

Gary Draper - Conoco VCM

Dick Wilkinson

May 22, 1975

Chlorine Unloading Facilities - Capital Budget

Relative to your telex of May 8, 1975, we recommend you invest to add liquid chlorine unloading capability rather than debottleneck the chlorine pipeline from PPG.

The major reasons for this recommendation are:

- (1) From a philosophic standpoint, we prefer to spread our major raw material purchases amongst multiple suppliers. This obviously reduces the risks of being associated with a single supplier.

Specifically, PPG is programmed to supply approximately 52% of our maximum long-term chlorine requirements, yet we are dependent on them to deliver approximately 83% of the same requirement. Obviously, we lose considerable advantage of having multiple suppliers because of this condition.

- (2) By doubling our liquid unloading facilities, we would reduce our dependency, for PPG to deliver, to 59% of our maximum requirements. This is much closer to the percentage they are programmed to supply us, being a much better balance.
- (3) By being highly dependent on PPG to deliver a good percentage of our contract commitments with other suppliers, we place ourselves in a position of breaching our contracts with these suppliers if for some reason we cannot gain PPG's cooperation in delivering such quantities of chlorine through their pipeline.
- (4) The present pipeline maximum rate is 700 tons/day adding to it our present liquid unloading rate, we have the ability to bring in 850 tons/day. This daily maximum is 115% of our maximum required rate, indicating expansion of unloading facilities based on needs, other than flexibility, is not justified.

Gary Draper
May 22, 1975
Page 2

I have attached a chart indicating our preliminary long-term chlorine supply pattern. Should you have any questions on this, please let me know.

In addition to recommending a second liquid chlorine station, we feel it is most prudent to place a high priority on the project in order to allow us the necessary flexibility to properly supply the VCM plant th ir chlorine requirements.

Very truly yours,


R. F. Wilkinson

jh/

cc: Bill Carter, Saddle Brook
Jim DeBernardi, Lake Charles ✓
Bob McPherson, Saddle Brook

CCR 000038195

CHLORINE SUPPLY PLAN
LAKE CHARLES VCM

5/22/75

MAXIMUM CHLORINE REQUIREMENTS

			<u>Chlorine</u> <u>(M-Tons)</u>
VCM - 745 MM lbs	x 322	=	242
HDC - 30 MM lbs	x 375	=	10
HCl to NaCl - 50 T/D	x 365	=	18
			<u>270</u>

MINIMUM SUPPLY

<u>Supplier</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
	----- (% of Requirements) -----					
PPG	59	52	52	64	64	100
Diamond	28	36	36	36	36	-
Kaiser	<u>13</u>	<u>12</u>	<u>12</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	100	100	100	100	100	100

	----- (M-Tons) -----					
PPG	140	140	140	180	180	180
Diamond	75	100	100	100	100	-
Kaiser	<u>30</u>	<u>30</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	245	270	270	280	280	180

MAXIMUM SUPPLY

	----- (M-Tons) -----					
PPG	155	155	155	195	195	195
Diamond	75	100	125	125	125	-
Kaiser	<u>30</u>	<u>30</u>	<u>30</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	260	285	310	320	320	195

(CCR 000038196)

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6/3/75
file

Any answer from Wilkins?

CONOCO VCM

TO: R. WILKINSON - SADDLE BROOK

FROM: G. G. DRAPER - VCM PLANT - WESTLAKE

CC: BILL CARTER - SADDLE BROOK

J. H. MCCULLEY - VCM PLANT

J. A. DEBERNARDI - VCM PLANT

WE NEED YOUR INPUT ON 1976 CHLORINE SUPPLY PICTURE FOR PURPOSES OF PREPARING THE 1976 CAPITAL BUDGET. AS YOU KNOW, THE ADDITIONAL LIQUID CHLORINE UNLOADING STATION ORIGINALLY SCHEDULED FOR 1975 HAS BEEN TENTATIVELY DELAYED UNTIL 1976. OUR QUESTION IS DO WE WANT TO LOOK AT DEBOTTLENECKING THE CL₂ PIPELINE FROM PPG SO AS TO TAKE MORE GASEOUS CHLORINE OR GO AHEAD WITH THE ADDITION LIQUID UNLOADING SPOT. THIS WILL BE DEPENDENT ON WHO OUR LONG TERM CHLORINE SUPPLIERS WILL BE. WE MAY WANT TO DO BOTH PROJECTS BUT WE NEED FROM YOU THE JUSTIFICATIONS OR ECONOMIC INCENTIVES FOR THESE PROJECTS TO BE INCLUDED IN THE 1976 CAPITAL BUDGET.

G. G. DRAPER

CONOCO VCM PLANT

WESTLAKE, LA.

5/8/75 11:00 A.M.

CCR 000038197