



PLAINTIFF'S EXHIBIT

TEX-126

Texaco

DATE: December 19, 1995
TO: All PSP Employees
FROM: C. A. Flagg
SUBJECT: PLANT ORGANIZATION

INDUSTRIAL HYGIENE		
DEC 23 '95		
DJS _____		
JLB _____	JGH _____	JGR _____
SRC _____	BRJ _____	MLT _____
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Beginning on January 15, 1996, the organizational structure of Puget Sound Plant will be modified. The primary benefits we hope to achieve with this new organization are as follows:

1. Streamline the decision-making process by eliminating a layer of management.
2. Provide more authority and budgetary responsibility to the operating units with respect to engineering and maintenance services.
3. Enhance the plant's focus on reliability.
4. Increase our emphasis on building the future of PSP.

The attached charts depict the structure of this new organization. Key features are listed below.

Operations: The Operations Department is divided into three asset areas; Northside (FCCU, ALKY/POLY/SRU), Southside (CPD, HTU/CRU's), and Off-Plot (BoHo/Cogen, RP&S). Each of these asset areas will be led by an Asset Manager who will report directly to the Plant Manager. The Asset Managers will have an engineering support team with engineers reporting directly to them. There will also be a maintenance crew and I&E Technicians reporting directly to the Asset Manager. Planning of maintenance activities will continue to be centralized. However, the Asset Managers will set the priorities of the maintenance activities within their asset areas. The Asset Manager - Off-Plot will also have responsibilities for production planning/analysis and scheduling.

Maintenance and Reliability: This effort will be led by a Manager of Maintenance and Reliability (M&R) who will report to the Plant Manager. Functions currently reporting to the Supervisor of Maintenance will report directly to the Manager-M&R. Additionally, the Reliability Engineering group will be formed to provide specialized power engineering support and field civil engineering support to the operating units in addition to leading the reliability efforts at PSP.

Technical Services: The engineering support groups currently in existence (Process, Power, Operations Planning, and Plant Engineering) will be restructured. All major project activities in the existing Power and Plant Engineering functions will be consolidated under the Supervisor-Projects. The remaining members of the Power and Plant Engineering groups will be reporting to either an Asset Manager or the Supervisor-Reliability Engineering. The Process Department and Operations Planning group will be divided between the Asset Areas

and a new Planning and Technology group. The Planning and Technology Department will be responsible for the development of all tactical and strategic planning, crude selection, process studies, energy conservation and long-term technical support functions. The Planning and Technology Department, along with the Projects Group, Lab, EDP, Quality Coordinator, Training and EH&S functions will report to the new Manager-Technical Services, who will report to the Plant Manager.

Staff positions in the new organization will be filled by the following personnel:

Manager - Maintenance and Reliability	J. H. Brian
Manager - Technical Services	H. H. Chandler
Asset Manager - Southside	N. W. Enderberg
Asset Manager - Northside	R. L. Metcalf
Asset Manager - Off-Plot	J. A. Krafve
Supervisor - Planning and Technology	S. E. Hahn
Supervisor - Projects	R. J. Rosenberger
Supervisor - Reliability Engineering	M. L. King
Assistant to the Plant Manager	F. K. Hahn

Supervisory positions in groups which are unaffected will remain unchanged.

Unlike the reorganizations announced by many of our major competitors, the intention of these changes is not to reduce headcount. While there will be three reductions in supervisory positions at PSP, the primary motivations are the improvements in efficiency and productivity outlined above.

The time between today and January 15, will provide a period of transition, so that the new organization can begin to function early in the new year.

Our Plant's performance is directly related to our people. I believe these changes will provide everyone with increased responsibility and opportunity to further improve the performance and shape the future of Puget Sound Plant.

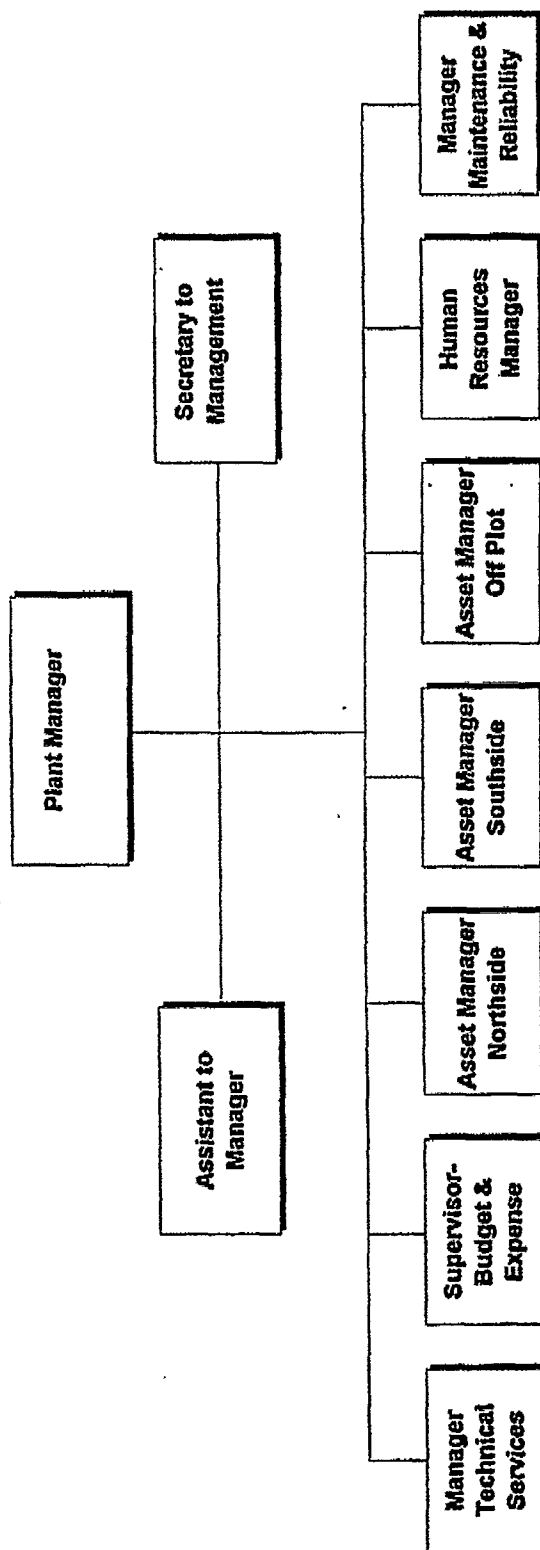
As we celebrate the holiday season and prepare for 1996, I ask each of you to take a moment to reflect on the common bond we all share as PSP employees and continue your commitment to our mutual success.



CAF:chw

Attachments

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PUGET SOUND PLANT

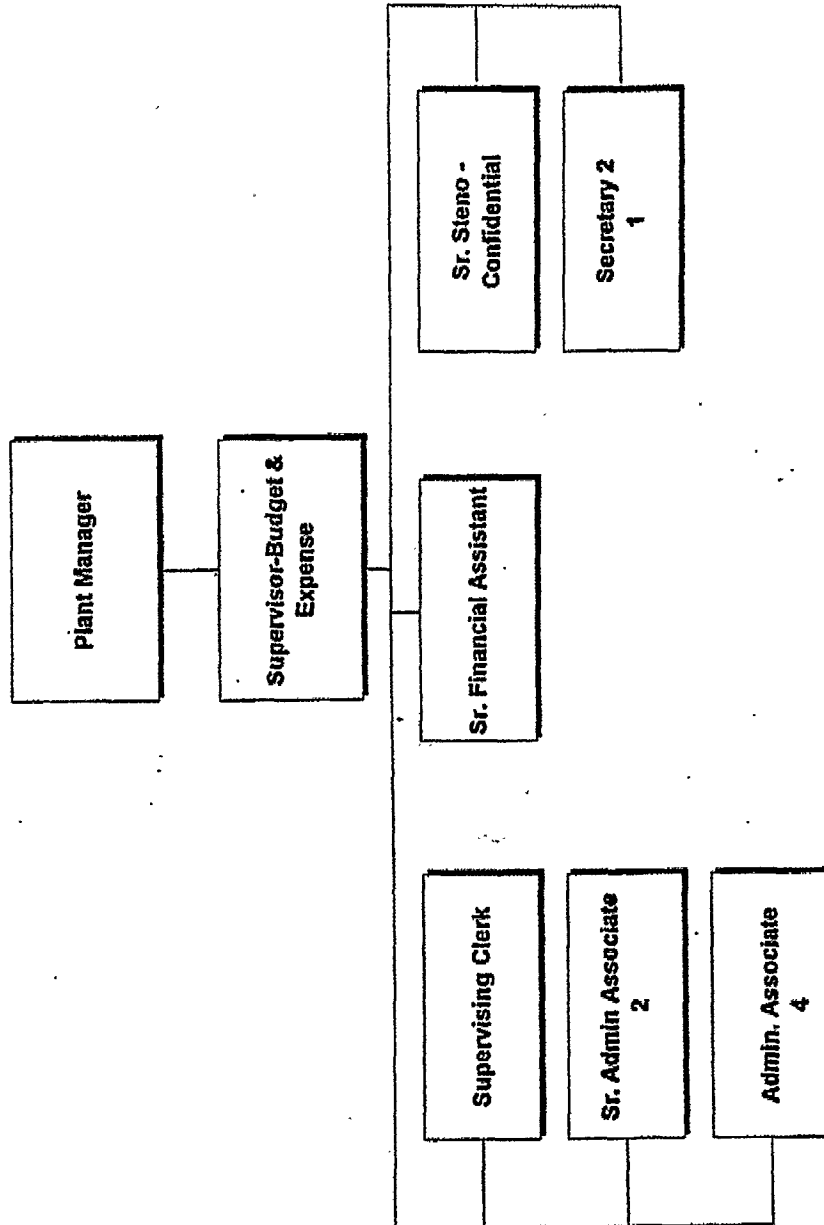


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12/1/85 XLS Plant Manager

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PUGET SOUND PLANT

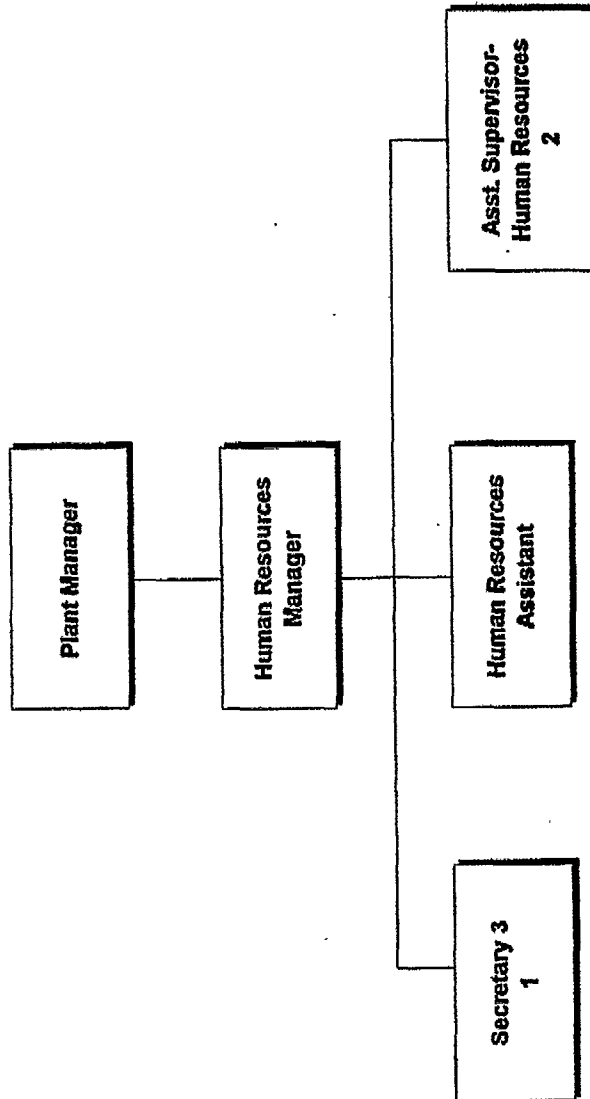


WA-TEX 001142

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12-1-95 XLSCAF-DNW No Names

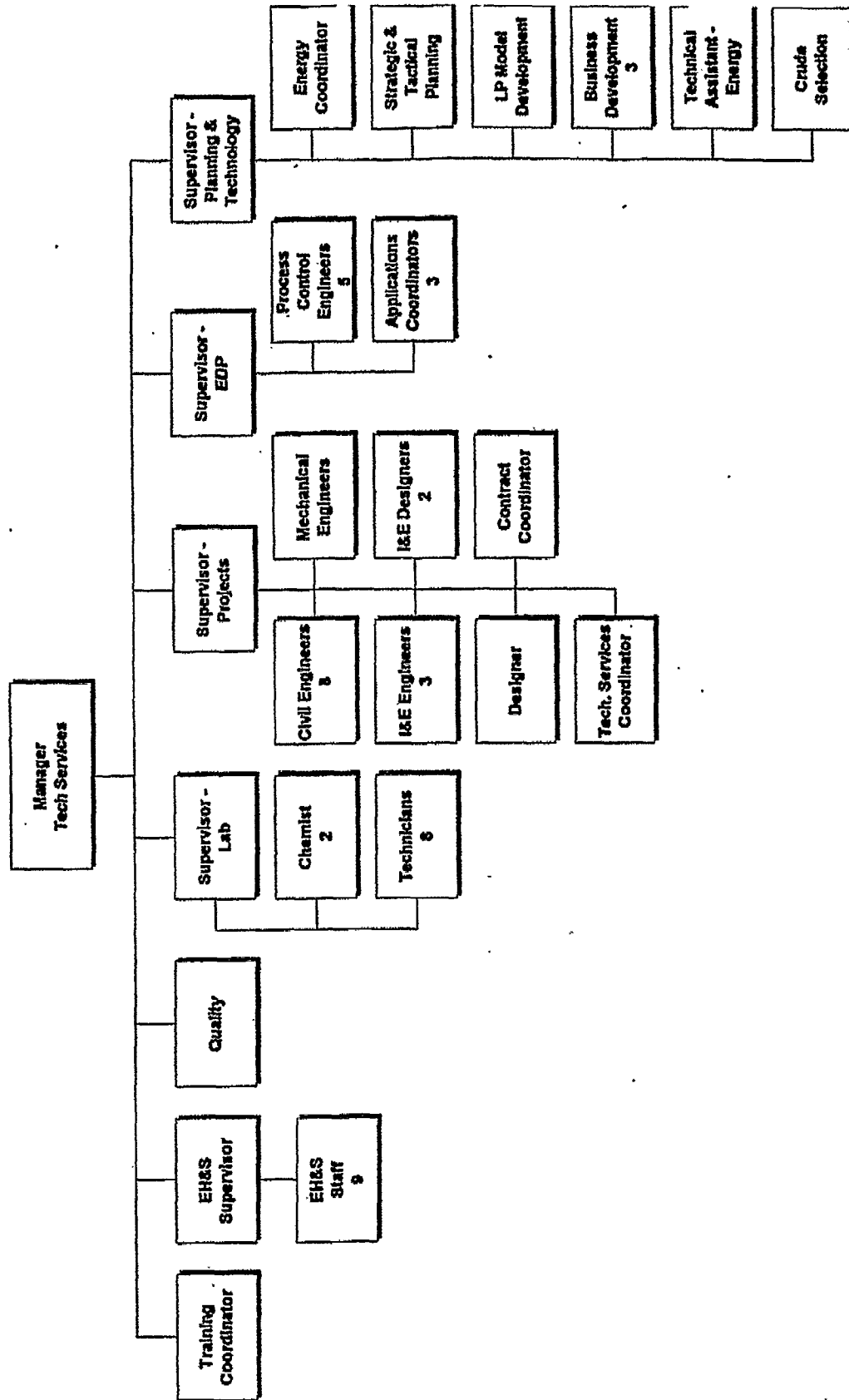
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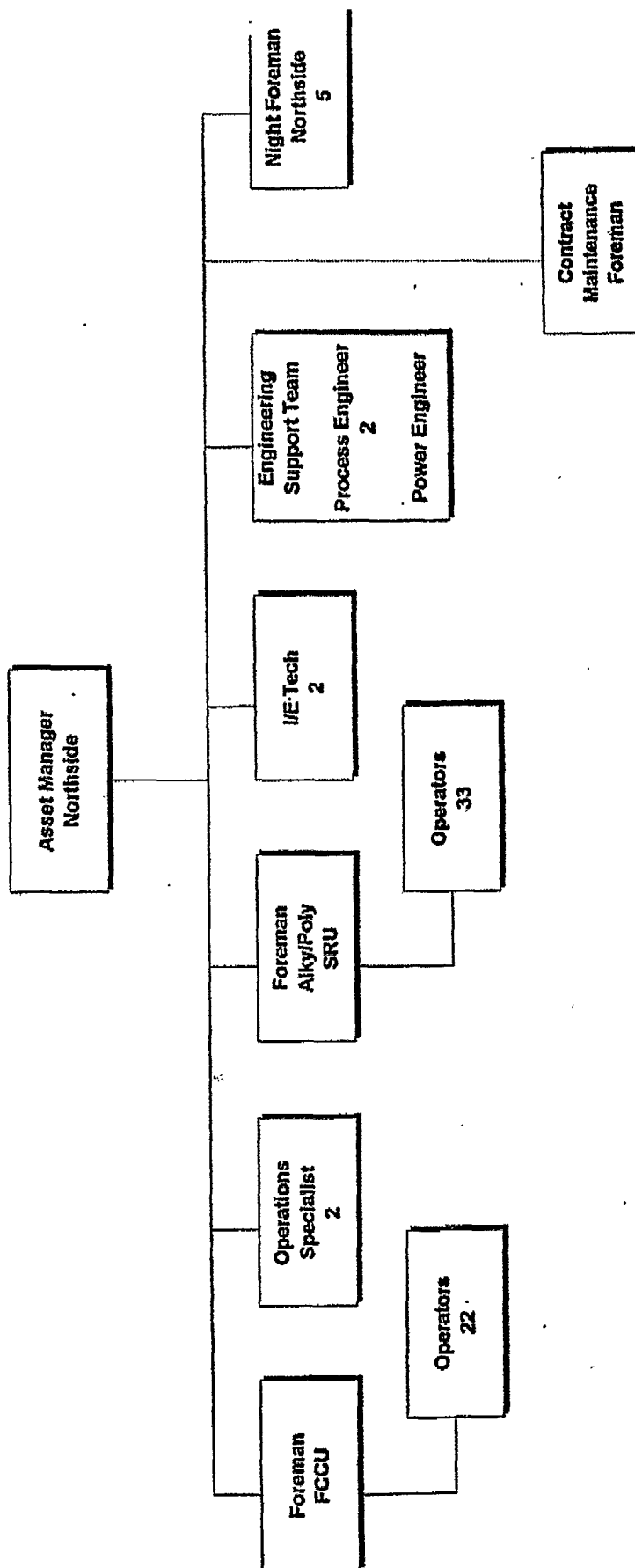


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12-1-83 JST/ton/Barlow

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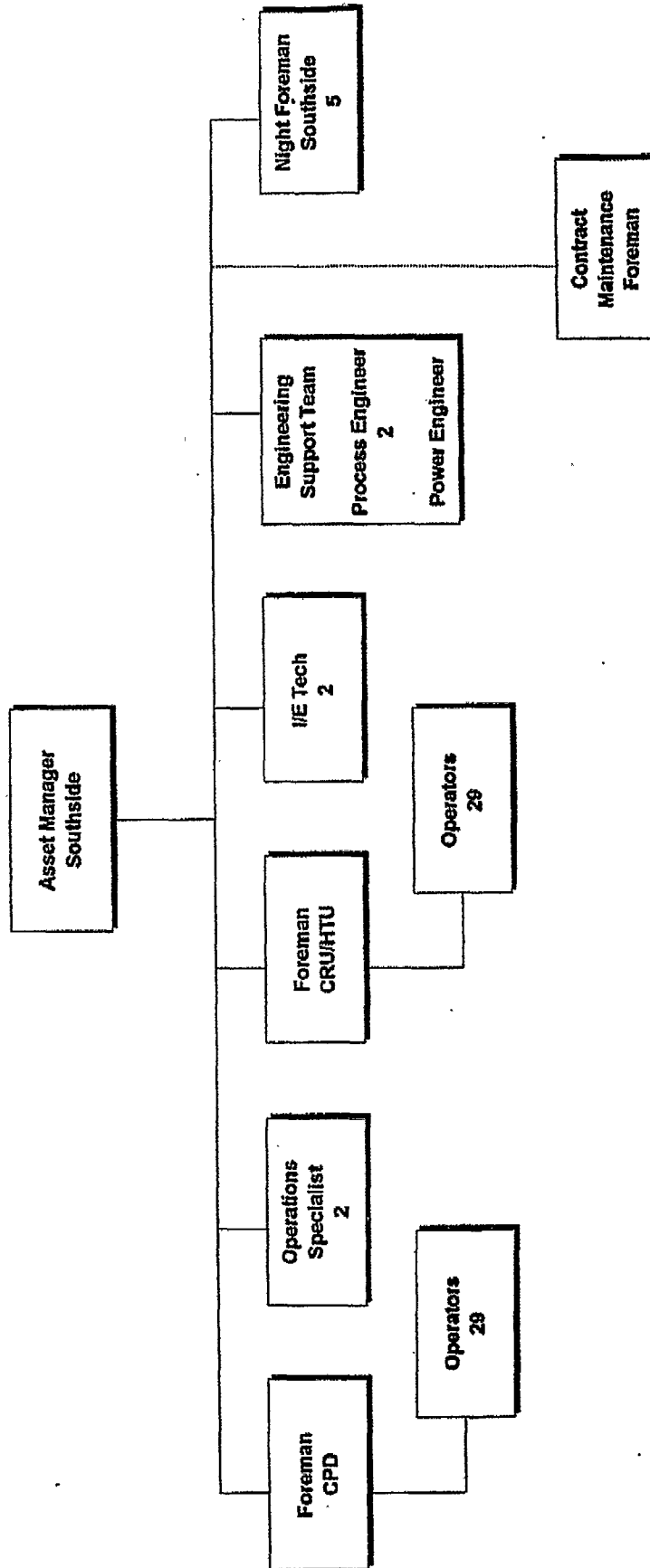


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12-1-85, XL Classet Manager-Hodhikis

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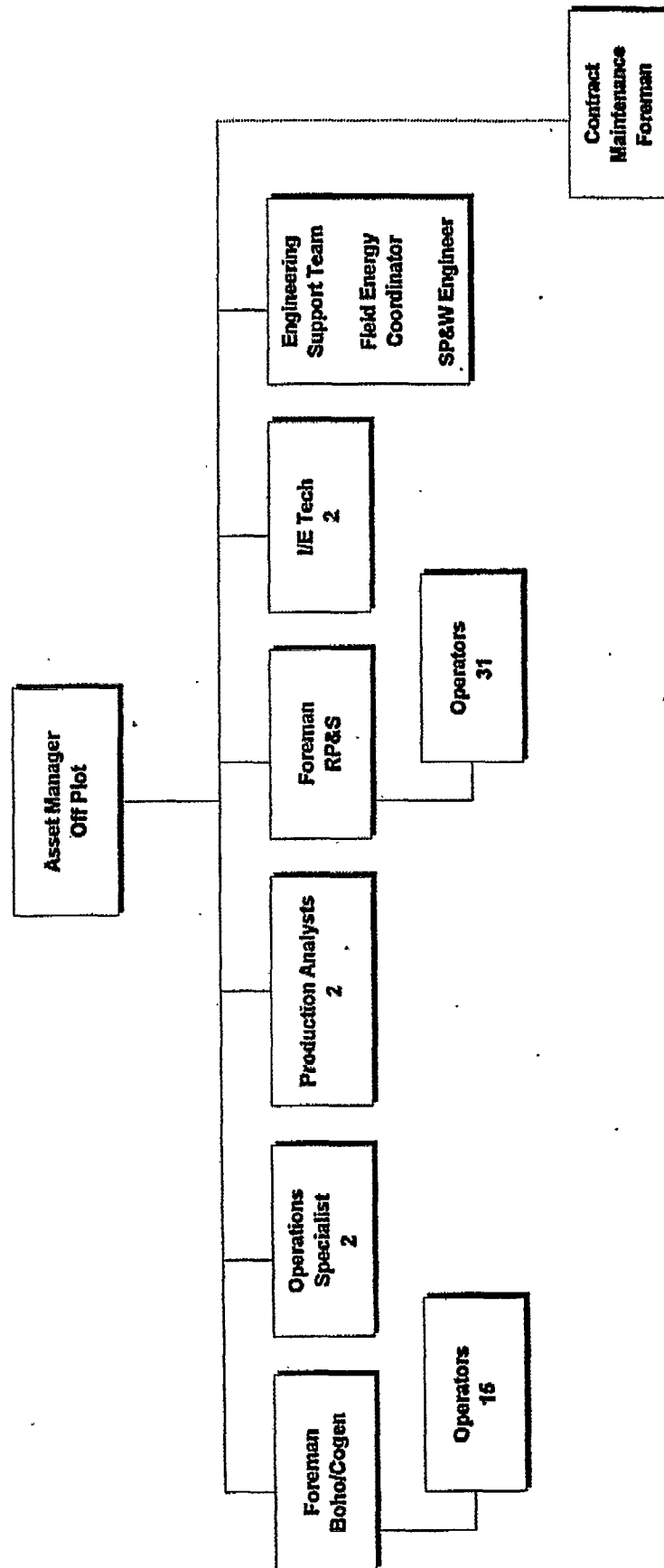


WA-TEX 001146

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12-1-95 XU SLS Asset Manager-Southside

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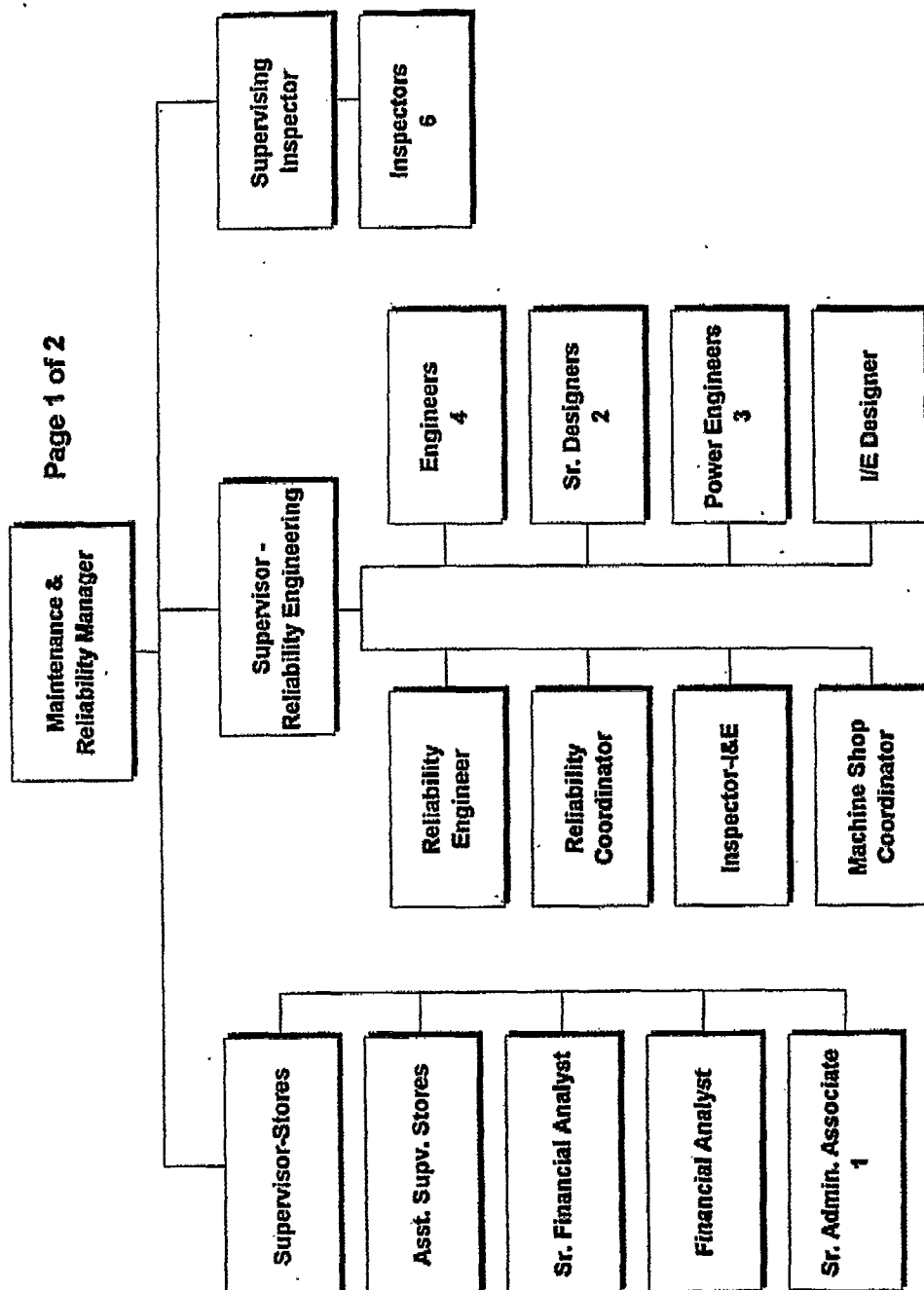
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12-1-93 XL Asset Manager-Offplot

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121-95-XLSHB-No Name

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