

7/2

Hooker Chemical

PLASTICS DIVISION

Firestone Blvd

P.O. Box 699

Pottstown, PA 19464

215 / 326-2000

TO: MR. R. K. RAUSCHER
BATON ROUGE

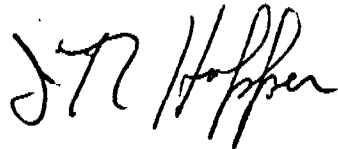
FROM: J. R. HOPPER ✓
POTTSTOWN

DATE: JUNE 22, 1981

SUBJECT: DOW VCM METERING PROBLEM

Per the attached please confirm the volume differences as proposed by Dow.

If you are satisfied have your local management initial approval and return to me for Divisional approval.



J. R. Hopper

JRH/seh

Attachment

cc: Mr. J. J. McCoskey
Mr. F. F. Hoy
Mr. J. F. Knight

OCC 017036



DOW CHEMICAL U.S.A.

June 19, 1981

BARSTOW BUILDING
2020 DOW CENTER
MIDLAND, MICHIGAN 48640

Mr. Jim Hopper
Purchasing Manager
HOOKER CHEMICAL AND PLASTICS CORPORATION
Pottstown, PA 19464

RECEIVED

JUN 22 1981

J. R. HOPPER

RE: VCM CONTRACT NO. 26898

The following are comments from a meeting held in Plaquemine, Louisiana on May 1 between Hooker and Dow plant personnel. The objective was to discuss VCM volume differences through the pipeline measured by our companies separate metering systems. Dow's third party testing results conducted this year were also reviewed.

Based on the discussions it is mutually understood that there will be some degree of difference in our measurements based on:

1. Expansion of VCM in the pipeline based on temperature differences. Also, some quantity may not be picked up by your meters at low flow rates.
2. Calibration limitations - Meter manufacturers state that practical limitation on metering accuracy is .5%.
3. Other factors including the use of temperature conversion charts, monthly "meter drifting" and possible by-passes in the line were discussed.

A joint recommendation was made to resolve past volume differences based on the reports and discussions of personnel involved in the transfers. Final resolution has been held pending clearance of your April deductions and a reconciliation by our Customer Financial Services Group. A debit memo will be issued for \$23,843.86 pending your final approval. This amount is based on the following:

478,008 lbs.	- Hooker deductions from invoices
- 337,750 lbs.	- Negotiated deductions based on 50% of the
	total difference between Hooker and Dow
	meter readings (675,500 lbs.)

140,258 lbs. x \$.17/lb = \$23,843.86 debit memo

Attachment I is background information reconciled with Bob Roucher on May 7.

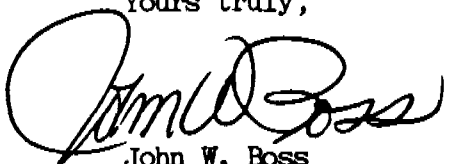
Mr. Jim Hopper
June 19, 1981
Page Two

In the future we plan to continue our third party validation testing of our two turbine line meters to help insure accurate measurements. Your plant may be in the process of coordinating a similar third party test at your end of the pipeline. These tests, along with frequent communication between our plants, will keep us alerted to any significant differences in measurements. From a practical standpoint the operations personnel feel that accuracy of .5% on a monthly basis is within equipment capability and welcome the opportunity to periodically demonstrate the sufficiency of the system. Future billings will continue to be based on procedures outlined in our contract.

We appreciate your support in resolving these past differences and look forward to you visiting Plaquemine in the near future.

Thank you for your continuing business.

Yours truly,

A handwritten signature in dark ink, appearing to read "John W. Boss". The signature is fluid and cursive, with a large initial "J" and "B".

John W. Boss
Product Sales Manager
Inorganic Chemicals

Attachment (1)

ml

OCC 017038

ATTACHMENT I

HOOKER VCM QUANTITY

<u>MONTH</u>	<u>DOW INVOICE</u>	<u>HOOKER READING (MONTHLY)</u>	<u>DIFFERENCE</u>	<u>% DIFFERENCE</u>	<u>HOOKER DEDUCTION FROM INVOICE</u>
NOV '80	11,614,300	11,502,200	112,100	.0965	77,510
DEC '80	17,244,600	17,098,500	146,100*	0.853	94,710
JAN '81	6,924,700	6,810,300	114,400	1.412	69,162
FEB '81	12,164,700	12,038,900	125,800	1.034	90,652
MAR '81	16,913,200	16,752,700	160,500	0.958	115,089
APR '81	<u>1,552,500</u>	<u>1,535,900</u>	<u>16,600</u>	<u>1.069</u>	<u>30,885</u>
	66,414,000	65,738,500	675,500	1.01	478,008

*Per Bob Roucher 5/7/81

OCC 017039

JWB/ml:5/5/81

(6/22) ~~19~~ ~~18~~ ~~17~~ ~~16~~ ~~15~~ ~~14~~ ~~13~~ ~~12~~ ~~11~~ ~~10~~ ~~9~~ ~~8~~ ~~7~~ ~~6~~ ~~5~~ ~~4~~ ~~3~~ ~~2~~ ~~1~~

method of settlement - (agree on lbs & when)

lbs at 17
" " 18

.17 was mentioned during meeting

Don't understand $875,244/2 =$

$875 - 478 =$ lbs paid

what has been paid -?

(5/14/81) ^{per D.R.} Don don agree on quantities - John Ross agrees with D.R. numbers.

have been running very close since May 1st

waiting for letter from John Ross

5/19/81 no word yet from Don for D.R. - he will call them for status

6/1/81 per D.R. - Ross will write letter by Fri 6/5/81 to SDH.

6/11 per Ted Rich " " " 6/12 "

6/22 call Paul Teeter - for status

55Mc

5/13

5/1/81

~~J. R. HOPPER~~

Has the Dow VCM metering problem at Baton Rouge
been resolved?

J. J. MC COSKEY

RECEIVED

MAY 1 1981

HOPPER

Bat. R. management met 5/1/81 with Dow,
letter from Dow will be forthcoming outlining proposal
for future & past metering problems, will review with you
when it is received,

JHP 5/3

OCC 017041

INTER-OFFICE CORRESPONDENCE

To Distribution

Date May 5, 1981

From R. K. Rauscher

Addis

Subject Meeting at Dow Chemical -- May 1, 1981

**Hooker
Chemical**
PLASTICS DIVISION

Copy to:

DISTRIBUTION

Messrs. ~~XXXXXXXXXX~~

F. F. Hoy
J. J. McCoskey
R. W. Swalley
M. W. Handler
J. W. Lessig

RECEIVED

MAY 11 1981

U.S. DEPARTMENT OF COMMERCE

SFK,

see attached

pls put \$ amount on ltr. then see me

JHP 5/8

Hooker Chemical

PLASTICS DIVISION

Highway #1 at East Sid Richardson Road

P.O. Box 8

Addis, Louisiana 70710

504 / 383-6297

May 5, 1981

Subject: Meeting at Dow Chemical -- May 1, 1981.

Meeting held on May 1, 1981, at Dow Chemical Plant in Plaquemine, Louisiana. In attendance were:

John Boss -- Dow Chemical -- Sales -- Midland
Ed Hearn -- Dow Chemical -- Sales -- Houston
Ed Fort -- Dow Chemical -- Sales -- Baton Rouge
Paul Rozas -- Dow Chemical -- VC Plant Manager
Hank Sinclair -- Dow Chemical -- VC Plant Superintendent
Chuck Kazmierski -- Dow Chemical -- VC Loading Supervisor
Mike Handler -- Hooker Chemical
Bill Lessig -- Hooker Chemical
Bob Rauscher -- Hooker Chemical

This meeting was held to resolve past discrepancies between Hooker meter readings and Dow meter readings and establish guidelines for future vinyl transfers and meter billings. Dow briefly discussed their metering system and explained that it consists of 2 Foxboro turbine meters and a meter proving station.

Dow proceeded to show their metering system to us and explain how their meter proving station works. Basically the meter proving station consists of additional piping that enables Dow to pump vinyl through calibration equipment after the vinyl has passed through two turbine meters. The calibration equipment verifies the accuracy of the turbine meters.

Dow presented the meter proving results. These results are the average of three tests for one meter but the results for the other meter are similar. The results are as follows:

	Meter Factor
March 19	.9924
March 25	Meters adjusted using New K factor
April 24	.9981

Foxboro claims the turbine meters have an accuracy of + or - .5% and as April 24, 1981, Dow meters are now within factory specifications.

Dow also stated that they will continue to prove their meters on a monthly basis and later switch to longer intervals.

Hooker Chemical

PLASTICS DIVISION

Highway #1 at East Sid Richardson Road

P.O. Box 8

Addis, Louisiana 70710

504 / 383-6297

Dow proceeded to list by month the differences between HCPC meters and Dow meters from November, 1980 through March, 1981. It was noted that starting in January, Hooker switched to a fiscal month that ends on the 25th and as a result Hooker and Dow monthly figures do not agree after December. It was noted that in total we should agree and it was decided that April 30, would be the cutoff date. Attached is a summary of differences as compiled by Hooker.

Dow stated that they have spent a lot of time trying to resolve this matter and are anxious to resolve past discrepancies and establish guidelines for future vinyl transfers.

Hooker stated that they too have spent a lot of time on this matter and are anxious to resolve past discrepancies and establish guidelines for future transfers.

Dow listed by month the percentages of difference and noted that they were the greatest during the months when Hooker shut-downs occurred and vinyl was not transferred on a regular basis. This led to some discussion on the effect of expansion in the vinyl pipeline. Both parties agree that expansion in the pipeline contributes to the differences but are unable to determine to what extent.

Dow proposed that for past discrepancies between Hooker meter readings and Dow meter readings, that we split the difference. This was generally acceptable to all parties but Hooker advised Dow that home office approval was required. Dow stated that they would like to obtain the approval of Mr. Richardson in Midland.

Dow briefly discussed the procedure for clearing up open items. Dow proposed that Hooker pay all open items on past invoices and Dow would then issue credit for half of the total difference. Hooker proposed that Dow issue internal credits to eliminate open amounts and-invoice for open amounts.

Per
contract

Dow also proposed that in the future the Dow meter reading be accepted for determining billing quantity. Dow stated that their meter has been proven to be accurate and that they will continue to prove their meters on a regular basis. It was noted that Hookers meters are not recently certified and do not properly record vinyl transferred through expansion. Dow's proposal was accepted in principle but again Dow was advised that home office approval was required.

Hooker Chemical

PLASTICS DIVISION

Highway #1 at East Sid Richardson Road

P.O. Box 8

Addis, Louisiana 70710

504/ 383-6297

The meeting was closed, with Hooker agreeing to relay the Dow proposals to the Pottstown office for approval, and reply to Ed Fort in Baton Rouge.



R. K. Rauscher

RKR/dg
Attachment

Hooker Chemical

PLASTICS DIVISION

Highway #1 at East Sid Richardson Road

P.O. Box 8

Madison, Louisiana 70710

504 7383-6297

DOW VCM ADJUSTMENTS

	<u>HCPC</u>	<u>ADJ. HCPC</u>	<u>DOW</u>	<u>DIFFERENCE</u>	<u>ADJ. DIFF.</u>
November	11,502,283	11,536,790	11,614,300	112,017	77,510
December	17,098,594	17,149,890	17,244,600	146,006	94,710
January	3,812,002	3,823,438	3,892,600	80,598	69,162
February	13,438,134	13,478,448	13,569,100	130,966	90,652
March	15,870,898	15,918,511	16,033,600	162,702	115,089
April	2,885,392	2,894,048	2,918,400	33,008	24,352
April	1,131,473	1,134,867	1,141,400	9,927	6,533
	65,738,776	65,935,992	66,414,000	675,224	478,008

675,244 lbs. + 2 =

337,612 pounds

675,224 - 478,008 =

197,216 pounds paid

140,396 pounds open at .17

These are Hooker calculations and they have not been confirmed or accepted by Dow.

OCC 017046

Mr. G. R. Hopper

NOV	77,510	x	.17	=	# 13,176.70
DEC	94,710	x	.17	=	16,100.70
JAN	69,162	x	.17	=	11,757.54
FEB	90,652	x	.17	=	15,410.84
MAR	115,089	x	.17	=	19,565.13
APRIL	<u>30,885</u>	x	.18	=	<u>5,559.30</u>
	478,008 [#]				# 81,570.21

sch rousher -

see Dow tomorrow - ✓ JOHN Ross to be there

5/1

F.N. Head - Hunt.

ED FORT - B.B.

P.L. mgr. -

meter proving station

Ordered - split part differences -

go by Dow meters on future bills
contingent to monthly

FTR +.3% } accord to split
" +.5%

Letter to me from - DOW to be sent

Hooker Chemical

PLASTICS DIVISION

Firestone Blvd

P.O. Box 699

Pottstown, PA 19464

215 / 326-2000

5/1 4/77

TO: MR. R. K. RAUSCHER
BATON ROUGE

FROM: J. R. HOPPER
POTTSTOWN

DATE: MARCH 25, 1981

SUBJECT: DOW VCM METERING DISAGREEMENT

Mr. John Boss of the Dow corporate office advised today that Dow would like to meet with you and your management the week of April 13 to demonstrate their meter proving station. When contacted by Dow please coordinate the scheduling of this meeting and keep Pottstown informed of the results.

I advised Mr. Boss that you and your local management must be satisfied prior to finalizing any past meter reading/billing discrepancies.

JRH/Hopper

J. R. Hopper ✓

JRH/seh

cc: Mr. J. J. McCoskey
Mr. C. J. Kleinert
Mr. F. F. Hoy - Baton Rouge
Mr. R. W. Swalley

4/9/81 Sin P.O. R. - week of 20th better

5/1/81 " meeting with Dow (then sent) - John Boss

OCC 017050

TO: MR. HOPPER

FROM: SUE

Please Note & Return _____

For Approval _____

For Signature _____

REMARKS:

3/24/81

4:45 p.m.

JOHN BOSS AT DOW WOULD LIKE YOU
TO CALL HIM AT (517) 636-1065

Dow meter now calibrated

Calg. - shows use results

4 parts ✓ 4/13th/81 (John Boss)
(with rougher) ✓

Week of 11th JNH to B.P.
+ Houston Texas

OCC 017051

Hooker Chemical

PLASTICS DIVISION

Firestone Blvd

P.O. Box 699

Pottstown, PA 19464

215 / 326-2000

3/25

TO: MR. R. K. RAUSCHER
BATON ROUGE

FROM: J. R. HOPPER
POTTSTOWN

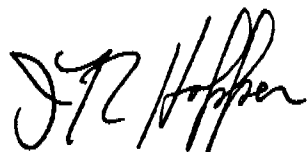
DATE: MARCH 13, 1981

SUBJECT: DOW VCM METERING DISAGREEMENT

Dow, Midland, advises that the electrical interference problem has been solved and March 19, 1981, is the date scheduled for the calibration team to complete the meter proving station on Dow's end of the pipeline.

It is critical that their metering be accurate as the contract language specifies invoicing per their meter readings. Once we are satisfied accurate meter readings are being recorded, your local plant management should mutually agree with Dow upon a periodic calibration schedule.

Any Dow claims regarding past meter reading discrepancies are not to be resolved locally but must be solved at the division level.



J. R. Hopper

JRH/seh

cc: Mr. J. J. McCoskey
Mr. C. J. Kleinert
Mr. F. F. Hoy - Baton Rouge
Mr. R. W. Swalley

OCC 017052

HOOVER CHEMICAL

ADDIS LOUISIANA 3/5/81

ATTN: J. R. HOPPER

J. J. MC COSKEY

RECEIVED

MAR 6 1981

J. R. HOPPER

DOW CHEMICAL HAS CONDUCTED METER PROVING TESTS ON THEIR METERS AND THE RESULTS ARE "INCONCLUSIVE". DOW WILL REPEAT TESTS IN A COUPLE WEEKS. AS OF FEBRUARY 25, 1981, WE HAVE ADJUSTED DOW INVOICES FOR A TOTAL OF 332,034 LBS. THESE ADJUSTMENTS COVER THE PERIOD OF NOVEMBER 1980 TO FEBRUARY 1981. WE ARE STILL EXPERIENCING METER DISCREPANCIES THAT EXCEED ~~10~~ PERCENT. PLEASE ADVISE HOW TO PROCEED.

1%
0.37% would be acceptable

R K

CORRECTION.....

SECOND TO LAST LINE SHOULD READ: EXPERIENCING METER DISCREPANCIES THAT EXCEED 1 PERCENT.

PLEASE ADVISE HOW TO PROCEED.

R K RAUSCHER

HOOVER CHEMICAL

ADDIS LA

OCC 017053

Doc, (Per Bob Rousher) 2/13

HAWAII 3/5
(Test R.
on variation
until 20th)

no frozen on meter problem -

waiting on word are their meter proving station
not WIC or one month from now

3 now are figures + .3% = what we fair.

have short failed NOV 77510 lbs

240,000 lbs x .17

\$40,000 approx

DEC 94710 lbs

\$ 14500
36000

JAN 69182 lbs

1% higher than US - FEB this month

have been experiencing plant problems
this

Oilfield expansion - low pressure on meter would
due to TEMP not read

504363
67917

2/13 above to John Boss - status 1) 33% both meter
reading within

(14 cars for Feb) is what John B.
estimates

2) time is blocked when
not in service.

8/21 Test R.
5/5 results inconclusive - Doc will wait 2 weeks test again
meters did not agree (electrical problems)

3) 1st of March for
meter proving station.

3 T. Rich to advise status, Per John Boss (3/19/81) calibrating team, have solved elec.
interference problem

24

OCC 017054