

Acme Coke  
11236 S. Torrence Ave.  
Chicago IL 60617



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Capital Expenditures

Dated: 1996

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Doug Podgorny  
Ovens

INTEROFFICE  
CORRESPONDENCE

May 22, 1996

TO: Those Listed  
FROM: Jean Mirabelli  
SUBJECT: Major/Capital Expenditure

x R. J. Martello, Division Engineer  
x J. L. Bitner, Plant Engineer  
x G. Tatterson, Plant Accountant

FURNACE PLANT

\_\_\_\_\_ F. C. Gambol, Division Manager  
\_\_\_\_\_ R. J. Reimer, Asst. Division Manager  
\_\_\_\_\_ J. A. Zbos, Area Manager  
\_\_\_\_\_ L. W. Shockley, Area Manager  
\_\_\_\_\_ R. M. Batka, Area Manager  
\_\_\_\_\_ A. D. Lynn, Area Manager

COKE PLANT

x J. Garzella, Division Manager  
x R. J. O'Hearn, Asst. Division Manager  
x M. A. Maravich, Area Manager  
x M. H. Corbett, Area Manager  
x G. T. Downs, Area Manager  
x D. J. Podgorny, Area Manager

EMPLOYEE RELATIONS

\_\_\_\_\_ J. J. Aguirre, Manager  
\_\_\_\_\_ T. M. Zaberdac, Safety Supervisor

LABORATORY

\_\_\_\_\_ J. R. Spaeth, Chief Chemist

The attached Major Repair/Capital Expenditure - has been forwarded to J. A. DiMauro for approval and further processing.

**ACME STEEL COMPANY  
PROJECT EXPENDITURE AUTHORIZATION SUMMARY**

<input checked="" type="checkbox"/> MAJOR REPAIR PROJECT	<input type="checkbox"/> RESEARCH AND DEVELOPMENT PROJECT	<input type="checkbox"/> ENGINEERING PROJECT	<input type="checkbox"/> SPECIAL PROJECT	TEMP. NO.
PLANT Iron and Coke Operations - Chicago	DEPARTMENT OR COST CENTER C-0583	PROJECT NO.		
PROJECT TITLE Electrical Upgrades - No. 2 Tar Precipitator	ITEM NO. - ANNUAL PROFIT PLAN \$50,000			
ESTIMATED COMPLETION TIME (NO. OF MOS. FROM FINAL APPROVAL)      3	PROJECT SPONSOR J. Garzella			

**PROJECT DESCRIPTION** This project provides for the purchase of a new state-of-the-art rectifier/transformer for the Chicago Coke Plant's No. 2 tar precipitator. The Chicago Coke Plant utilizes a contingent of three, electrostatic precipitators to remove tar entrained in coke oven gas so that the cleaned gas can be used as a fuel without fouling various firing systems at both the Coke and Furnace Plants. The process entails the passing of the gas through tubes containing electrodes that possess a high electrical potential which coalesces suspended particles of tar to form a liquid. Electrical power to precipitators Nos. 1 and 2 is presently provided by one transformer and two rectifiers. Only one of these rectifiers, however, can be used at a time. No. 3 precipitator is powered by its own transformer and rectifier. This equipment performs the function of converting incoming A.C., 480 volt electricity to high voltage D.C. power. At present, all three rectifiers are solid state units assembled by plant maintenance personnel approximately ten years ago to replace obsolete mechanical and tube type units. Replacement parts, however, are becoming extremely difficult to procure. Therefore, this project intends to purchase and install a new, state-of-the-art rectifier/transformer that will be dedicated to No. 2 precipitator. The purchase of a new rectifier/transformer for precipitator Nos. 1 and 3 will be requested as a separate project in 1997 in order to stay within plan spending limits

Company Labor - Engineering or R & D	in 1996	(see note	\$	_____
- Other		below).		1,000
Purchases - Equipment				_____
- Material & Supplies				23,500
Contract				_____
Other (Specify) -				_____
			\$	24,500

**JUSTIFICATION**

Justification of this expenditure lies in the need to begin the phased replacement of the obsolete transformer/rectifier for the Chicago Coke Plant's three tar precipitators. The proposed installation of equipment dedicated to No. 2 tar precipitator will allow an existing transformer/rectifier to be dedicated to No. 1 tar precipitator which will thereby optimize the tar removing potential of both units.

NOTE: The 1996 Major Repair Plan and 2/29/96 review included a provision of \$50,000 for Coke Plant electrical upgrades. Approval of this request will leave another \$25,500 available which the plant intends to use for electrical upgrades at the E-belt control room. The necessary replacement of the rectifier/transformer on Nos. 1 and 3 tar precipitator will be deferred until 1997.

	APPROVED BY	
TITLE	SIGNATURE	DATE
1. Vice President - Operations	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____

EXPENDITURE AUTHORIZATION  
SCHEDULE A

D. Podgorny

JG -  
MAKE SURE WORK IS  
BRING DOWN -  
VERY HIGH

PROJECT NO.  
SI-5856-000-4

DESCRIPTION OF PROJECT

SPENDING *[Signature]*

PROJECT TITLE

Vacuum Truck Service: October, 1995 - September, 1996

DEPARTMENT OR COST CENTER

Various

PLANT

Iron and Coke Operations - Chicago 9/72

The following table presents the historical data associated with the cost of vacuum truck services for the Chicago Furnace and Coke Plants. Included are the authorized and actual amounts and a projection of spending for the twelve month period of October, 1995 through September, 1996.

The original project was based on an analysis of actual spending during the previous year adjusted for expected conditions. This amount will be exceeded due to operating problems at the Coke Plant, general cleaning work at the pig casting machine, work associated with the banking of "A" Blast Furnace, and additional costs incurred to service the Furnace Plant's recycle system.

The original project included an allowance of \$30,000 for general vacuum truck services at the Coke Plant. To date, these expenses have totalled \$42,993. Significant expenditures have included \$7,000 to remove tar build-up from sulphate circulation storage tanks, \$7,000 for cleaning the south primary cooler prior to major repairs as RI-6492, \$5,800 to remove water from the coke oven's basement area, \$3,800 to clean "W" pit, \$3,600 to clean cyanide tanks following a tar emulsion problem, \$2,400 for cleaning the exhauster basement area, and \$2,400 for cleaning the ammonia bays. This supplemental request provides for these overruns plus an allowance of \$15,000 for the balance of the twelve month period of which \$5,000 will be expended for cleaning the north primary cooler, \$5,000 for cleanir sulphate tanks with the remaining \$5,000 being requested for general, unspecified work.

Also included in the original request was an estimate of \$16,000 for general vacuum truck services for the Utilities Department. Thru fiscal June, these expenditures have totalled \$24,086 of which \$19,515 has been expended for the servicing of the recycle system due to problems with the underflow system. An additional expenditure of \$3,700 was also incurred for the cleaning of the system during the banking of "A" Blast Furnace. This supplement provides for these actual expenditures plus an allowance of \$5,000 for the balance of the twelve month period.

The original project included an estimate of \$7,000 for general vacuum truck service at the Furnace Plant. To date, these costs have totaled \$29,334. Of this, \$11,975 has been expended for cleaning services at the pig casting machine to sustain heavy pigging levels for an extended period of time. Cleaning work at "A" Blast Furnace, excluding the bank outage, has totalled \$13,867. Costs incurred during the bank itself amounted to \$11,000. In addition to these incurred costs, this request provides 5,000 for the of the period.

The cost of servicing of the drips legs on the coke oven gas main will approximate the \$136,200 budgeted in the original project.

The table on the following page details historical spending trends.

CC: STAFF *[Signature]* 7/24/96

REPLACEMENT AND REHABILITATION

ACME STEEL COMPANY  
CAPITAL EXPENDITURE AUTHORIZATION SUMMARY

C.E.A. NO.
TEMP. NO.
ITEM NO. - CAPITAL PLAN: #13

PLANT Iron and Coke Operations - Chicago	C-2984
PROJECT TITLE Replace Coke Oven Gas Main at Booster Inlet	
COMPLETION TIME (MONTHS FROM APPROVAL) 4	PROJECT SPONSOR J. Garzella

TOTAL CAPITAL AMOUNT IN CAPITAL PLAN: PROFIT PLAN: \$230,000 REVIEW:
--

**CAPITAL FUNDS TO BE APPROVED:**

Land	\$ _____
Buildings	_____
Equipment	139,400
Less: Cash value of facilities replaced	\$ _____
	\$ 139,400

**DESCRIPTION AND JUSTIFICATION:**  
This project provides for the replacement of a deteriorated, 1957-vintage, 36" diameter by 60 ft. long inlet header and three 30" diameter offtake elbows that are used to direct the flow of coke oven gas to the Chicago Coke Plant's three coke oven gas boosters.

**TOTAL INVESTMENT:**

Capital Funds	\$ 139,400
Working capital	_____
<b>Total</b>	\$ 139,400

The Chicago Coke Plant uses three boosters to distribute coke oven gas to the Furnace Plant. Normally, each booster should be capable of sustaining oven operations of 110 ovens/day or less. At higher schedules, two boosters are required.

**JUSTIFICATION:**

Discounted Cash Flow Return	_____ %
Payback Period	_____

The subject 1957-vintage header main and associated offtake elbows are located within the basement of the Exhauster Building. Collectively, these pipes deliver cleaned coke oven gas to the three boosters. During recent years, as a result of extended usage, the header and individual elbows have all deteriorated to such an extent that they have become a potential safety hazard. Although pin hole leaks have been sealed in the past with fiberglass bands, the extent of deterioration has progressed to such an extent that additional repairs are impossible. The bottom half of the header's original metal has worn away to such extent that all that remains is essentially the fiberglass sealing bands.

**RELATED EXPENSES:**

Expense:	
Project	\$ 70,000
Start-up	_____
<b>Total</b>	\$ 70,000

This project provides for the in-kind replacement of the subject inlet header main and three offtake elbows. Also included is hand excavation to expose an underground section of main that directs the gas flow to the header main. Although it is not known if this main is in need of repairs, the contingency provision in this request provides an allowance of \$10,000.

Justification of this expenditure lies in the need to eliminate potential coke oven gas leaks in a confined basement area.

	APPROVED BY	
	TITLE	DATE
1.	President	_____
2.	Vice Chairman	_____
3.		_____
4.		_____
5.		_____
6.		_____
7.		_____



ACME STEEL COMPANY

AUTHORIZATION TO RETIRE CAPITAL ASSETS

AUTHORIZATION NO.

PLANT: Iron and Coke Operations - Chicago  
 DEPARTMENT OR COST CENTER: C-2984  
 PROJECT SPONSOR: J. Garzella

DESCRIPTION OF ASSET

Coke Oven Gas main and Elbows at Booster Inlet

Asset No.:  
 Account No.:  
 Entity:

ASSET SHALL BE:  ABANDONED  DISPOSED  
 RELATED CEA NO.

REASON FOR RETIREMENT

The existing main has deteriorated to such an extent that it can no longer be repaired.

DATE ACQUIRED: 1957  
 PRESENT PHYSICAL CONDITION: Extremely Deteriorated

FINANCIAL DATA

Gross Book Value (Estimated)		\$ 25,000
Net Book Value (Date <u>May, 1996</u> )		\$
Proceeds From Retirement	-0-	
Less: Cost of Retirement	\$	\$
Pre-Tax Gain (Loss) of Retirement		\$
Less Capital Gains Tax @ %		
Net After-Tax Gain (Loss)		\$

APPROVED BY

TITLE	SIGNATURE	DATE
1. President		
2.		
3.		
4.		
5.		
6.		
7.		

EXPENDITURE AUTHORIZATION  
SCHEDULE F

CALCULATION OF EXPENDITURE REQUIRED  
AND EXPENDITURE PAYOUT PERIOD

PROJECT NO.

PROJECT TITLE		PLANT			
Replace Coke Oven Gas Main at Booster Inlet		Iron and Coke Operations - Chicago			
SUB-ACCOUNT NUMBER	CHECK DIGIT NUMBER *	DESCRIPTION	EXPENDITURE AMOUNT		ACCOUNT DISTRIBUTION
			CAPITAL	EXPENSE	
50		Site Preparation	\$ --	\$10,000(1)	C-0025-0900
100		Purchase of Fuel Gas	--	15,000(2)	C-0025-0900
200		Purchase of Nitrogen Purge	--	20,000(2)	C-0025-0900
300		Fabrication/Installation of Header	124,000(3)	--	C-0025-0900
400		Demolition and Removal of Existing Mains	--	7,500(4)	C-0025-0900
500		Disposal of Residue and Sludge in Existing Main Sections	--	2,500(4)	C-0025-0900
600		Acme Engineering	3,000(4)	--	C-0025-0900
950		Contingency - Capital	12,400(4)	--	C-0025-0900
975		Contingency - Expense	--	15,000(5)	
		TOTAL	\$139,400	\$70,000	
			=====	=====	

- (1) Based on a quotation from Borg Mechanical Contractors, Inc. dated April 16, 1996, for \$7,000 plus an Acme Engineering estimate of \$3,000 for a total of \$10,000.
- (2) Plant estimate based on past experiences and costs.
- (3) Based on a quotation from Borg Mechanical Contractors, Inc. dated April 16, 1996, for \$123,975. (Intrastate Piping & Controls, Inc. quoted \$146,395 on April 30, 1996.)
- (4) Acme Engineering estimate.
- (5) Acme Engineering estimate including an allowance of \$10,000 for possible repairs to an underground main.



*D. Podgorny  
Owens*

INTEROFFICE  
CORRESPONDENCE

July 16, 1996

TO: Those Listed  
FROM: Jean Mirabelli  
SUBJECT: Major/Capital Expenditure

- R. J. Martello, Division Engineer
- J. L. Bitner, Plant Engineer
- G. Tatterson, Plant Accountant

FURNACE PLANT

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- J. R. Spaeth, Chief Chemist

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PLANT Iron and Coke Operations - Chicago	DEPARTMENT OR COST CENTER C-2960	PROJECT NO.		
PROJECT TITLE Repair Sheeting - No. 4 Coke Conveyor Gallery (Phase II)			ITEM NO.-ANNUAL PROFIT PLAN \$25,000	
ESTIMATED COMPLETION TIME (NO. OF MOS. FROM FINAL APPROVAL)                      3		PROJECT SPONSOR J. Garzella		

**PROJECT DESCRIPTION** This project provides for the replacement of loose, missing and/or rusted sheet metal walls and roofing on a section of Chicago Coke Plant's No. 4 coke conveyor gallery. No. 4 coke conveyor is a 7,485 ft. long belt that performs the function of delivering coke from the Coke Plant to the Furnace Plant via a suspension bridge that passes over Torrence Avenue and the Calumet River. The proposed repairs will be accomplished at the point where the upward incline that ultimately extends over Torrence Avenue commences. In total, 100 lineal feet of the walls and roofing will be replaced. The proposed scope of work entails the removal of existing sheeting and the subsequent installation of new 20 gauge, vinyl plastisol, corrugated sheeting. Additional sheeting replacements will be required over the next few years to No. 4 coke conveyor gallery and will be secured as separate projects.

**EXPENDITURE REQUIRED**

Company Labor - Engineering or R & D	\$	<u>                    </u>
- Other		<u>                    </u>
Purchases - Equipment		<u>                    </u>
- Material & Supplies		<u>                    </u>
Contract		24,500
Other (Specify) - Contingency		1,000
	\$	<u>25,500</u>

**JUSTIFICATION**

Justification of this expenditure lies in the need to maintain the integrity of No. 4 coke conveyor gallery to eliminate safety hazards associated with loose and falling sheeting. The replacement of sheeting commenced in 1995 as RI-5500 at an actual cost of \$22,896.

	APPROVED BY	
TITLE	SIGNATURE	DATE
1. Vice President - Primary Operations, Finishing and Technical Services		
2.		
3.		
4.		
5.		
6.		
7.		



EXPENDITURE AUTHORIZATION  
SCHEDULE F

CALCULATION OF EXPENDITURE REQUIRED  
AND EXPENDITURE PAYOUT PERIOD

PROJECT NO.

PROJECT TITLE		PLANT			
Repair Sheeting - No. 4 Coke Conveyor Gallery (Phase II)		Iron and Coke Operations - Chicago			
SUB-ACCOUNT NUMBER	CHECK DIGIT NUMBER *	DESCRIPTION	EXPENDITURE AMOUNT		ACCOUNT DISTRIBUTION
			CAPITAL	EXPENSE	
100		Replace 100 Ft. of Wall and Roof Sheeting		\$24,500(1)	C-2960-3620
950		Contingency		<u>1,000</u>	C-2960-3620
TOTAL				<u>\$25,500</u>	

(1) Based on a quotation from A & K Constructors, Inc. dated June 25, 1996, for \$24,552 for 100 lineal feet which equates to \$245.52 per lineal foot. (Pangere Corporation quoted \$49,729 on May 30, 1996, to replace wall and roof sheeting over 150 lineal feet which equates to \$331.53 per lineal foot.)



**A & K CONSTRUCTORS, INC.**

26606 S. GREENWOOD AVE.  
CRETE, ILLINOIS 60417

(708) 672-4360

FAX: (708) 672-8582

**PROPOSAL No 2222**

**DATE: 6-25-96**

PROPOSAL SUBMITTED TO	JOB LOCATION
Mr. John Hickman-Mgr. of Purchasing Acme Steel Company 13500 S. Perry Ave. Riverdale, IL 60627-1182	Acme Coke Plant 11236 Torrence Ave. Chicago, IL  No. 4 Conveyor

**WE HEREBY PROPOSE TO FURNISH:**

REMOVE & REPLACE 100 LIN. FT. OF ROOF SHEETING, INCLUDING RIDGE CAP, ON CONVEYOR INCLINE STRUCTURE.

REMOVE & REPLACE 100 LIN. FT. OF WALL SHEETING ON SAME STRUCTURE.

NEW SHEETS TO BE PLASTISAL COVERED SHEETS. FASTENERS TO BE STAINLESS STEEL.

\$ 24,552.00

RESPECTFULLY SUBMITTED

NOTE: THIS PROPOSAL MAY BE WITHDRAWN BY US IF NOT ACCEPTED  
WITHIN 30 DAYS.

Payment to be made as follows: NET 30 DAYS.

ACCEPTANCE OF PROPOSAL:

DATE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_