

TENNECO OIL P&M

TO H. R. Bowers AT Houston DATE November 1, 1984

FROM ~~D.~~ M. Hersh AT Flemington COPY TO D. H. Carter
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SUBJECT MONTHLY HIGHLIGHT REPORT
FLEMINGTON PLANT - OCTOBER 1984

I. SAFETY

A. Statistics	Month	Y-T-D	Goal Total Year	Y-T-D Incidence Rate	Incidence Rate (Total)
First Aid	1	5	6	8.3	8.0
Minor	0	0	1	0	1.3
Restricted Duty	0	0	1	0	1.3
Lost Time	0	0	0	0	0.0
Total Record.	0	0	0	0	2.6

Incidence goals are based upon 150,000 exposure hours.

Total exposure hours for October is 12,037.

Total exposure hours year-to-date is 119,104.

Last lost time injury occurred on October 2, 1982.

Total exposure hours since last lost time injury is 308,135.

B. General

1. The employee safety training subject for October was the annual review of Vinyl Chloride Standard CFR 1910.1017 and how it applies at the Flemington Plant. Highlights of instruction covered monitoring, exposure levels and respiratory protection, medical surveillance and record keeping.

2. A video camera monitoring system was installed in the plant parking lot area to upgrade security for employee vehicles.

II. STATISTICS

A. Production Summary	Attachment I
B. Production Loss Report	Attachment II
C. Quality	Attachment III
D. Headcount	Attachment IV
E. Overtime	Attachment V

TEN-FLEM 20015

TEN 3856

III. PERSONNEL

A. Statistics

		<u>Prod.</u>	<u>R&D</u>	<u>Sept.</u>	<u>Y-T-D</u>
<u>Medical:</u>	Pre & Reemployment Exams	0	0	0	7
	Annual & Semi-Annual Exams	15	5	20	131
	Accident Treatments	1	0	0	7
<u>Personnel:</u>	Employment Applications Logged	37	5	42	1081
-	Employment Interviews	1	0	1	33
	Insurance Claims	19	0	19	394
	Employed & Oriented	0	1	1	8
	Terminations	0	0	0	5
	Transfer In	0	0	0	0
	Transfer Out	0	0	0	0
	Promotions	0	0	0	0

B. General

1. Conducted contract negotiations with ICWU on October 8, 9, 29, 30 and with IUOE on October 10, 24, 31. Both present contracts expire 12:01 A.M. November 7. Strike contingency planning has been completed.
2. The Plant received favorable award from Arbitrator Wildebush stating we prevailed in the recent arbitration with the ICWU regarding the Union's allegations of management performing bargaining unit work.
3. We are presently experiencing a high incidence of long term illness (four hourly employees). This is resulting in the use of a somewhat higher than desirable quantity of overtime in order to provide adequate coverage and maintain a normal level of plant operations.

IV. COSTS

1. Variable cost estimate for October favorable due to below budget steam and electricity costs. Steam cost is favorable due to below budget #6 fuel oil price coupled with a warmer than normal month of October; electricity cost is favorable due to success of PIP cost reduction program.
2. Conversion cost estimate for October favorable due to above budget production volume coupled with lower than budget variable cost as described in item #1.

V. MAJOR PROJECTS AND ON-GOING PROGRAMS

1. Refrigerated Water System - Reduced Electrical Cost

The auxiliary surface heat exchanger functioned routinely on well water during the entire month, thus continuing to effect additional electrical savings over and above that of using warmer cooling tower water. The exchanger was cleaned once during the month to maintain optimum heat transfer efficiency.

2. Hopper Car Vacuum System

System continues to function well. During October 9.6M lbs. of resin was reclaimed for sale at Grade 1 price. Y-T-D resin reclaimed is 107M lbs.

3. Hot Glycol Tracing System Expansion

Work continued during the month to expand the capacity of the present hot glycol tracing system to further utilize it for replacement of inefficient steam and electrical tracing systems currently in use at the plant.

4. River Water Pump Replacement

The 200 gpm pump purchased to replace the 1500 gpm pump presently used to supply river water to the plant has arrived. Installation has been scheduled for the first quarter of 1985.

VI. CAPITAL

	\$M
Approved 10/31/84	155
Committed 10/31/84	145
Est. Spending 10/31/84	125
Est. Spending 1984	165

Maintenance service rate transfer to capital for October was \$9.5M. Y-T-D total transfer is \$92.7M.

VII. ENVIRONMENTAL/REGULATORY

1. Discharge To Groundwater/Discharge To POTW Permit

A meeting was held with the NJDEP on October 3 to review the positions of the DEP and Tenneco prior to issuance of the initial interim permit. The major difference in positions remains the time schedule for lagoon closure. The DEP is requesting a nine (9) month closure schedule. We have documented our need for a twenty-four (24) month closure schedule and forwarded it to the DEP on Oct. 12. We were assured this documentation would receive consideration prior to a final timing decision. We anticipate receipt of the initial interim permit in November.

2. RCRA Reclassification

The above referenced meeting held on October 3 was initially called for discussion of our application for a change of RCRA classification from TSD to Generator status. Our position on this issue was reviewed and appeared to be accepted favorably by the DEP. As there was no EPA representation at the meeting (EPA declined to supply a representative) the DEP informed us they will review their findings with the EPA before issuing a final decision on the matter.

3. Disposal of Off-Specification Monomer

Disposal of off-spec monomer by transfer from railcar to tank truck and ultimate incineration was successfully completed.

4. FRA Inspection

On October 16 a representative of the Federal Railway Administration informed the plant that he would be issuing us notifications of violation for not "wrench tightening" the cap plugs on the dome valves on two empty VCM cars which were being stored at Three Bridges N.J. prior to shipment back to the supplier. A full report on this matter was forwarded to both Distribution and Legal for further disposition.

5. Tax Revaluation

The plant was visited by the Raritan Township Tax Assessor on Oct. 17 in reference to our filing for a tax revaluation.

6. Mr. W. Fogelsanger, Plant Environmental Coordinator, attended educational seminars during the month involving Right-To-Know legislation, air stripping of contaminated groundwater, asbestos cleanup, and ground water. He has subsequently reviewed pertinent aspects of each of these subjects with our plant staff.

VIII. OPPORTUNITIES

Studies for determining the most cost effective strategy of plant operation have been completed. The studies concluded that cost benefits are maximized when the plant operates at a steady monthly production mode, fine tuning output to maintain an established inventory level, vs. operating at peak production rates coupled with frequent curtailments for inventory adjustment. The new operating strategy has been implemented.

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IX. VULNERABILITIES

Two long term illnesses in the Maintenance Department are negatively impacting on plant maintenance efficiency. Over-time is being used where required to avoid accumulating an unwieldy maintenance backlog.

X. INDUSTRY TRENDS

Sales demand continues approximately equal to plant output. The plant is now producing CBS Type 318-5 for the Compound Plant vs. CBS Terre Haute.

XI. GENERAL COMMENTS

Nothing to report.

D.M. Hersh
D. M. Hersh

DMH:ms

PRODUCTION SUMMARY

	<u>Past Month</u>		<u>Year-To-Date</u>		<u>Next Month</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Est.</u>
Production, M Lbs.	5711	5225	54563	52250	5000
Variable Cost Est., \$/Lb.	.0477	.0525	.0481	.0525	.0563
Fixed Cost Est., \$M —	455	469	4564	4690	450
Conversion Cost Est., \$/lb.	.1156	.1301	.1214	.1301	.1343
VCM/VAM Yield, %	97.7	97.3	97.5	97.3	97.3
RFT, %	90.2	--	88.0	--	92.0
Non-Offgrade, %	100	99.3	100	99.3	99.3
Total Overtime, %	10.5	18.2	10.3	18.2	14.0
Controllable Overtime, %	10.5	16.0	9.3	16.0	10.0
Reactor Utilization, %	74.0	--	67.1	--	63.0
Dryer Utilization, %	62.3	--	66.9	--	55.0
Shipment, M Lbs.	5997	--	--	--	5000
Ending Inventory, M Lbs.	6605				6605
Value of Finished Prod., \$M	2235				
Value of Raw Material \$M	407				

PRODUCTION LOSS SUMMARY

Attachment II

Reactor Capacity	9196
Product Mix Penalty	497
Reactor Capacity @ Actual Mix	8699
Actual Monthly Production	5711
Reactor Capacity Efficiency	65.7

Reasons for Losses

Reduced Running Mode	2988
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QUALITY

October, 1984

Attachment III

<u>Product</u>	<u>E Grade M Lbs.</u>	<u>Off-Grade M Lbs</u>	<u>RFT %</u>	<u>Non-Off Grade %</u>
314	0.00	0.00	100.00	100.00
390	0.00	0.00	100.00	100.00
391	0.00	0.00	100.00	100.00
400	375.30	0.00	81.27	100.00
Total	375.30	0.00	90.21	100.00

1. NOG for October was 100%.
2. RFT for October was 90.2%.
3. Two lots of 400 were E Grade due to low bound acetate content. Formulation adjustments brought the product back into specification. The two lots out of specification are shippable as prime product.
4. Melt index problems have been encountered with the current 318-5 run. Formulation adjustments have moved the most recent production back into the target range.
5. CBS has complained about the last compound run produced for them. As a result Burlington Compound Plant has requested slightly stiffer 318-5. The above mentioned formulation changes were made with that objective.
6. Kentile complained of "blistering" problems in both their Chicago and Brooklyn plants. A visit was made to Brooklyn by R&D, Production, Quality Control and Sales people from Tenneco. Brooklyn agreed to evaluate a truck load of 314 produced during the last run. No feedback has been received to date.
7. GTR, Ohio complained of a rail car of 400 resin which they were having problems unloading (resin bridging in all compartments). The car has been unloaded by them and used with no further comment to the Flemington Plant.

HEADCOUNT

Attachment IV

	<u>Approved</u>	<u>Actual</u>
Exempt	23	23
Non-Exempt	6	6
Hourly	<u>44</u>	<u>43*</u>
	73	72

*In process of hiring replacement Maintenance Mechanic.

CONTROLLABLE OVERTIME 1984
BY CAUSE

Attachment V

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Absenteeism % of Total	167 20.0	209 25.6	119 13.1	43 8.0	63 20.3	37 10.1	266 ⁽⁵⁾ 32.7	198 25.2	63 12.9	150 19.2			
Training % of Total	0 0.0	0 0.0	24 2.7	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0			
Vaca. Cov. % of Total	85 10.2	137 16.7	216 23.7	147 27.3	48 15.4	112 30.4	208 25.6	236 30.0	100 20.5	160 20.4			
Sixth Day % of Total	200 23.9	240 29.4	320 35.2	200 37.1	88 28.3	80 21.7	184 22.6	224 28.5	184 37.8	184 23.6			
Rest. Duty % of Total	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0			
Extra Work % of Total	349 ⁽¹⁾ 41.6	178 21.8	95 10.4	93 17.2	41 13.2	118 ⁽⁴⁾ 32.1	122 ⁽⁶⁾ 15.0	72 9.2	100 ⁽⁷⁾ 20.5	166 21.3			
Misc. % of Total	36 4.3	53 6.5	136 ⁽²⁾ 14.9	56 10.4	71 ⁽³⁾ 22.8	21 5.7	33 4.1	56 7.1	40 8.3	121 ⁽⁸⁾ 15.5			
TOTAL % of Base	837 13.7	817 11.6	910 10.3	539 7.7	311 5.3	368 5.2	813 11.5	786 8.9	487 6.9	781 11.1			
Base Hours	6120	7040	8800	7040	5920	7040	7040	8800	7040	7040			

NOTES

- (1) Includes 263 hours of critical equipment maintenance.
- (2) Includes 40 hours of DIF absence.
- (3) Includes 24 hours of DIF absence, and 32 hours of absence for arbitration.
- (4) Includes 42 hours of repair work on large boiler.
- (5) Includes 172 hours of coverage for two (2) employees on long term absences.
- (6) Includes 64 hours of maintenance work required for collector bag change.
- (7) Includes 74 hours of maintenance work required for collector bag change.
- (8) Includes 40 hours due to Leave of Absence and 48 hours coverage for contract negotiations.