

C-E Power Systems
Combustion Engineering, Inc.
1000 Prospect Hill Road
Windsor, Connecticut 06095

Tel. 203/688-1911
Telex: 9-9297



November 18, 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 #8

Gentlemen:

The following is the current status of this project:

A. Contract

1. We have received P.O. 520066, dated 10/31/75 covering vendor and C-E service required for putting units 2 and 3 back into service upon completion of the oil conversion.
2. We are now complete from a contractual standpoint.

B. Engineering

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

*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.

BB 0012198

B. Engineering (Continued)

3. Some problems of a minor nature associated with the piping drawings were uncovered in the field. This matter has been resolved.
4. P.P.G.'s "Spare Parts Control Log" was issued to Mr. J. Henderson of P.P.G. on 11/4/75. This document is complete with regard to all equipment tag numbers assigned by P.P.G.

C. Procurement

1. Procurement of the base contract materials is complete.
2. Field purchase orders have been issued to Pipe & Fitting Suppliers in the Lake Charles, Louisiana area to afford the field Construction Manager the flexibility to procure miscellaneous pipe and fitting materials which may be required as a result of routing interferences encountered or omissions made in pipe and fitting material take offs. Since this piping is field run, these problems do arise and are considered a part of the normal construction activity.
3. Insulation subcontract bid packages for material and labor were issued on 11/13/75 to the following contractors:
 - a. Austin-Fuller - Lake Charles, Louisiana
 - b. Sabine - Orange, Texas
 - c. B&B Insulation Company - Lake Charles, Louisiana
 - d. Shook & Fletcher - New Orleans, Louisiana

This work will be done in accordance with our CA-1160, Rev. 7 terms and conditions, in your possession. If you have a particular preference for one of the above specified contractors, please advise the writer by 11/24/75. Prior to award of the contract, the bids will be reviewed with P.P.G.

D. Construction

1. The current target date for completion of construction to permit oil firing on Unit 3 is 12/8/75 - 12/15/75.

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D. Construction (Continued)

2. Sonnier Electric is approximately 50% complete on Unit 3 with the electrical portion and have expended \$17,000.00 against their total revised estimate for Unit 3 of \$50,000.00.
3. The insulation subcontract will be let the week of 11/24/75. The amount of insulation required is negligible and should not affect unit start-up.
4. Attached are three (3) copies of C-E's Revised Construction Progress Bar Chart indicating the percent complete for the various areas of the oil conversion for Units 2 and 3.

E. Schedule

1. Engineering and drafting external to the boiler remains at 99% complete. Refer to explanation contained in Section B, Item 2.
2. The sootblower safety relief valve delivery problem has been resolved. P.P.G. is furnishing a temporary safety relief valve and Copes Vulcan is also furnishing a temporary safety relief valve. The correct valves, which were quoted as a part of the desuperheater system, are being monitored by C-E and Copes Vulcan from a schedule standpoint. These valves are schedule to ship May, 1976.
3. Bailey has advised they will ship the flow nozzle and few remaining items of instrumentation by 11/21/75. This material will be shipped by air freight.
4. P.P.G. verbally advised that the current schedule for completion of the turbine generator repairs is now the third week of December, 1975.
5. Our revised Construction Progress Bar Chart is attached.
6. Due to some interferences in piping runs and some omissions in material take offs on the part of C-E, we are field purchasing some pipe and fittings. We are experiencing a slight problem in procuring some of the alloy fittings. We are currently pursuing various sources of supply for this material.

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E. Schedule (Continued)

7. We anticipate completion of construction by 12/8/75 to 12/15/75.
As of 10/29/75 we were approximately 40% complete with construction.
8. Our Service and Construction personnel are coordinating their efforts to determine the most opportune time to have a service engineer at the site to begin check out of equipment in preparation for start-up.
9. C-E Power Systems Services' updated Project Progress Schedule will be issued by 11/24/75.
10. Approximately 99% of all material required for the oil conversion is at the site.

F. Financial

1. The total current material contract value is \$1,191,616.00.
2. We are 100% committed.
3. The current estimate for direct hire labor and subcontract is as follows:

	<u>Estimated Dollars</u>	<u>Expended As Of 10/29/75</u>
Direct Hire Labor	\$532,550.00	\$152,618.18
Subcontract	\$144,115.00	
Electrical		\$17,000.00
Insulation		
Totals	\$676,665.00	\$169,618.18

4. Invoices issued to date per our progress payment schedule which remain outstanding are:

<u>Date</u>	<u>Invoice #</u>	<u>Amount</u>
9/2/75	5J-629	\$176,106.00
11/3/75	5L-629	55,612.00

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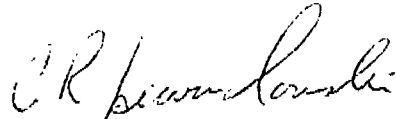
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F. Financial (Continued)

5. The issuance of invoice 5L-629 in the amount of \$55,612.00 represents completion of invoicing per the progress payment schedule on the base material contract.
6. A separate invoice, 5L-657 dated 11/11/75, in the amount of \$79,460.00 was issued for all contract extras accepted to date by P.P.G.

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. - w/att.
Mr. D. C. Rhodes - P.P.G. - w/att.
Mr. D. H. Sherrod - C-E ..
Mr. G. Dobinson - C-E - w/att.
Mr. H. Smith - C-E - w/att.

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