ends rather than means; and orchestrate and champion a continuous learning environment.

Utility leaders must develop a strategic direction that ensures the support of market-driven values and behaviors by their organization's structure, systems, people and culture. The power structure must favor the people closest to the customer, and the company's internal systems must support and motivate those people. Employees must be given the resources and training necessary to do what they need to do on behalf of customers, and the entire corporate culture must reward the values,

beliefs and behaviors that foster the idea that the customer is King.

Utility executives must not make the mistake of thinking that change is easy. Nothing could be further from the truth. The continuous change process involves a learning environment of interviews, surveys, analysis, briefings, training, coaching and rewards. Unbundling utility services in order to respond more efficiently and immediately to customer needs also will demand radical shifts in employee attitudes. The definition of a valued employee will change as the culture changes from one of entitlement to one of accountability. Corporate change is an unsettling civil revolution. It begins with leadership and is fueled by belief. Because it is sure to meet with resistance, it requires commitment to overcome barriers.

It is expensive but not nearly so costly as the failure to change. □

Deregulation: A new game plan

- *Develop/promote new customer oriented vision*
- *Demonstrate personal support for new goals*
- *Provide necessary resources*
- *Mobilize and energize supporters for changes*
- *Stress goals and ends rather than means*
- *Orchestrate and champion a continuous learning environment*

Source: Craig Dreilinger, The Dreiford Group

N E W

DIRECTIONS

OUR OBJECTIVES

- 1 PROVIDE A SAFE WORK ENVIRONMENT
- 2 PROVIDE LOW COST ELECTRIC SERVICE
- 3 PROVIDE RELIABLE ELECTRIC SERVICE



- 4 CONSISTENTLY EARN A REASONABLE RETURN FOR INVESTORS
- 5 ACHIEVE A REPUTATION AS A COMPANY RESPONSIVE TO ITS CUSTOMERS' NEEDS

- 6 MAINTAIN A WELL QUALIFIED, MOTIVATED, AND PRODUCTIVE WORK FORCE
- 7 PROVIDE APPROPRIATE ADVANCEMENT OPPORTUNITIES, BASED UPON DEMONSTRATED ABILITY, IN ORDER TO DEVELOP A WELL TRAINED AND DIVERSE WORK FORCE

- 8 OPERATE AS A RESPONSIBLE ENVIRONMENTAL CITIZEN
- 9 OPERATE AS A MARKET DRIVEN COMPANY
- 10 IMPROVE QUALITY OF LIFE IN COMMUNITIES WE SERVE



OUR MISSION

Our mission shall be the employment and development of a dedicated, diverse work force to safely provide reliable, low cost electric service in a customer-focused and environmentally acceptable manner...to foster economic development...to improve the quality of life in the communities we serve...and to provide a reasonable financial return for our investors.