

# Shellegram

## Deer Park Manufacturing Complex

March, 1985

Vol. 50, No. 3

*For interruptible service*

# New power contract signed

**UTILITIES ENTERED** into a new contract with Houston Light and Power (HL&P) Jan. 2 that will shave considerable money off the Complex's electric bill, and help assure a cheaper, dependable power supply for Houston area residents.

The new interruptible service agreement allows HL&P to cut back power supplied to DPMC within minutes. This move is anticipated to help HL&P avoid brown outs to residential customers during peak summer electrical demand or black outs during crisis situations without HL&P building expensive new generating stations.

As an incentive to participate, Shell received a significant discount on monthly rates. The rate savings is forecast at about \$100,000 per month, or four percent of the Complex's utility bill. However, the rate discount can be offset by a substantial penalty if DPMC doesn't perform.

"HL&P will give us as little as 10 minutes notice to reduce our electrical demand. If we don't meet the targeted goal, we may pay a large penalty, essentially wiping out one month's savings," said Ken Jones, Process Engineering-Utilities, stressing the importance of the commitment Utilities has made.

**JONES EMPHASIZED** that HL&P is not interested in receiving the penalty payment, but is more concerned with making sure it

has needed electricity to supply its public customers during critical situations. "HL&P didn't encourage us to sign the contract," he said. "We had to convince them we could

deliver."

Jones explained DPMC has the right to schedule how much HL&P can curtail our

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**COMMUNICATING NEEDS...**From the Utilities Control Center Carlos Huerta communicates with operators at DPMC's Central Power Station during an interruptible service test. UCC operators initiate and coordinate activity to reduce DPMC electrical supply from HL&P during an interruptible service mode.

# Pay deferral plan can reduce tax bite

**AS THE APRIL 15** tax deadline approaches, many DPMC employees are savoring advantages of a benefit plan initiated Aug. 1, 1984.

Shell Pay Deferral Investment Fund (SPDIF), billed as a tax deferral and savings plan, resulted in immediate tax savings to participating employees while paying dividends of long range investment as well.

An average DPMC employee paid approximately \$300 less in income taxes in 1984

and will gain between \$750 to \$800 in tax savings for 1985.

That same employee can expect \$3,300 a year tucked away in an investment fund to grow to more than \$20,000 over the next five years.

"When we first started discussing the pay deferral program, many people could not envision the tax savings. But now that people are filling out tax forms, tax savings for 1984 are very real," said Kali Giebel of

Employee Relations.

**A MARRIED EMPLOYEE** making \$30,000 a year (the approximate base salary of an operator or craftsman number one) who deferred the maximum 11 percent of base pay, paid around \$320 less in taxes in 1984 as a result of just five months participation in SPDIF. A full year tax savings is expected to reach approximately \$760.

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# Five elected DP fire officers

In late 1984 elections, five DPMC employees were elected 1985 officers of the Deer Park Volunteer Fire Department (DPVFD).

Stan Walker and Mike Franger were elected DPVFD captains. Franger is captain of station number two. Walker is captain of station number one, as well as an executive board member.

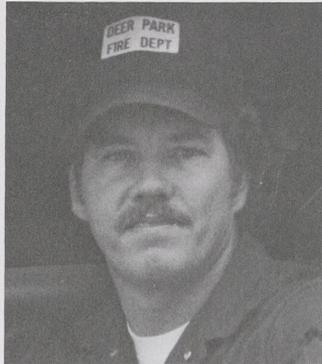
Also elected executive officers were Billy Farmer and Scott Willis, both members of the pension board. Additionally, Willis was elected deputy chief of fire station number one.

Juan Gonzalez was elected DPVFD's emergency medical service captain for fire station number two.

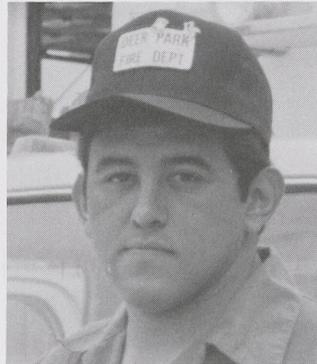
During the annual awards dinner in

February, Gonzalez received the Fire Chief's award for highest individual or personal achievement. In 1984 Gonzalez secured paramedic certification, the highest qualification level in emergency medical services.

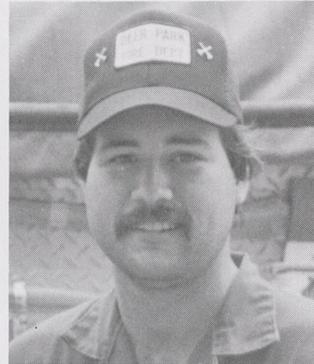
At the same awards ceremony, Wayne Morris received an award for responding to the most emergency medical service calls during 1984.



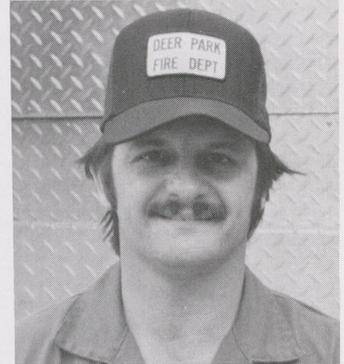
WAYNE MORRIS



JUAN GONZALEZ



STAN WALKER  
Captain



MIKE FRANGER  
Captain

## 63% of DPMC employees participate...

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An employee with similar income who deferred five percent, saved about \$145 in 1984 taxes and can expect a tax break of about \$345 for 1985.

"These are not hypothetical examples. Sixty-three percent of Deer Park's employees are enrolled in SPDIF and have reaped 1984 tax savings because of pay deferral," Giebel said.

One such employee is Helen Hicks of Medical. "I have not filed my 1984 tax return yet, but I already have seen a larger paycheck through a reduction in taxes as a result of Shell's pay deferral plan," she said.

Hicks, like many other DPMC employees, was quick to sign up for the full 11 percent participation. "With two salaries, my husband and I needed the tax shelter. And since we invest in real estate properties, the future attractiveness of being able to borrow against my investment fund balance made pay deferral very appealing."

**EMPLOYEES CAN SIGN UP** at any time for the pay deferral benefit plan, or can increase or reduce the rate of participation, or change investment strategies at any pay period by contacting their Employee Relations representative.

Under the Shell Pay Deferral Investment Fund, employees are able to defer one to 11

percent of base pay income each pay period into investment fund accounts. Income is deferred before taxes, so employees are taxed at lower income tax rates.

Employees invest in an equities investment fund or guaranteed investment fund. The equities fund invests in stocks of publicly traded companies. The rate of return varies depending on how the fund's investments perform. The guaranteed fund will pay a guaranteed rate, which is 13.55 percent through the end of 1985.

**EMPLOYEES CAN INVEST** in either or both funds in increments of 25 percent, and soon will be able to transfer monies between funds. Other flexibilities of SPDIF include the ability to use money deposited in the investment funds for loans or hardship withdrawals, as well as provisions to reduce tax burdens when money is taken from the funds.

In August of this year, employees will be able to make loans against the balance of the funds. Employees will be charged interest on the loan, but the interest paid goes into that employee's investment fund. In effect, the employee is paying interest to himself or herself. Repayment of the loan can be made through payroll deduction.

"The money remaining in the investment fund continues to earn interest or gain equity. Additionally, the employee may qualify for

tax deductions for the interest payments made," Giebel said.

**HARDSHIP WITHDRAWALS** also may be available in August, pending Internal Revenue Service (IRS) approval. "Although the term 'hardship' has not yet been defined by the IRS, we would like to see buying a house, college education or major medical expense considered as reasons for hardship," said Giebel.

Money taken from the accounts as hardship withdrawals will be taxed, at that time, as ordinary income at prevailing tax rates. However, there are provisions which can help protect employees from being overburdened by taxes when closing out their SPDIF account due to retirement or termination.

At that time employees have two options. The money can be rolled over to an Individual Retirement Account (IRA) and taxes continue to be deferred, or, if an employee has been in the program five years, he or she can 10-year income average.

An additional provision allows employees who retire from Shell to leave their money on deposit for up to five years.

Employees wishing to sign up for SPDIF, needing more information, or wishing to change participation rates can contact their Employee Relations representative for assistance.

# SCORA News:

# Outdoor events begin

**ALONG WITH** warm Texas breezes, the month of March ushers in a gust of SCORA activity.

An aggressive membership drive lasts the month of March, coinciding with voting for board of directors. Men's softball opened March 4, a skating party was held March 12, and a Friday social was scheduled for March 15.

But the real measure of the coming spring is outdoor activity. SCORA has plenty on tap.

**MARCH 16** the club is planning the first of many fund raising barbecues. Club members will sell barbecue beef sandwiches and turkey legs, as well as refreshments, outside Hometown Foods in the Town Plaza shopping center, 1800 Center Street, from 11 a.m. until the food is gone.

The club is also planning barbecue sales at two popular upcoming festivals, the Strawberry Festival, April 19-21, and Sylvan Beach Festival, May 3-4.

"We started out to have a couple of fund raisers, but everyone enjoyed the past ones so much we have scheduled more," said Junior Guillot. "Anyone wanting to join in the fun and help is welcome. We hope to dress in costumes for the two festivals."

**MARCH 22-24** is a camping trip and bass tournament at Wolf Creek Park on Lake Livingston. As usual for camping trips, SCORA will supply barbecued beef and hot dogs for a Saturday night dinner. Participants should bring a side dish and refreshments.

The bass tournament will be held Saturday. Camping reservations can be made through Hank Craddock, extension 7926. Bass tourney registration is being handled by Jug Bennett, 6670, and Bubba Jackson.

**MARCH 30** is the annual children's Easter Egg hunt in San Jacinto Battleground park from 10-11 a.m. The Easter egg hunt will be held by age categories so younger children will have equal chances to find candy eggs dropped in roped off areas. The event is for SCORA member children and grandchildren only.

**APRIL 13** is the annual SCORA family picnic and dance, SCORA's biggest activity of the year. It will be held at 40-acre Lennox Ranch on Highway 90 at Uvalde Road. Food servings will be held from 11 a.m. until 6 p.m. to allow shift workers and others with tight schedules to attend.

The picnic is free to SCORA family

members. Members must present membership cards to be admitted free. Guests will pay \$8.

"Even for the guests, this is quite a bargain," said Junior Guillot. "The reason the employee club can admit members free is that the board is doing the catering, using the club barbecue pit. But we need other club members to help." Volunteers should contact Carolyn Anderson, 7445.

**THE MENU INCLUDES** all-you-can-eat barbecue and the trimmings, sno-cones, popcorn, cotton candy and soft drinks. Beer will be sold at a nominal price.

Activities include a softball contest, horseshoes, volleyball, swimming, bingo and a raffle. There will also be special kiddie rides, and a hayride is being planned.

The dance will begin after the food serving.

**THE SPRING ACTIVITY** follows successful January and February events. The second annual pool tournament in January increased participation over the initial event. Sonny Hammond of Maintenance won the event.

A President's Day three-day weekend camping trip at Lake Livingston State Park pulled the largest turnout for a SCORA camping trip. Some 150 people attended.

## SCORA elects board

Ballots for election of SCORA board members are due March 29. They can be returned to Carolyn Anderson, S/ADM 267.

Running for the board are:

Refinery Staff: Hank Craddock, Safety; Debbie Copeland, Financial; Janet Barraza, Jan Gartman and Bob Russ, Maintenance.

Chemical Staff: Carolyn Anderson, Purchasing.

Refinery Hourly: Gary Fenton, Operations; Mike Green, Junior Gifford, Sonny Hammond, Randy Jones, Ron Martin, Jessie Rodriguez, and Doug Teschendorf, Maintenance.

Chemical Hourly: Russel Adams, Johnny Breechen, Bill Dorsey, Bill Entekin, and Henderson Hammit, Maintenance.

Club members can vote for three candidates in each of the four categories. Write-in votes for individuals interested in being board members are encouraged.



**TAKING IT EASY...**Some campers played leisurely games of cards underneath the tall pine trees during the February camping trip.

# Operators help meet new power goals

Continued from Page 1

electrical use. "If we are having some problems which affect our ability to reduce HL&P's load, such as having a Central Power Station generator down, we will lower the amount we agree to curtail and continue to receive uninterrupted power supply from HL&P. We will not be forced to shut down process units because our power is being cut off," he said.

Currently, 75 percent of DPMC's contracted electrical power is firm, uninterruptible power. The remaining 25 percent is subject to the interruptible service agreement.

Bill Charles of Utilities said DPMC can enter this type of contract since the complex has facilities to produce electricity and because we have a program in place and operators capable of executing needed changes in a brief time frame.

**THE COMPLEX ALREADY** makes a fair amount of electricity as a by-product of steam generated for process units, but electricity made over and above this is minimized since Shell's process isn't as efficient as, and is more costly than, buying electricity from the power company. "The new incentive, the rate discount for interruptible power, makes it cost effective to make electricity on occasions when we are asked," Charles said.

"Process Engineering, lead by Ken Jones and Rufus Morse, developed formats and logic for computer programs Utilities can follow when we must go into an interruptible service mode," Charles said.

"We discussed those programs during training sessions with Utilities operators and ran numerous tests prior to the contract going into effect Jan. 2," he said. "During a simulated test New Year's Eve, we made the goal despite a heavy rainstorm which caused a dramatic temperature drop and created additional difficulty with increased steam demand.

"HL&P has yet to call, but we are continuing the tests weekly until everyone feels totally comfortable they can meet the goal," he added.

**ONE TEST WAS** conducted Feb. 27, from 9 a.m. until 10 a.m. With only five minutes notice, Utilities Control Center (UCC) operators Carlos Huerta and Mike Parrish had to reduce DPMC electrical supply from HL&P by an average of 20 megawatts for that hour. Twenty megawatts is enough electricity to supply approximately 5,000 homes during peak summer demand.

To say only that they reached the goal would be selling short the effort needed to accomplish the task. Besides following a

constantly updating computer program and monitoring pressures and electrical loads throughout the complex, Huerta and Parrish spent much time communicating with operators at Power Plant 2 (PP-2), Utilities South (US) and Central Power Station (CPS).

UCC operators initiate the interruptible service mode and have information available to coordinate the process. But they depend on operators at other Utilities plants to help execute the program. "We don't tell the operators what to do, we just tell them what we need to meet the goal," said Huerta.

**WHEN A CALL** to interrupt HL&P service comes in, a UCC operator verifies the call with HL&P and calls up the interruptible service computer programs on computer display screens. Necessary moves are determined.

Operators at PP-2, US and CPS are notified of the interruptible service mode and advised to monitor their boilers and generators closely for potential upsets. However, it is communication with CPS that is most critical.

In order to produce more electricity, the boilers at CPS need to be fired up higher. This requires manual adjusting of gauges on the CPS control panel. "The CPS operator doesn't just move the gauge up to where we need to be. That would shake the entire system and possibly cause it to crash," said Parrish. "The CPS operator must ease up the boilers, but quickly to satisfy the goal we must meet in 10 to 15 minutes. In 15

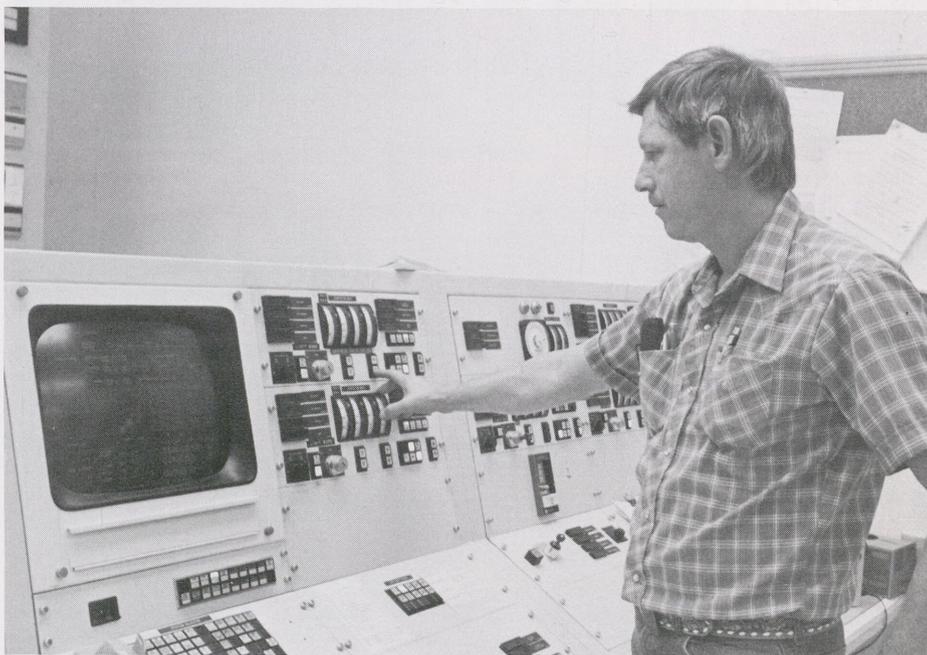
minutes we will get there with the cooperation of CPS, Utilities South and Power Plant-2."

**THIS WAS THE THIRD** test for Huerta, who says it is becoming much easier and smoother each time, although it still offers a challenge. "I feel pretty good about how it works," he said.

Parrish agreed, stating that people in Utilities have played this type of game previously and are familiar with manipulating the Utilities system. "We had a peak load shave program with HL&P before where they might ask us to back off a certain amount of electricity. For the operators the interruptible service agreement is pretty much the same. The difference is the contract and the dollars."

"Previously we could choose to assist HL&P, but we were not obligated," said R. E. Miles, operations supervisor, Utilities. "Now we are obligated. We are in the cogeneration business, but unlike other companies, we don't sell power to HL&P, we just reduce our load on them."

**AND IT APPEARS** Utilities is doing such a good job, DPMC potentially could schedule more interruptible electrical supply and reap additional economic advantages. During the Feb. 27 test, Huerta and Parrish reduced electrical demand on HL&P by 22 megawatts, two more than needed.



**MONITORING ELECTRICAL LOAD...**Mike Parrish monitors gauges during a recent test of the interruptible service mode. Utilities operators must make quick, but steady adjustments to reduce DPMC electrical supply from HL&P within minutes without shaking the Deer Park utilities system.



**NOTED ECONOMIST...** Jim Cochrane, vice president and chief economist for Texas Commerce Bancshares, Inc., addresses a group of DPMC Financial employees. Cochrane was a guest speaker for Financial's bimonthly speakers program.

## Economist predicts slow growth in '85 economy

An internationally prominent economist told members of DPMC Financial the best the oil industry can expect for the next 24 months is stability.

Jim Cochrane, vice president and chief economist for Texas Commerce Bancshares, Inc., said Texas Commerce sees no price relief on a barrel of oil, but expects prices to remain stable. "However, there are some people I take seriously who forecast a gloomy view of the price of a barrel of oil falling to a floor of \$22," he said.

Discounting the short-term forecast, Cochrane said his bank feels good about the future of the oil business and is preparing to meet growth demand beginning in 1990.

"The oil industry is of great importance to us," he said. "Quite candidly, we have 25 percent of our loan portfolio tied up in energy business; \$2.9 billion in loans to the energy business in 1984."

Cochrane said the performance of the overall economy in 1985 will be "plain

vanilla." He predicts three percent real growth coupled with just five percent inflation and less than seven percent unemployment, and even lower in Texas. But he points to 1984 as an example of the fragile nature of forecasts.

The 1984 outlook was similar to the 1985 outlook. But unsustainable high growth in the first and second quarter caused an overreaction by the Federal Reserve Open Market Committee. The overreaction, a firm tightening of money through high interest rates, led to a big drop off in the third quarter, he said.

Overreaction could also upset the 1985 forecast. "If the inflation rate goes above four percent, you can look for an overreaction of money markets and continued chronic overreaction of the Federal Reserve to change things in 1985," Cochrane said.

Texas will lead the nation's economic growth in 1985 based on dramatic growth in Dallas, San Antonio and Austin. "Houston doesn't look good and won't turn around until the oil industry turns around, or until Houston's Economic Development Council has a series of major successes getting new industry and jobs into the area," Cochrane said.

Cochrane and others have spent many hours trying to get General Motors to locate a new plant in Houston, as well as trying to land a U.S. Naval base in the Galveston/Houston area. Houston's currently soft economy could actually be an advantage in trying to entice companies to locate in Houston since there is plenty of underpriced office space and housing on the market, he said.

Cochrane, a former economic advisor to William Casey, Director of the Central Intelligence Agency, and Zbigniew Brzezinski, Director of National Security, was a special guest speaker as part of a bimonthly speakers program sponsored by Financial.

## Retirees send thanks to friends for parties

**BILL MOORMAN** and wife, **JUANITA**, send their thanks and appreciation for the retirement party and nice gifts.

**J. E. "ACE" GREEN** thanks his many Shell friends for the retirement party, scroll and gifts, especially the fond memories and friendships.

## U.S. savings bond campaign claims bonds back in favor

The annual Shell employees savings bonds campaign is being promoted with a spirited claim that bonds are back as a favorite savings and investment vehicle for Americans.

The campaign cites an up-to-date schedule of return on investments, currently paying 10.95 percent on bonds through April, combined with traditional advantages of small minimum purchases, convenient buying plans, absolute safety and no-hassle conversions to cash, as a catalyst to new popularity of savings bonds.

In 1983 the Treasury Department tied interest rates paid on Series EE bonds to financial market rates, paying 85 percent of average market rates of popular Treasury securities. "Since the new rate program was introduced, bonds have earned an average of 10 percent," said Carl Reed of Employee Relations.

"Interest rates will rise or fall with the market, but are guaranteed to pay a minimum 7.5 percent if held for five years," he added.

U.S. Savings Bonds remain a safe and secure investment. Principal and interest are

guaranteed by the U.S. Government, and if lost, stolen, mutilated or destroyed, bonds are replaced without charge. Also, tax on interest earned through Series EE bonds is deferred until the bonds are redeemed.

An employee can later exchange Series EE bonds for Series HH bonds, which pay interest semiannually, to defer taxes on the interest earned from the EE bonds until after retirement, Reed said.

During March, employees are being offered the opportunity to purchase bonds through the Shell payroll deduction plan. Payroll deduction authorization forms and U.S. Savings Bonds pamphlets are being mailed to employee homes. For more information, contact Reed at extension 6686.

Take  
stock  
in America.



# Cumene project enjoys chili cookoff

Shell employees Dale Allen and Bonnie Swearingen lost a chili cookoff, but are helping Shell win a productivity war.

Allen and Swearingen were Shell entries in the Cumene Revamp Project chili cookoff celebrating Go Texan Day, Feb. 20. And although two Lummus Crest Corporation teams and a Brown & Root team won top spots, the intent of the day was not merely to determine the best chili.

"The chili cookoff was an event to help build team atmosphere on the project," said Allen, project engineer for construction and quality control. "Any employee or team of employees on the project could compete in the cookoff and employees were invited to watch the judging and share lunch afterwards."

"The Business Roundtable's Construction Industry Cost Effectiveness (CICE) study shows you can improve productivity and effectiveness by building a team atmosphere. An occasional fun event can help build a cooperative spirit," said John Gray, project engineer for engineering design.

The project earlier hosted a Christmas luncheon. With engineering design work winding down, it was time for another get-together before Lummus employees finished their field work. Lisa Entrekin, secretary on the project, suggested a Go Texan Day. The chili cookoff and western dress day resulted.

Many employees donned western gear, including some packing six-shooters and water pistols on their hips. Thirteen contestants cooked up pots of chili at home to enter in the lunchtime judging. After the official judg-

ing, hungry Cumene Project spectators sampled the various chilies, passing their own judgements.

In addition to the chilies, some project employees prepared salads and desserts to supplement the luncheon.



**THIS IS GOOD...**Judges of the Cumene Project Chili Cookoff sample 13 chilies entered in the lunchtime competition. The judges are, from right, Floyd Holleman, Brown & Root construction manager; Bill Thompson, Shell Deer Park Complex manager; Bill Mulvaney, Lummus piping supervisor; Mary Dunlap, Lummus lead process engineer; and Randy Jones, Shell Deer Park Cumene Project maintenance coordinator. Hidden behind Jones is Hugh Naron, Brown & Root project superintendent. A seventh judge was needed to break ties for first and second place. Harry Parsons, Brown & Root project superintendent, did the honors.

## Classified Classified Classified FOR SALE

1972 HONDA CL350, 8,000 mi., Max brand windshield. \$550. 476-0857

1978 HAMMOND EL DORADO, 19 ft. boat, 350 Mercruiser I/O eng., less than 10 hours, full fitted canopy, plush rig. Roadrunner tandem axle custom drive on trailer, recently blasted, epoxy painted, five new tires. \$10,000. 643-9046

SOUTH MEMORIAL CATHOLIC PARK, six spaces, all or part. \$350 each. Write to Route 3, Box 393B, Weimar, TX 78962.

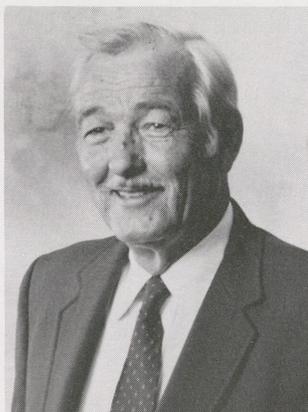


**WELL, THAT'S TOO LONG...**Hungry Cumene Revamp Project employees serve up plates of chili after waiting for judges to sample 13 entries in the project's chili cookoff held during lunch Feb. 20.

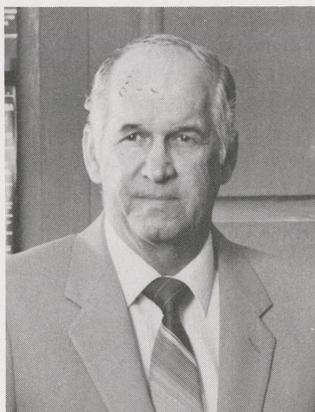
# DPMC Retirements & Anniversaries



**H. HAGIN, JR.**  
Retired



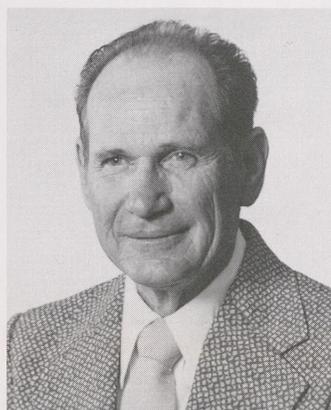
**T. W. FERGUSON**  
35 Years



**J. R. LAWS**  
35 Years



**M. A. LEWIS**  
35 Years



**W. H. MOORE**  
35 Years



**D. W. WILLIAMS**  
30 Years



**MAURINE BISHOP**  
25 Years



**JOHN WOODS**  
25 Years

## Safety milestones reached by 3 groups

OSHA recordable safety milestones were surpassed recently by three groups in the complex.

Recently East Operations Maintenance and Logistics Maintenance each recorded one year without an OSHA recordable, and Environmental Operations and Utilities reached three years in December with only one recordable injury.

An OSHA recordable injury is an injury requiring medical treatment beyond first aid.

East Operations Maintenance improved its record to zero recordables from four the previous year. "The improvement is extremely outstanding versus the conditions that existed out there," said Bill Bitner, East Maintenance manager. "Nearly every unit experienced a turnaround, including the major Cat Cracker revamp. The employees put great effort into working safely."

Safety effort was also the key to Logistics Maintenance notching its string of zero recordables.

Mike Martin, Logistics Maintenance manager, said weekly breakfast meetings attended by craftsmen, operators, foremen and managers from the Logistics Department were dedicated to safety awareness. Open dialogue and discussion of safety expectations helped emphasize effort needed to work safely.

"Because of the effort everyone put forward, this safety milestone really means a lot to us," said Martin.

Environmental Operations and Utilities success can be attributed to good communication and awareness of safety by employees, said F. M. Thomas, department safety coordinator. "The department, which now includes Maintenance, has gone three years without recording a lost time injury (an injury requiring an employee to miss scheduled work), and some groups within the department have done better, such as Environmental South, which hasn't suffered a lost time injury in 310 months," said Thomas.

Thomas acknowledged the department amassed the recent OSHA recordable mark during trying times, such as Hurricane Alicia and the December, 1983 freeze. "But our turnaround schedule is always heavy. Since boilers must be inspected every two years, we probably experience more turnarounds than most process units," he said.

## Farewell party set for Red Daniels

East Operations has scheduled a farewell party and barbecue dinner for Red Daniels April 25, beginning at 2 p.m. in the refinery cafeteria.

According to Susie Curbello, anyone wanting a last opportunity to take a potshot at Red can participate in a scheduled "roast." To make a reservation to attend the retirement, or to participate in the roast call Curbello at 476-6126.

