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FROM: R. C. Isham

-RTE CORP HAS NEW COOLANT TO REPLACE PCB BASED FLUIDS

WAUKESHA WIS -DJ- RTE CORP IS PLANNING A MAJOR DIVERSIFICATION INTO THE CHEMICAL INDUSTRY EARLY NEXT YEAR LOREN D BARRE PRESIDENT TOLD DOW JONES.

A MAJOR SUPPLIER OF DISTRIBUTION TRANSFORMERS TO THE PUBLIC UTILITY INDUSTRY RTE HAS DEVELOPED A NEW COOLANT FOR THOSE ELECTRICAL DEVICES TO REPLACE PCB BASED FLUIDS USED IN INDOOR INSTALLATIONS. THE FEDERAL GOVERNMENT RECENTLY BANNED THE USE OF PCB FLUIDS -POLYCHLORINATED BIPHENYLS- AS ENVIRONMENTALLY HAZARDOUS.

THERE ARE CURRENTLY A NUMBER OF SILICONE BASED FLUIDS DESIGNED AS SUBSTITUTES FOR THE PCB BASED COOLANTS. HOWEVER BARRE SAID IN AN INTERVIEW THAT THE SILICONE PRODUCTS ARE PRICED AT ROUGHLY TWICE THAT OF RTE'S FLUID CALLED RTEMP.

RTE IS BUILDING A NEW PLANT HERE WITH ABOUT FIVE TIMES THE PRODUCTION CAPACITY OF THE FACILITY NOW BEING USED TO TURN OUT RELATIVELY SMALL BATCHES OF THE COOLANT. INITIAL OUTPUT OF THE NEW PLANT IS SCHEDULED FOR NOVEMBER WITH FULL PRODUCTION ESTIMATED AT ABOUT 20 000 GALLONS WEEKLY EXPECTED IN JANUARY.

BARRE ESTIMATED THE POTENTIAL MARKET OF THE FLUID FOR NEW TRANSFORMERS AT ABOUT 1 MILLION GALLONS ANNUALLY. IN ADDITION HE NOTED THAT THE GOVERNMENT IS ENCOURAGING TRANSFORMER USERS TO ADOPT RETROFILL PROGRAMS TO REPLACE THE POTENTIALLY HARMFUL PCB COOLANTS.

HE ESTIMATED THE TOTAL RETROFILL MARKET AT ABOUT 20 MILLION GALLONS. ASIDE FROM TRANSFORMERS, OTHER ELECTRICAL EQUIPMENT USING PCB BASED SUBSTANCES USE AN ESTIMATED 1 MILLION GALLONS ANNUALLY HE ADDED AND OFFER A POTENTIAL MARKET FOR RTEMP.

-- 2 41 PM EDT SEPT 19-77