

C-E Power Systems  
Combustion Engineering, Inc.  
1000 Prospect Hill Road  
Windsor, Connecticut 06095

Tel. 203/688-1911  
Telex: 99297



June 4, 1976

P.P.G. Industries  
P.O. Box 1000  
Lake Charles, Louisiana 70601

Attention: Mr. W. M. Stagg  
Project Engineer

Re: P.P.G. Industries  
Purchase Order #520014  
"A" Boilers  
H2 Conversion  
OES #12212/53474  
Units 2 and 3  
Oil Conversion  
OES #12080/53374  
Progress Report #12

Gentlemen:

This Project Progress Report will be the final formal issue. Any outstanding items identified herein will be resolved by letter or at the Project Close-Out Meeting which has been tentatively scheduled for the week of June 18, 1976.

A. Contract

1. P.P.G. Change Order #6 for the spinner vanes for Unit #3 and Change Order #7 for labor have been acknowledged on April 21 and April 27, 1976 respectively.
2. Contractually we are complete.

B. Engineering

1. All engineering on this project is complete.
2. "As Built" drawings for Units 2 and 3 remain to be completed. The electrical drawings (field marked) were received from P.P.G. on June 1, 1976.
3. C-E Engineering has been appraised of the apparent air distribution problem on one burner on Unit #3. Recommendations for correcting this problem have been given to our Service Department.

BB 0012192

June 4, 1976

C. Procurement

1. Procurement is complete.
2. C-E is currently working with both Bailey Meter Company and Consolidated Pipe and Supply Company to obtain credit for the following material:

a. Bailey Meter Company

1. One - Feedwater Controller
2. One - Feedwater Transmitter

b. Consolidated Pipe and Supply

C-E is in the process of obtaining a settlement from this supplier for the reconditioned valves which were inadvertently installed in Unit #3.

It is C-E's desire and intent to resolve these items with the vendors prior to the site Close-Out Meeting. These credits would in turn be transmitted to P.P.G.

D. Construction

1. Construction for the oil conversion of Units 2 and 3 is complete.
2. All extra work awarded C-E by P.P.G. is complete.
3. All subcontracts have been completed.
4. The new spinner vanes have been installed in Unit #3.
5. C-E has moved off the job site.

BB 0012183

June 4, 1976

E. Schedule

1. C-E will develop and advise a schedule for issuance of the "as built" drawings and advise P.P.G. of same.
2. Construction was 100% complete as of April 14, 1976. This included all extra work authorized by P.P.G.
3. The subcontract electrical was complete April 23, 1976.
4. The subcontract insulation was complete May 13, 1976.
5. The two (2) Crosby replacement safety relief valves are scheduled to ship on June 30, 1976.

F. Financial

1. The total current material contract value is \$1,195,411.50.
2. The current estimate for direct hire labor and subcontract is as follows:

|                    | Estimated Dollars | Expenditures         |
|--------------------|-------------------|----------------------|
| *Direct Hire Labor | 532,550.00        | 637,942.00 @ 4/16/76 |
| Subcontract        | 144,115.00        |                      |
| **Electrical       |                   | 119,591.00 @ 5/28/76 |
| **Insulation       |                   | 49,167.00 @ 5/28/76  |
| Totals             | 676,665.00        | 806,700.00           |

\*This actual figure includes extra work (\$35,100.00) authorized by P.P.G. This figure represents actual dollars billed.

\*\*These are costs charged to C-E and do not include our mark-ups per our CA-1160, Rev. 7 Contract with P.P.G.

[ BB 00 12184 ]

Mr. W. M. Stagg

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F. Financial (Continued)

3. Invoices issued to date which remain outstanding:

| <u>Date</u> | <u>Invoice #</u> | <u>Amount</u> | <u>Description</u> |
|-------------|------------------|---------------|--------------------|
| 1/29/76     | 6A-697           | 73,068.16     | Mat. Escalation    |
| 4/30/76     | 6D-1373          | 133,318.84    | Labor              |
| 4/30/76     | 6D-1374          | 6,272.66      | Labor              |
| 4/30/76     | 6D-1375          | 7,771.87      | Labor              |
| 4/30/76     | 6D-1376          | 2,069.07      | Labor              |
| 4/30/76     | 6D-1377          | 11,583.94     | Labor              |
| 4/30/76     | 6D-1378          | 1,935.94      | Labor              |
| 4/30/76     | 6D-1379          | 1,146.42      | Labor              |

4. We have received your Mr. G. C. Devore's letters of April 19, 1976 and May 6, 1976 pertaining to escalation. C-E is preparing a response to clarify this matter. This letter of clarification will be issued by June 11, 1976.

G. Service

1. With the exception of the problem associated with one (1) burner on Unit #3 when firing combination fuels, all service is complete.
2. C-E's service engineer has been given recommendations by our Engineering Group to rectify this problem. Our service engineer will return to the job site to implement these recommendations.
3. Both Units 2 and 3 have been successfully fired on oil, gas and oil/gas. Full load has been achieved.

Very truly yours,

COMBUSTION ENGINEERING, INC.



C. R. Lewandowski

Project Manager

C-E Power Systems Services

CRL:cg

cc: Mr. J. A. Antil - P.P.G.  
Mr. D. S. Mattiza - P.P.G.  
Mr. D. H. Sherrod - C-E  
Mr. G. Dobinson - C-E  
Mr. H. Smith - C-E

BB 0012185