Monsanto

MONSANTO INDUSTRIAL CHEMICALS CO.
800 N. Lindbergh Boulevard
St. Louis, Missouri 63166
Phone: (314) 694-1000

March, 1972

Dear Customer:

Effective April 1, 1972 we are making the following changes in our dielectric fluids with respect to products and pricing.

Our Transformer Askarel fluid line will consist only of:

Aroclor 1254
Transformer Pyranol A13B3B
Inerteen 70-30 Transformer
Inerteen 100-42 Transformer

Discontinued will be Aroclor 1260 and Inerteen PPO. Other changes are:

1. Prices will be increased as follows:

Product	TC	C/L,T/L	LTL	30 Gallon Drums	5 Gallon Cans
Aroclor 1254	$0.195/lb.	$0.230	$0.250	$0.265	$0.355
Pyranol A13B3B	0.210	0.245	0.265	0.280	0.370
Inerteen 70-30	0.210	0.245	0.265	0.280	0.370
Inerteen 100-42	0.195	0.230	0.250	0.265	0.355

All prices F.O.B. Sauget, Illinois, freight collect.
Terms: Net 30 Days.

2. Trip-leasing of railroad tankcars will be eliminated.

3. We have introduced a new, stronger drum to minimize damage during shipment.

- continued -

a unit of Monsanto Company

We sincerely regret that greatly increased costs have made price increases unavoidable. Cost increases stem from several sources:

A. Monsanto has voluntarily gotten out of much of its PCB business to protect the environment and to preserve the continued usage of these products in dielectrics. All of our efforts in PCBs have been directed toward enabling us to continue to supply dielectrics to the electrical industry. As the attached Wall Street Journal article shows (March 6, 1972) the Government may make our voluntary ban a permanent one.

B. Increased costs due to reduced plant productivity and severe curtailment of volumes. As our published sales figures on PCBs have shown, the withdrawal of PCBs from all except dielectric uses has cut our U.S. sales by over 30 million pounds per year, or 44%.

C. Increased manufacturing costs due to pollution abatement facilities to prevent PCB escape into the environment from our manufacturing facilities.

D. Heavy expenses due to biodegradation/toxicity testing, etc. related to the investigations touches off by the PCB situation.

E. Increased costs due to new style, stronger drums.

Very truly yours,

Attachment

/kl