

Refinery Fire Reduces Output by 20%

By The Moscow Times

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Gasoline output at Gazprom Neft's Moscow oil refinery is likely to drop about 20 percent in June to about 150,000 tons following a fire last week, a company source said Wednesday.

The production cuts could exacerbate the country's fuel shortage as it battles a gasoline deficit created by price caps and insufficient refining capacity.

The Moscow refinery produces about 200,000 barrels of oil products per day. The Energy Ministry's data on refinery maintenance showed on Friday that Gazprom Neft shut a catalytic reformer with a capacity of 2,740 tons per day; a 4,300 ton per day atmospheric unit; and a hydrotreater, which processes some 5,500 tons of oil per day.

The ministry said the company planned to restart the units by June 20. The Gazprom Neft source said the catalytic reformer, one of the two main units at the plant, went off line following a fire at the refinery last Friday.

"Gasoline output is not expected to be restored in full until the end of the month even if

the unit is repaired," the source said, adding that the plant's gasoline output is likely to fall this month by about 40,000 tons. The plant's regular output amounts to about 190,000 tons per month.

Traders said the company would be able to compensate for shortages in Moscow, the country's largest gasoline consumer, by receiving additional supplies from Gazprom Neft's Omsk and Yaroslavl refineries. It owns the Yaroslavl refinery together with TNK-BP, and Omsk could supply 30,000 tons, they said. A Gazprom Neft spokeswoman declined immediate comment.

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