Monsanto

FROM (NAME & LOCATION): J. H. Orem - Galt Labs - 1730

DATE: May 16, 1978

SUBJECT: DIELECTRIC FLUIDS

REFERENCE: My memo 5-16-78
"DOZ as PCB Replacement"

TO: M. W. Farrar
R2E

CC: J. K. Sears
N. W. Touchette

David Wood stated the transformer fluid market is 95% naphthenic oils; these are the non-FR uses where PCB's were never used. This is a 100M gallon per year use. These highly aromatic oils have good electrical insulation properties, and they are inexpensive - ca $1.50 per gallon. In some quarters, there is a concern there will be a shortage of these high naphthenic crudes by 1982. Some, primarily in Europe, believe paraffinic crudes can be sufficiently refined and provide an acceptable transformer fluid. Producers of alpha olefins, while they are trying to gain a position in capacitor fluids, are also looking at the possible naphthenic oil shortage and the transformer fluid market.

Aroclors, at the time of their demise, were priced around $7.50 per gallon. Silicones today are selling at $10.00 per gallon. Thus, their use is restricted to the FR transformer fluid applications. Developmental products for this use: "R-Temp," a hydrocarbon oil from ARCO,
polyglycol esters, and
a high flash point alpha olefin from Uniroyal.

Although this application is outside of our franchise, we know phthalate esters are being used, and now we've learned DOZ may be in Canadian capacitors. With Monsanto's low profile activity, can plasticizers look into transformer/capacitor applications as a possible market for its products? Our Commercial Development group has the expertise.

J. H. Orem

JHO/gls

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