Freeze hurts area industries

Suburban Bureaus

The Christmas freeze cost area oil refineries and chemical plants millions of dollars in damages, lost revenue and overtime, company officials said.

John Waups, assistant plant manager at Vulcan Chemical in Geismar, said the company recorded 64 continuous hours of freezing temperatures at the plant beginning at 9 a.m. Dec. 21. Temperatures dipped to 8 degrees Fahrenheit during that time, he said.

"It was quite an ordeal for everyone here at the plant," he said.

Damages at the BASF Corp. plant site in Geismar are estimated to be more than $1 million, said Don Hyell, director of community and governmental affairs. That figure includes equipment and product loss and overtime expenses.

Allied Signal Inc.'s Baton Rouge South Works plant suffered a loss of about $2 million when its four fluorocarbon units were shut down. Damages to equipment will run between $40,000 and $50,000, spokesman George A. Kerekis said.

Broken pipes and freeze-damaged equipment caused hefty expenses in overtime as plants up and down the Mississippi River were forced to place both operators and maintenance personnel on stand-by or bring them in to work long hours during the holidays.

Many plants and refineries also had to shut down units for five to seven days when natural gas supplies were diverted to consumer use during the freeze.

"It's difficult to estimate what the overall loss was," said Richard Kleiner of the Louisiana Chemical Association. He said Gulf Coast plants are built to withstand hurricanes, but not the freezing temperatures that plants in the north are built to withstand.

Many plants in the north are located within buildings while plants in the South stand exposed to the elements. To keep the pipes from freezing, many plants ran the product through plant pipes just as running water through home piping keeps them from freezing.

Plant managers said shutting down units because of the lack of natural gas led to many cases of pipe and equipment breakage.

Hermon Baker of Arcadian Corp. in Geismar said the company had to shut down its nitrogen fertilizer plant on Dec. 23 because of the lack of natural gas supply.

"In the idle conditions is when you have most of your problems," said Baker, citing numerous small pipe freezes and broken steam equipment.

The Ornet alumina plant in Burnsides also shut down on Dec. 23 because its natural gas supply was diverted to consumers.

Plant manager Tommy Temple said he estimated the plant could have produced up to 1,000 tons of alumina product during the shutdown.

The problem now, he said, has been finding a way to transport the alumina to the company's Tennessee smelter in Hamilton, Ohio. He said Mississippi River traffic has been limited during the freeze, so they have been trying to line up rail service.

Shell Chemical in Geismar suffered water piping damage, according to company spokesman Don Baker, when a unit was shut down because of the natural gas supply shortage.

Baker said the company's oil refinery in Norco also had problems with frozen pipes.

However, Dean Perniciaro of the Chemical and Atomic Workers International Union, Local 4-750, said a number of fires were caused by broken instrumentation at the Shell Refinery in Norco and a furnace in the hydrocracker exploded.

Don Wall of Mid-Continent Oil and Gas Association said the refinery shutdowns may affect the recent oil price hikes.

"Whenever you have a perception of a shortage, the traders on the market will overreact," he said.

Loss from some plant and refinery damage will be covered by insurance, while others will write off or absorb their losses.

"We usually eat the loss," said A.D. Rilev, site manager of Allied-Signal Inc. in Geismar. He said the combination of cold wind "just sucked all the heat out of the pipes."

The Allied-Signal plant suffered "fairly extensive" water pipe damage, which Rilev estimated between $250,000 and $300,000.

"Every plant -- just about -- sustained damage," said Rilev.

Despite hefty losses at Allied-Signal's Baton Rouge South Works plant, the plant had no environmental releases because of pipe damage, Kerekis said. Employees managed to start one of four units after three days, and the other three gradually resumed operations during the next three days.

Copolymer Rubber and Chemical Corp.'s two Baton Rouge-area plants lost seven days of production because of a natural gas shortage, but no loss estimate was available last week, said Bill Butler, vice president for manufacturing.

Copolymer's plant in Baton Rouge is still "limping along" because it cannot obtain feedstocks from the Exxon Baton Rouge refinery, which was rocked by an explosion on Christmas Eve, Butler said.

Freeze damage was not as severe as in December 1983, when pipe damage amounted to "a couple of million dollars," Butler said.

"We've spent about a half-million since '83 to insulate," Dow Chemical USA, located in Iberville Parish, experienced problems in its light hydrocarbon plant during the freeze, according to public affairs manager Jerry Daige.

The light hydrocarbon plant was in the middle of a turnaround -- when a plant is shut down after two years of production for routine maintenance -- and the harsh weather hampered efforts to finish repairs, Daige said.

"It greatly reduced our ability to produce ethylene," he said, adding the lack of the chemical slowed production in other plants located in the Dow compound.

Daige had no monetary value on the effect of the freeze, but said the plant was at 65 percent of its production capacity during December, compared with an average of 66.5 percent during the year.

In the Glycol plant, a fire occurred in a tank as a result of too much pressure, but Daige said he was not sure if it was weather-related.

Daige said the company sent letters to the families of employees who put in plenty of overtime during the holidays and apologized for taking the workers away from their families.

Port Allen's Placid Refinery experienced a loss of production because of problem receiving raw materials because of road conditions, plant manager Dale Emanuel said.

"There was some curtailment in operations and gasoline production," he said.

Placid is still recovering from the effects of the freeze by repairing pipes that burst or experienced problems during the cold spell, he said.

Freeze damage was completely overshadowed by the production loss at Exxon Chemical Co.'s Scenic Highway plant, a direct result of the explosion at the neighboring refinery.

"We're still down because of the refinery explosion," said Exxon Chemical spokesman Bryan Brabston.

"It is our primary source of feedstock," Exxon Chemical began shutting down on Dec. 23 when natural gas wells near Pecan Island froze. Furnaces, steam generators and other equipment were affected by the severe gas shortage, Brabston said.

"We're beginning to insulate our plants like we've never done before," Brabston added. "We're learning to design for colder weather."

Exxon Chemical shut off its plastics plant near Baker for approximately 48 hours during the coldest weather, said plant safety coordinator E.E. Dunne. Water lines began freezing, and a natural gas line to the plant's flare stack also froze, he said.

"We thought shutting down was the safest thing," Dunne said. "We can shut down or start up in 15 minutes, and it did with less impact than some plants."

Formosa Plastics Corp.'s Baton Rouge plant started "slowing down" on Dec. 22 because of the natural gas curtailment, plant spokesman Patrick L. Loupe said. Operations were halted Dec. 24-25, but resumed gradually during the next two days.

Although Formosa has "a pretty good freeze protection" program, some repair work was required, Loupe said. The company is still compiling its damages for an insurance report, he said.

Rhone-Poulenc Inc.'s chemical plant on Airline Highway had relatively minor damage and continued to operate throughout the freeze with extra personnel on duty, plant manager Jack Oulton said.

Oulton estimated the damages would be less than $10,000 to water lines within the plant, formerly known as Stauffer Chemical Co. "We learned a lot from 1983," he said.

The major disruption at Ethyl Corp.'s Progress Development Center on G.E. Road was caused by a steam pipe that burst and caused $25,000 to $30,000 in damagers to a computer room, said spokeswoman Lucy Priddy reported.

Other broken pipes likely will push the damage figure to between $75,000 and $100,000, she said.