TVA Coal Spill A $428 Million Payday To Contractors

KNOXVILLE, Tenn. (AP) — Cleaning up the Tennessee Valley Authority's coal ash spill at Kingston is already delivering big paydays for some contractors and it's a tab rate payers should be watching.

The nation's largest public utility has open contracts that total $428.5 million.

A review of the contracts by The Knoxville News Sentinel shows that 10 firms are under contract to make more than $10 million each from the first phase of the cleanup.

The Dec. 22, 2008, spill dumped 5.4 million cubic yards of toxin-laden ash into the Emory River and the surrounding countryside.

TVA President and CEO Tom Kilgore has said the cost of the cleanup will be paid for with energy sales to customers.

The $1.2 billion doesn't include defending federal lawsuits or possible environmental fines.

The newspaper reports that records show TVA has open contracts with 68 recipients, ranging from engineering consultants to railroads to tree removal services. TVA spokeswoman Barbara Martocci said the list of contracts does not include those already closed, such as $510,000 that went to the O'Brien Group, a Los Angeles-based emergency response firm hired in the early days after the spill.

Also not included are the amounts paid to cover the costs of the Tennessee Department of Environment and Conservation and the U.S. Environmental Protection Agency, Martocci said.

Phase 1 of the cleanup is to be finished by the spring and other work could take years, with rate payers expected to fund the brunt of the total cost.

Companies with big contracts from the spill include Phillips & Jordan, a Knoxville-based disaster recovery specialist that stands to make $95 million for disposing the ash; Mactec Engineering, which is making $50 million to load the ash and another $11 million for geotechnical services; and Sevenson Environmental, which will be paid $60 million to dredge the ash out of the Emory River during the first phase of the cleanup.

Teddy Phillips, CEO of Phillips & Jordan, said the firm welcomed the work during the current economic climate.

"If you've got a contract with anybody right now, it's good," Phillips said.

TVA is paying Norfolk Southern $75 million to haul the ash from the Kingston Fossil Plant to a landfill in Perry County, Ala.

Other major contracts include $25 million to the Rogers Group for quarried rock, $27.7 million to Jacobs Engineering for project planning, $20 million to Stantec Consulting for engineering services and $17 million to Southern Waste Services for ash disposal.

Valley Forge, Pa.-based Environmental Standards has a $10.5 million contract. Company spokeswoman Ruth Forman declined to discuss the work at Kingston, citing a confidentiality clause in the contract.

Oak Ridge Associated Universities will receive a little more than $1 million for health evaluations and related services. Nine other entities are receiving at least $1 million each for cleanup work.

Roane County's Highway Department is getting $4 million and TVA is paying the U.S. Army Corps of Engineers $224,000, the U.S. Department of Energy $827,274 and the U.S. Fish and Wildlife Services $40,000. The city of Kingston has provided police patrol services at a cost of $85,000.

The universities of Tennessee and Kentucky have smaller contracts, $32,850 and $2,600, respectively. According to the records, the UK contract for arsenic and selenium oxidation is the smallest contract so far.

TVA serves nearly 9 million customers in Tennessee, Alabama, Mississippi, Kentucky, Georgia, North Carolina and Virginia.

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