



October 15, 1975

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 & 3
Oil Conversion
OES #12080/53374
Progress Report #7

Gentlemen:

The following is the current status of this project:

A. Contract

1. A purchase order supplement for the condensate flash tank as quoted by the writer on 8/21/75 has been received and acknowledged.
2. A verbal quote providing for capped connections for the future addition of valves, gauges, and bypasses was given W. Stagg 9/10/75. This was rejected by P.P.G. Industries.
3. A copy of Sonnier Electric's bid was forwarded to P.P.G. on 9/8/75. Mr. D. C. Rhodes verbally advised the writer on 10/2/75 that the bid was acceptable and the rates were in line. Mr. D. C. Rhodes advised on 10/2/75 that he would confirm P.P.G.'s acceptance of Sonnier's bid in writing to C-E.

B. Engineering

1. Boiler related engineering and drafting is 100% complete.
2. The percentage of completion of engineering and drafting external to the boiler is as follows:
 - a. Civil - 100%
 - *b. Mechanical - 99%
 - c. Structural - 100%
 - *d. Electrical - 99%

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*Minor revisions are being made to these drawings. This will not affect installation of materials in these areas. The percentage complete in these two areas will remain at 99% until "as built" drawings are completed. This will occur after completion of installation of material in these areas.

3. An updated drawing list reflecting latest drawing revisions was issued by D. L. Rainey 10/10/75.
4. W. Stagg's letter of 8/15/75 was answered by D. L. Rainey on 9/8/75.
5. Our target date for completion and issuances of P.P.G.'s "Spare Parts Control Log" is 10/17/75. A partially completed Spare Parts log was given to P.P.G. by the writer on 10/2/75. C-E has also transmitted a preliminary Spare Parts Quote and various vendor maintenance and instruction manuals to P.P.G.

C. Procurement

1. Procurement is 100% complete.

D. Construction

1. With the successful completion of negotiation of the boiler-makers contract, we are now able to begin work in all areas of the boiler.
2. Sonnier Electric has manned this site as of 10/13/75. Work in this area can proceed since the majority of the electrical equipment being furnished is on site.
3. We are currently preparing a revised construction schedule for Unit #3. The manner in which we approached this unit from a schedule standpoint differs from what our original schedule was, due to the forced outage.
4. In the areas C-E was allowed to proceed, the percentages complete are as follows:
 - a. Airheater Baskets - All baskets are installed. We are currently seal welding between the baskets. Completion of this work is scheduled for 10/24/75.

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- b. Sootblower Bearings - Installation has not yet begun.
 - c. Structural Steel Modification - On Unit #3 we are approximately 75% complete. On Unit #2 approximately 25% complete.
 - d. Piping - We have prefabricated approximately 15% of the piping. As of 10/13/75 installation of the oil header at the burner front has begun.
 - e. Sootblowers - Installation has not yet begun.
 - f. Instrumentation - FSSS System - Installation of this equipment and cables on unit #3 will begin the week of 10/13/75 with the arrival of Somier Electric at the site.
5. Duct modifications required for the installation of the steam coils on Unit #3 are underway.

E. Schedule

- 1. Engineering and drafting external to the boilers was 99% complete as of 9/19/75.
- 2. We are experiencing a schedule problem with the sootblower safety relief valves. We are in the process of contacting various manufacturers and suppliers to find the two valves in question.
- 3. P.P.G. has advised that the current schedule for completion of the generator repair to Unit #3 is 12/8/75. P.P.G. also advised that Unit #2 is scheduled to be down from 12/8/75 to 1/31/76.
- 4. We anticipate issuing our revised Construction Schedule by 10/24/75.
- 5. We have experienced some delays in the shipment of pipe fittings (alloy). As a result, we anticipate completion of shipments by 10/31/75 with the exception of the sootblower safety relief valve.

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6. We have shipped to the site approximately 90% of all required materials for both Units 2 and 3.
7. C-E's updated Project Progress Schedule will be issued by 10/24/75.

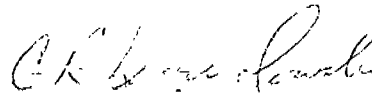
F. Financial

1. The total current material contract value is \$1,191,616.00
2. We are 100% committed.
3. Invoices issued to date per our progress payment schedule which remain outstanding are:

<u>Date</u>	<u>Invoice #</u>	<u>Amount</u>	<u>Paid</u>
9/2/75	5J-629	\$176,106.00	
10/3/75	5K-632	\$176,106.00	

Very truly yours,

COMBUSTION ENGINEERING, INC.



C. R. Lewandowski
Project Manager
C-E Power Systems Services

CRL:c

cc: Mr. J. A. Antil - P.P.G.
Mr. D. C. Rhodes - P.P.G.
Mr. D. H. Sherrod - C-E - Birmingham
Mr. G. Dobinson - C-E - New Orleans
Mr. H. Smith - C-E - Houston

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