Project 1430 - Aroclor Expansion - Anniston and W. G. Krummrich

CED Appropriation Request Data Transmittal

September 28, 1967

II. PREMISES

Forecasted requirements of liquid Aroclors together with the need for 30% excess capacity over average demand necessitates additional manufacturing facilities. Also, in order to service our customer accounts promptly, adequate storage capacity is needed for the primary Aroclors and the numerous blends sold. And finally, the quality of our products as they reach the customer needs to be improved to meet existing overseas and potential domestic demands.

Based on these premises an expansion plan has been developed which includes a major increase in production capacity and added storage facilities at the WGK plant, and major new storage capacity together with badly needed drumming, flaking and packaging facilities at Anniston.

V. TECHNOLOGY

Existing technology will continue to be utilized but will be supplemented by quality upgrading of the finished products for electrical use. A continuous adsorption system which significantly improves quality has been demonstrated at Anniston in plant scale equipment; experimental work is continuing. In addition, improved materials of construction in storage and shipping containers is expected to reduce product deterioration.

VII. CAPITAL

For accounting purposes it is necessary to separate the work into two projects - CEA 1430 for Anniston and CEA 1800 for Krummrich.

a. Scope of Project

CEA 1430 - At Anniston

12 storage tanks with accessory piping, pumps and filters will be installed for raw materials and finished goods. All Aroclor storage and piping will be aluminum and will be provided to eliminate cross contamination.

A new spur track with facilities for loading (and unloading) tank cars and tank trucks will be provided. This spur will also service the warehouse proposed in project 1452.

TOWOLDMON0043954

New flakers (2) and packaging equipment for solid Aroclors and for flaked biphenyl will be installed in a 60' X 120' building which is planned to be one end of a warehouse to be proposed on project 1452. A new high speed drumming station for liquid Aroclors and HB-40 will be installed in the same building.

No finished goods adsorption equipment is included at Anniston. Part of the needed facilities are in existence (demonstration unit); this will be expanded later as needed.

Minor utility extensions for steam, water and electricity are provided as well as a sewer revision to eliminate use of the area involved for septic tank disposal fields.

CEA 1800 - At Krummrich

A new 40 M lb./year Aroclor 1242 plant will be built adjacent to the present Aroclor department. Continuous chlorination as operated at Anniston for several years will be used and finished goods adsorptive upgrading included. In addition, 5 new storage tanks for finished goods and biphenyl, tank car and tank truck loading and unloading, and an extension of an existing spur track will be installed.

b. Estimate

The estimate of cost has been prepared by CED from a detailed scope of work and preliminary layouts. In the expense estimate for Anniston, allowance has been provided for relocating a portion of the existing acid sewer if on further study this is found necessary.

The cost of the 60' X 120' manufacturing building at Anniston has been estimated assuming the warehouse is not constructed at the same time. On this basis the cost is $18.50/ft^2. If the two buildings are constructed at the same time, we estimate that costs can be reduced by $40,000 and the unit cost to $13/ft^2.

	Anniston CEA 1430	WGK CEA 1800	Total
Capital			
M&E	$1,212,000	$1,479,000	$2,691,000
Buildings	133,000	15,000	148,000
Railroads	55,000	6,000	61,000
Total	$1,400,000	$1,500,000	$2,900,000
Division Expense			
Dismantling	41,300	28,500	69,800
Repairs	8,900	--	8,900
Relocations and Modifications	99,800	31,500	131,300
Total	$150,000	$60,000	$210,000
CED Expense			
Start-up	$5,000	$10,000	$15,000

Retirements:

A list of planned retirements is attached (Authority for Retirement, Form A823).

0015771

TOWOLDMON0043955

c. Project Status

One flaker is on order and 15 aluminum storage tanks will be ordered shortly; detailed design on both projects is underway on General Manager's approval.

Project completion is estimated to require 15 months.

XII. RISK EVALUATION

No new hazards are introduced by this expansion. At Krummrich, the most likely source of loss exposure is the therminol furnace where loss of a tube might result in a business interruption loss of $20,000 and a repair cost of $3000. At Anniston, damage to the solid Aroclor flaker drum requiring resurfacing may entail one month and $4000 to repair with a business interruption loss of perhaps $100,000.

(If this statement of risk is changed by the Division, S&PP concurrence must first be obtained as required by Controller's Bulletin 12-02.)

XIII. POLLUTION AND TOXICITY PROBLEMS

There are no significant waste streams entering sewers from the Aroclor plants. Gaseous chlorine is a raw material and hydrogen chloride a by-product; these materials are handled routinely without contributing to air pollution.

R. P. Stevens

vo

TOWOLDMON0043956