

file 95.77

November 12, 1946

Mr. James E. McCormack
Director, Appraisal Division
Office of Real Property Disposal
War Assets Administration
Washington 25, D. C.

Re: PAP-UT
Plancor 264
Mathieson Magnesium Plant
Lake Charles, Louisiana
Power Sales by Southern Alkali Corporation

Dear Mr. McCormack:

Reference is made to your letter of October 3 addressed to us at Corpus Christi, Texas, relative to availability of power from the magnesium plant at Lake Charles, Louisiana, when the operation of the power plant is taken over by Southern Alkali.

We have carefully reviewed this entire situation and the best advices we can give you at this time are as follows:

1. We anticipate that we will start production of chlorine at Lake Charles in April 1947. In accordance with the terms of our lease agreement therefore, we will expect to take over the power plant approximately March 1, or 30 days in advance of the start of production.
2. Between now and March 1 therefore no change in power plant operation is anticipated and we assume that any information that you desire relative to availability of power and operation from this plant will be developed between yourselves and the Mathieson Alkali Company, the present operator.
3. During the thirty day period prior to production of chlorine at Lake Charles, it will be necessary to shut the power plant down for a 10 to 15 day period in order to make certain changes and repairs. In all probability this shut down period could be either the first half or the second half of the thirty day period.
4. We expect to bring this chlorine plant to full production as rapidly as possible. We now estimate that it will require two to three months after the start of operations to reach full production. During this period, however, production increases will take place at more or less regular intervals and power will have

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to be available to carry out such programs. We believe that under these conditions we will have about 20,000 KW of firm surplus power available to War Assets during the second quarter 1947. If we reach full production in the third quarter and operate at that capacity, there will be no firm surplus power available from the first of the third quarter on.

5. In considering this matter, we have assumed our total firm power available to be 45,000 KW. Hence, it is necessary to have spare power available in operations of the type we propose to conduct.

We call to your attention that there are several indeterminant factors at the present time which may change this situation. We have never operated the power plant at Lake Charles and until we do so we will not know exactly what capacity we can get out of it. Our proposed schedule to start operations may materialize sooner or later than we anticipate. If we run into unforeseen difficulties, for example, on deliveries of important equipment, we might have to delay the start of production. On the other hand, if deliveries come through on schedule we will probably start in accordance with our present plan or possibly even better the date slightly.

We will keep you advised of any changes and endeavor to give you as much notice as possible of what our plans will be.

Very truly yours,

J. C. Leppart

JCL:g

cc: Mr. H. F. Pitcairn
Mr. D. R. Means
Mr. S. J. Hultman

Copy made in Pittsburgh for Mr. D. A. Cort 11/18/46

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