

Hooker Chemical

PLASTICS DIVISION

Firestone Blvd

P.O. Box 699

Pottstown, PA 19464

215 / 326-2000

RECEIVED

JUN 25 1981

ACCTG. DEPT.

TO: MR. R. K. RAUSCHER
BATON ROUGE

FROM: J. R. HOPPER
POTTSTOWN

DATE: JUNE 22, 1981

RECEIVED

JUN 29 1981

ACCTG. DEPT.

SUBJECT: DOW VCM METERING PROBLEM

Per the attached please confirm the volume differences as proposed by Dow.

If you are satisfied have your local management initial approval and return to me for Divisional approval.

JRH/Hopper

J. R. Hopper

JRH/seh

Attachment

cc: Mr. J. J. McCoskey
Mr. F. F. Hoy
Mr. J. F. Knight

140,258 lbs - OK - RKR 6/26
OK M. F. Knight 6/24/81
OK J. F. Knight 7/2

OK J. F. Knight 7/2

OCC 017070



DOW CHEMICAL U.S.A.

June 19, 1981

BARSTOW BUILDING
2020 DOW CENTER
MIDLAND, MICHIGAN 48640

Mr. Jim Hopper
Purchasing Manager
HOOKER CHEMICAL AND PLASTICS CORPORATION
Pottstown, PA 19464

RECEIVED
JUN 22 1981
J. R. HOPPER

RE: VCM CONTRACT NO. 26898

The following are comments from a meeting held in Plaquemine, Louisiana on May 1 between Hooker and Dow plant personnel. The objective was to discuss VCM volume differences through the pipeline measured by our companies separate metering systems. Dow's third party testing results conducted this year were also reviewed.

Based on the discussions it is mutually understood that there will be some degree of difference in our measurements based on:

1. Expansion of VCM in the pipeline based on temperature differences. Also, some quantity may not be picked up by your meters at low flow rates.
2. Calibration limitations - Meter manufacturers state that practical limitation on metering accuracy is .5%.
3. Other factors including the use of temperature conversion charts, monthly "meter drifting" and possible by-passes in the line were discussed.

A joint recommendation was made to resolve past volume differences based on the reports and discussions of personnel involved in the transfers. Final resolution has been held pending clearance of your April deductions and a reconciliation by our Customer Financial Services Group. A debit memo will be issued for \$23,843.86 pending your final approval. This amount is based on the following:

478,008 lbs. - Hooker deductions from invoices
- 337,750 lbs. - Negotiated deductions based on 50% of the
total difference between Hooker and Dow
meter readings (675,500 lbs.)

→ 140,258 lbs. x \$.17/lb = \$23,843.86 debit memo

Attachment I is background information reconciled with Bob Roucher on May 7.

OK
RR

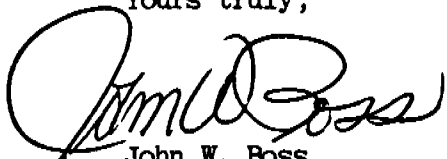
Mr. Jim Hopper
June 19, 1981
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In the future we plan to continue our third party validation testing of our two turbine line meters to help insure accurate measurements. Your plant may be in the process of coordinating a similar third party test at your end of the pipeline. These tests, along with frequent communication between our plants, will keep us alerted to any significant differences in measurements. From a practical standpoint the operations personnel feel that accuracy of .5% on a monthly basis is within equipment capability and welcome the opportunity to periodically demonstrate the sufficiency of the system. Future billings will continue to be based on procedures outlined in our contract.

We appreciate your support in resolving these past differences and look forward to you visiting Plaquemine in the near future.

a Thank you for your continuing business.

Yours truly,



John W. Boss
Product Sales Manager
Inorganic Chemicals

Attachment (1)

ml

OCC 017072

ATTACHMENT I

HOOKER VCM QUANTITY

<u>MONTH</u>	<u>DOW INVOICE</u>	<u>HOOKER READING (MONTHLY)</u>	<u>DIFFERENCE</u>	<u>% DIFFERENCE</u>	<u>HOOKER DEDUCTION FROM INVOICE</u>
NOV '80	11,614,300 ✓	11,502,200 ✓	112,100	0.965	77,510 ✓
DEC '80	17,244,600 ✓	17,098,500 ✓	146,100*	0.853	94,710 ✓
JAN '81	6,924,700 *	6,810,300 ✓ *	114,400	1,412	69,162 ✓
FEB '81	12,164,700 ✓ *	12,038,900 ✓ *	125,800	1.034	90,652 ✓
MAR '81	16,913,200 ✓ *	16,752,700 ✓ *	160,500	0.958	115,089 ✓
APR '81	<u>1,552,500</u> ✓ *	<u>1,535,900</u> ✓ *	<u>16,600</u>	<u>1.069</u>	<u>30,885</u> ✓
	66,414,000 ✓	65,738,500 ✓	675,500 ✓	1.01	478,008 ✓

*Per Bob Roucher 5/7/81

* reflect receipts for calendar month
RJR/26

JWB/ml:5/5/81

OCC 017073