



**Memorandum from the Office of the Inspector General**

June 12, 2009

Anda A. Ray, WT 11A-K

**FINAL REPORT – INSPECTION 2008-12283-01 – KINGSTON FOSSIL PLANT ASH  
SLIDE INTERIM REPORT**

Attached is the subject final report for your review and action. Your written comments, which addressed your management decision and actions planned or taken, have been included in the report. Please notify us when final action is complete.

Information contained in this report may be subject to public disclosure. Please advise us of any sensitive information in this report which you recommend be withheld.

If you have any questions, please contact Greg R. Stinson, Senior Auditor, at (423) 365-2336 or Gregory C. Jaynes, Deputy Assistant Inspector General, Inspections, at (423) 785-4810. We appreciate the courtesy and cooperation received during the inspection.

Ben R. Wagner  
Deputy Inspector General  
ET 4C-K

JAL:SDB

Attachment

cc (Attachment):

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OIG File No. 2008-12283-01



Tennessee Valley Authority  
Office of the Inspector General

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# *Inspection Report*

## **KINGSTON FOSSIL PLANT ASH SLIDE INTERIM REPORT**

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Inspection 2008-12283-01  
June 12, 2009

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## **INTRODUCTION**

### **WHAT WE ARE TRYING TO ACCOMPLISH**

Tennessee Valley Authority (TVA) is engaged in responding to one of the largest spills in its history, the ash spill at Kingston Fossil Plant (KIF) in which 5.4 million cubic yards of ash poured onto adjacent land and into the Emory River. The purpose of this interim inspection is to evaluate the response of TVA to the emergency while TVA is still responding, so that TVA can make any needed adjustments to its response, and to independently assess the progress for the public.

Specifically, this report focuses on (1) TVA's initial emergency response, including implementation and utilization of the National Incident Management System (NIMS); (2) TVA's actions to quickly respond to the media; and (3) reparations to the victims and restoration of the affected Roane County community.

In coordination with the (1) Senior Vice President (SVP), Communications, Government and Valley Relations, (2) SVP, Corporate Responsibility Division, and (3) Executive Vice President & General Counsel, the SVP, Office of Environment and Research (OE&R), provided comments on a draft of this report. TVA management generally agreed with the report and plans to take actions in regards to the recommendations. Specifically, management plans to:

- Fully implement NIMS, ensure required NIMS training is completed, and evaluate the implementation of best practices identified by the Roane County Emergency Management Director.
- Document the protocol and verification process for the release of media statements and maintain verification that the appropriate processes were followed.
- Continue to work with the communities and local residents to improve the communications related to TVA's efforts with property acquisition and claims process.

However, management did take issue with our characterization of inaccuracies in media statements. Specifically, they stated, "We respectfully disagree with the description of information being inaccurate or inconsistent 'in many cases,' given the level of media inquiries, numbers of statements, interviews, briefings, etc., that was being handled; although 'in several cases' the initial information was incorrect." As reflected in the report, we recognize the tremendous amount of media inquiries TVA received regarding the KIF ash spill and made the change suggested by management.

## **FACTUAL BACKGROUND**

### **ASH PONDS**

Since the 1950's, TVA's KIF has been storing its coal ash in containment ponds at the plant site. The plant and ash ponds are adjacent to the Emory River, close to where the Emory runs into the Clinch and Tennessee rivers. Coal ash is what is left after coal is burned in power generating plants. Fly ash, captured by electrostatic precipitators, and bottom ash, taken from the boilers, are mixed with water and pumped to the ash containment ponds. The plant produces 1,000 tons, or 1,200 cubic yards, of coal fly ash daily when operating at full capacity.

The ash containment areas are enclosed by dikes, that rise several feet above the Emory River. The dikes are inspected daily by plant personnel and annually by TVA engineers. The Tennessee Department of Environment and Conservation (TDEC) also inspects the ash pond dikes quarterly. In 2003 and 2006, small localized slope failures occurred on the dikes of the ash pond and were addressed by TVA with the assistance of a consulting engineering firm. The last TDEC inspection was in August 2008, when no deficiencies were found. The last KIF ash pond visual inspection was Sunday afternoon, December 21, 2008. No problems were noted.

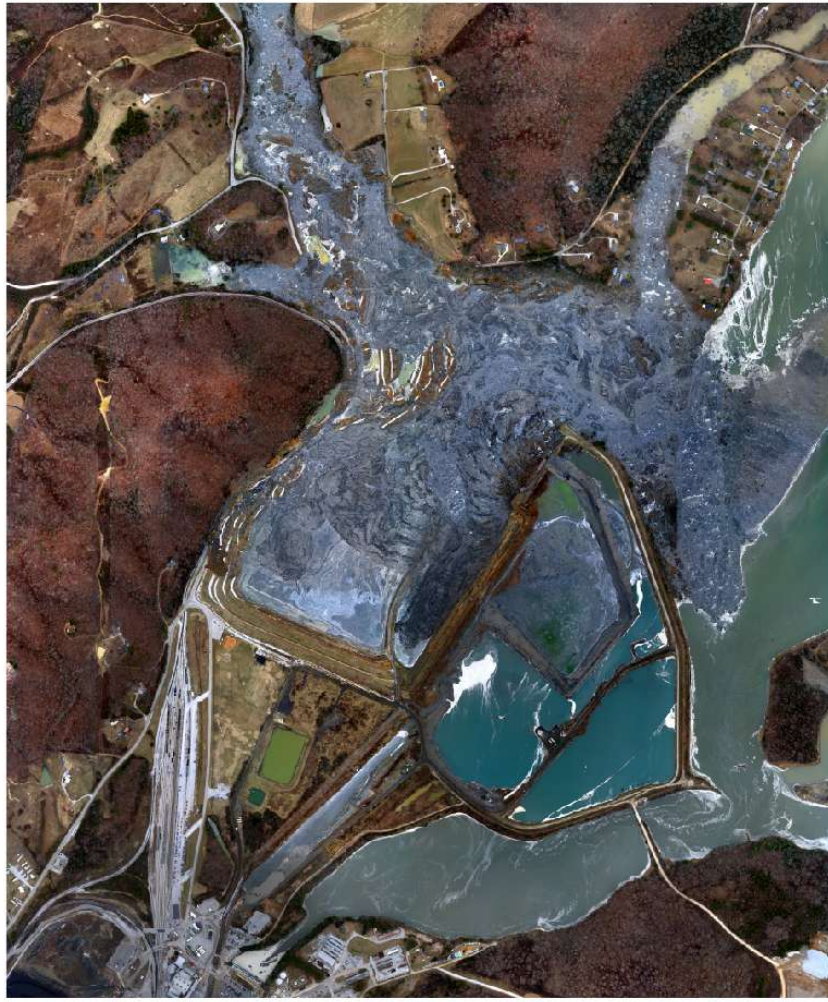
## THE ASH POND SPILL

The events surrounding the ash pond spill at KIF have been widely reported in the media and are fairly well-known at this time. We chronicle these events here again to provide necessary context.

Just hours after the last daily inspection, on December 22, 2008, between midnight and 1:00 a.m., an ash pond dike broke at KIF. The breach allowed 5.4 million cubic yards of coal ash sludge to pour over 300 acres of Watts Bar Reservoir, including most of Swan Pond Creek embayment, the lower Emory River, and reservoir shorelands. Approximately 8 of the 300 acres were privately-owned property. The spill destroyed three homes and damaged 23 others. Roads, the rail line adjacent to the plant, and utilities were also damaged. There were no fatalities or injuries caused by the ash spill.



**Aerial Image of Kingston Ash Slide 12/23/2008**



0 500 1,000 1,500 2,000 Feet

Tennessee Valley Authority  
OE&R - ER&S  
Geographic Information & Engineering

## **TVA'S EMERGENCY RESPONSE TO THE ASH SPILL**

At 12:40 a.m., Monday, December 22, a man trapped in his house, by ash sludge, called 911. The Tennessee Valley Authority Police (TVAP) was notified. At the same time, a TVA heavy equipment operator heard the 911 call on his scanner and called his foreman, while a local resident called a TVA maintenance manager. The maintenance manager called the Shift Operation Supervisor (SOS), who went to inspect the ash pond and saw that the dike on cell #2 had collapsed. The SOS finished calling the notification matrix of the KIF Emergency Response Plan (ERP). In the meantime, others were being contacted about the spill. The KIF ERP was deployed by the shift supervisors. The Incident Command Center was established at the plant by 2:30 a.m. By 2:45 a.m., the Chief Executive Officer (CEO), Chief Operating Officer, Chief Administrative Officer, and a media specialist had all arrived at the plant.

### **Ash Ponds to Left Center, Failed Dike Center Train Stuck in Ash at Base of Hill, Center Right December 23, 2009**



Before dawn, the EPA, U.S. Coast Guard (USCG), Norfolk Southern railroad (to reroute trains), and the Tennessee Emergency Management Agency (TEMA) had been notified; five boats were in route for environmental sampling of the river, a helicopter was airborne to survey the scope of the spill, an Incident Command Center was activated at KIF; the Agency ERP was activated, Emergency Operations Commands were set up in Knoxville and Chattanooga, and the Roane County Emergency Management Agency representative was in the Command Center on-site. The first light helicopter survey reported at 7:40 a.m. that the ash spill flow had stopped.



By 9:00 a.m. that morning, a train engine stuck in the ash was being dug out and pulled free, hydraulic engineers were on-site evaluating the skimmer wall and monitoring water intake for the coal plant, the gas line for the area was being shut off, and several helicopters were airborne taking photos and evaluating the damage.

**View from East of Ash Pond after Dike Failure  
Kingston Plant is to the Left Background**



The first day was full of activity by TVA and a variety of local, state, and federal agencies, checking on the safety of people in the area, containing and evaluating the damage, and planning recovery. TVA took samples of air, water, and ash that were analyzed for contaminants by a Maryville, Tennessee, lab. The USCG closed river traffic, and by evening EPA and the USCG were on-site. TVA released the first of their daily fact sheets and posted it to the Web site.

The same day the Unified Command Center was established to coordinate the federal, state, and local response to the coal ash spill. Agencies included were EPA Region 4, Roane County Emergency Management Agency (EMA), TDEC, Tennessee Department of Health, and the USCG.

### **THE NATIONAL INCIDENT MANAGEMENT SYSTEM (NIMS)**

Homeland Security Presidential Directive (HSPD)-5 directed the development and administration of the NIMS. NIMS provides a systematic, proactive approach to guide departments and agencies at all levels of government, nongovernmental organizations, and the private sector to work seamlessly to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of size, location, or complexity, in order to reduce the loss

of life and property and harm to the environment. NIMS provides a template for the management of incidents. All federal departments and agencies are required by HSPD-5 to adopt NIMS and use it in their individual incident management programs.

We reviewed KIF's ERP, and it had been updated to incorporate terminology and aspects of NIMS. However, as the emergency response unfolded, concerns were raised surrounding communication with local emergency personnel. The Roane County Emergency Management Director (Director) reported the following issues before the Environmental and Public Works committee on January 8, 2009:

- Immediately following the event, it was difficult to form a cohesive Unified Command with TVA due to the fact TVA was not using the Incident Command System as defined by the NIMS.
- There does not exist for the TVA Fossil Power Division the same stringent emergency preparedness and planning program as does for TVA's nuclear and hydroelectric facilities.
- A comprehensive hazard analysis and risk assessment had not been performed at the TVA Kingston Fossil Plant.

During the initial emergency response efforts, senior management also recognized implementation concerns with NIMS and brought this to the attention of the CEO. On December 25, 2008, the decision was made to bring in a consultant to assist with a complete transition to NIMS. TVA hired O'Brien's Response Management to assist in NIMS implementation and with the emergency response phase of the event. O'Brien was present until January 12, 2009, when TVA transitioned into the project phase of the emergency phase. The total cost of O'Brien's Response Management services was approximately \$510,000.

## **TESTING THE AIR, WATER, AND ASH**

TDEC, along with EPA, DOE, the Oak Ridge National Laboratory, Tennessee Wildlife Resources Agency, the U.S. Army Corps of Engineers, as well as TVA, have all been sampling, testing, and analyzing the air, water, and ash sludge for environmental and health risks. These agencies share information with TVA and post their own data to their Web sites. TVA posts its own information, plus it posts links to other agencies. Amid fears and claims circulating in the public arena regarding the potential health hazard of the ash spill, TDEC found and posted on its Web site that the spill has not impacted the air and water, both of which are safe, and the ash does not present an immediate threat to human health. The risk identified by TDEC is that, when the ash dries out and becomes

dust, the particles are so fine that they can be inhaled and difficult for the body to exhale or flush out. For that reason, TVA is taking dust control measures including application of grass seed, fertilizer, straw, and sealants to cover exposed ash surfaces. Furthermore, TDEC and the Tennessee Department of Health have reported on their Web sites that there should be no adverse health effects from accidentally and occasionally ingesting the ash. However, TDEC encourages everyone to avoid contact with coal ash and to wash after coming in contact with the ash.

## INFORMATION RELEASES AND MEDIA RELATIONS

From the very first response to the ash spill, TVA was releasing information to other agencies and the public. A TVA media spokesperson was one of the first people notified of the spill, and he was on the scene at Kingston by 2:45 a.m. Contact was initiated with local and regional agencies and within the first day TVA started supplying daily fact sheets to the media and posted them on its Web site. On December 28, a Joint Information Center (JIC) opened, coordinating the information released by the various response agencies.

That day the JIC began releasing press releases. On December 31, a letter from the CEO to all Roane County households was published in the *Roane County News*. On December 30, an 800 number for landowners was activated. On the same day, TVA representatives met with 14 homeowners to listen to concerns and answer questions. On December 31, there was a press briefing, in which the press was introduced to the Incident Command Center. On January 2, TVA met with 16 homeowners at a home on Swan Pond Circle. On the same day, 15 print and video journalists attended a JIC briefing. On January 4, media representatives were on-site to see a helicopter seeding the ash, and helicopter seeding tours were provided for the media. On the same day, the CEO, the Senior Vice President of the Office of Environment and Research (OE&R), and a media specialist began giving planned media interviews for two days. The above is a sample of efforts made to disseminate information to the public, receive information from those affected by the spill, and be accessible to the media.

Since the spill, articles have been carried in Valley publications and nationwide media outlets including, CNN, Bloomberg, *New York Times*, *Washington Post*, and energy publications. Ongoing media interest pertains to offsite storage plans, history of ash pond problems, dike failure root cause, health plans, property purchases, and Roane County's long-term recovery. The sheer volume of media requests was a key challenge for TVA<sup>1</sup>.

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<sup>1</sup> In a typical year, TVA receives approximately 1,500 media calls, gives about 250 interviews, and more than 3,000 news articles are published about TVA.

## REPARATIONS TO THE VICTIMS

TVA started by addressing immediate needs by providing housing, gift cards for food and clothing, cellular telephone service, and even money to replace Christmas gifts. By 11:20 a.m. on that first morning, 50 people had been identified as needing temporary housing from 15 affected homes. TVA also provided bottled water to those in the community whose water supply had been disrupted.

To assist in addressing the needs of the victims, TVA formed the Community Outreach Team (COT). The COT consisted of seven retirees, three KIF employees, and two administrative assistants. TVA also named a Community Outreach Coordinator (COC) whose primary role was to listen to the citizens of Roane County and to address their concerns. To communicate with the citizens of Roane County and to address immediate needs, TVA made door-to-door deliveries/visits, conducted a series of homeowners' meetings, placed informational ads in various media outlets, provided a recovery update telephone line, opened a community outreach center, and provided e-mail updates. TVA continues to make visits, hold meetings, and provide e-mail updates to those who have that option available. During the first two months following the spill, the community outreach center worked with more than 600 families. According to the COC, the outreach center continues to be open from 2 p.m. - 6 p.m. daily to answer any questions and to provide community needs assistance.



In addition, TVA developed a process for the acquisition of land and personal property that has been affected by the ash spill or will be affected by the recovery. If a parcel of land is to be acquired, TVA requires two independent appraisals of the property. The highest appraised value of the property will be the one used by TVA in determining what amount to pay the owner. In the case that there is a significant difference between the two appraisals, TVA will pay for a third independent appraiser of the owner's choice to cast the deciding vote. The only stipulation is that the final appraiser be a Member of the Appraisal Institute (MAI) certified. It should be noted that TVA has offered to buy some affected properties, but the individuals have opted to stay. Once the fair market value is established, TVA writes the owner a check for that amount. Additionally, if there is to be any compensatory payments, it will be paid at this time.

In conjunction with the process, the TVA Board approved by notational action the following item: "Approval of delegation of authority to the Chief Executive Officer to approve the settlement of any claim or litigation arising from the failure of a coal ash containment pond at the Kingston Fossil Plant." According to supporting documentation, this action was done in order to expeditiously provide relief to all persons with valid claims against TVA.

## **RESTORATION OF THE COMMUNITY**

TVA has stated its intention to make the Kingston and Roane County community better than it was before the ash spill. TVA has asked the community to prioritize suggestions for how TVA can improve the community. In the meantime, TVA continues to work on recovery projects, such as dredging the Emory River, evaluating ash removal options, taking steps to keep ash dust to an insignificant minimum, and even cleaning of personal mailboxes.

### Dredging of Ash from Emory River



### Before and After Removing Dust from Mailbox

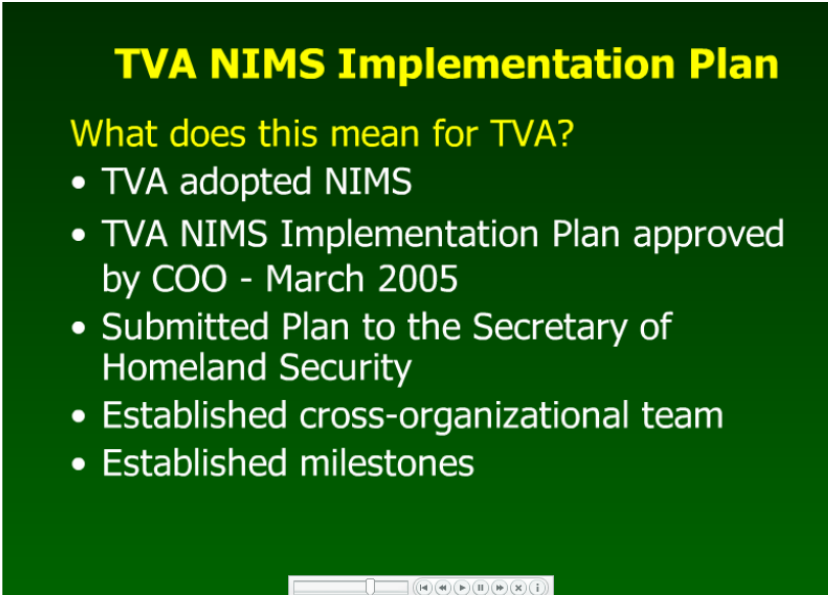


## **CONCLUSIONS AND RECOMMENDATIONS**

We recognize that TVA will not be able to satisfy everyone in their efforts to address the damage the Kingston spill caused. Plaintiffs in pending litigation, for example, are not likely to ever applaud TVA's efforts to address their claims. TVA has multiple stakeholders beyond the residents of Roane County and addressing those varied interests is not a simple matter.

### **TVA HAS NOT IMPLEMENTED NIMS IN ACCORDANCE WITH HSPD-5 WHICH HAMPERED COMMUNICATIONS AND DELAYED CERTAIN EMERGENCY RESPONSE ACTIONS FOLLOWING THE SPILL**

As discussed above, KIF had an ERP that included terminology and aspects of NIMS as defined by HSPD-5. However, the KIF ERP was only used immediately following the spill. After ascertaining the magnitude of the spill, TVA executive management made the decision to implement the Agency ERP (AERP). TVA's current AERP dated February 25, 2008, states, "TVA commits to modify ERPs to facilitate compliance with NIMS." However, in 2005 TVA submitted a NIMS Implementation Plan to the Department of Homeland Security (DHS). The plan included a timeline for NIMS to be fully implemented at TVA by March 2006. Key aspects of the Implementation Plan included training and modification of the ERPs. Specifically, the plan stated, "The AERP, as the agency umbrella plan, must be modified to adopt NIMS principles and language." As of today, these aspects have not been completed. Below is a screenshot from TVA's Tier 2 online training module, which shows TVA's commitment to NIMS implementation:



**TVA NIMS Implementation Plan**

**What does this mean for TVA?**

- TVA adopted NIMS
- TVA NIMS Implementation Plan approved by COO - March 2005
- Submitted Plan to the Secretary of Homeland Security
- Established cross-organizational team
- Established milestones

The screenshot shows a green background with yellow and white text. At the bottom, there is a navigation bar with several icons for navigating through the presentation slides.

For the first few days following the spill, the emergency response was managed by four TVA executives. Per HRIS documentation, all four executives had not completed NIMS training as required by TVA. Even though required officials had not taken the training, OE&R personnel indicated that the existing training was weak and needed improvement. As TVA began working with the various other agencies in coordinating operations and information, TVA's lack of familiarity with NIMS terminology and concepts was an obstacle. The local county emergency management representative said TVA was speaking a "different language" because they were unfamiliar with NIMS. We were told TVA executives had to "google" key NIMS terms and concepts. As previously noted, TVA hired O'Brien's Response Management to assist in NIMS implementation and with the emergency response phase of the event. TVA and local executives reported that once TVA brought in O'Brien, the emergency response went a lot smoother. O'Brien helped TVA speak the right "language" and manage the emergency response.

The Roane County Emergency Management Director (Director) said in an interview with OIG representatives that it took too long to get all the information he needed to make operational decisions; specifically, (1) environmental data detailing the properties of the ash and (2) an engineering assessment of the stability of the remaining dikes at Kingston. The Director estimated that TVA's inability to immediately work the NIMS plan resulted in approximately a 12-hour delay in lifting the evacuation order and a similar delay in disseminating requested information about safety, health, and environmental concerns.

Based on our interviews and review of documentation, quality NIMS training and changes to the ERPs would improve communications with other agencies should TVA encounter another emergency situation.

The Director provided two emergency management best practices he felt would improve TVA's emergency management. The two best practices identified were (1) a comprehensive emergency management position at the executive level and a dedicated emergency management coordinator at each site, and (2) a comprehensive hazardous analysis and risk assessment for all TVA owned and operated facilities that would be made available to the local community. As stated above, the Director reported to the Environmental and Public Works committee a comprehensive hazard analysis and risk assessment had not been performed at the TVA Kingston Fossil Plant.



**Recommendations**

TVA management should:

- (1) As previously committed, consider taking all necessary actions needed for full implementation of NIMS including, but not limited to, modifying all ERPs to include NIMS principles and language.
- (2) Ensure employees complete all emergency response training as required by TVA and NIMS.
- (3) Consider implementing the best practices identified by the Director.

**Management's Response** - TVA management agreed with our recommendations. Specifically, in response to our recommendations, management plans to (1) review all ERPs to ensure appropriate NIMS principles and language is included; (2) ensure employees complete the required training as appropriate, through use of TVA's on line Environmental Compliance and Awareness Training Assessment (ECATA) system; and (3) evaluate the implementation of best practices identified by the Roane County Emergency Management Director.

(The complete text of the comments provided by the SVP, OE&R, is provided in Appendix C.)

**Auditor's Comments** - We concur with TVA management's actions or planned actions.

**TVA'S ACTIONS FOR RESPONDING QUICKLY TO MEDIA AND PUBLIC INQUIRY RESULTED IN RELEASES OF INACCURATE AND INCONSISTENT INFORMATION AND SUBSEQUENT PUBLIC CRITICISM WHICH CAUSED REPUTATIONAL HARM**

As discussed above, TVA's environmental event has received unprecedented media coverage. In the immediate aftermath, one of TVA's key challenges was to provide information regarding the impact of the spill to the public as quickly as possible. As a result, information that was provided to the media was in several instances determined to be inaccurate. For example, as was widely published in the media, TVA initially reported that 1.7 million cubic yards of wet coal ash had spilled from an ash pond containing 2.6 million cubic yards. This spill amount was later changed to 5.4 million cubic yards. According to TVA management, initial estimates were done based on historical records before an aerial survey could be done to determine the actual amount. TVA was trying to respond to initial questions about the magnitude in a timely manner.

Other statements made to the media by TVA that have received criticism and resulted in reputational harm include:

- In an article on December 24, 2008, TVA stated its environmental team had not encountered any dead fish. A December 26, 2008, article stated hundreds of fish were floating dead downstream from the plant. TVA later acknowledged there were dead fish.
- A “Talking Point” paper which edits were mistakenly distributed to some media sources created criticism in the media that TVA was “spinning.” Some of the key edits questioned by the media included:
  - Changing "Catastrophic" to sudden accidental release
  - Removing "risk to public health and risk to the environment" as a reason for measuring water quality and the potential of an "acute threat" to fish
  - Reworking the description of fly ash to note it mostly "consists of inert material not harmful to the environment," while references to "toxic metals" in the ash were moved to a section on water sampling
- TVA has been cited in articles for downplaying the environmental and health impacts of the ash spill. For example, a December 25, 2008, article stated, "The Tennessee Valley Authority has issued no warning about the potential chemical dangers of the spill, saying there was as yet no evidence of toxic substances. Most of that material is inert." While in contrast, a document prepared for members of the U.S. House of Representatives Subcommittee on Water Resources and Environment by its staff stated the coal ash at the KIF site has the potential to cause a number of environmental and human health impacts.

Our review of media statements identified other statements that contain inaccurate or inconsistent information. For example:

- **Are the Ash Ponds safe?** A TVA spokesperson was quoted as saying, “These ponds are appropriately managed, and there are not any integrity problems;”<sup>2</sup> while KIF Plant Manager said “Until we understand what caused this failure, it will be speculation to say that they’re [ash ponds] at risk or not.”<sup>3</sup> Furthermore, TVA has hired an engineering firm to inspect all ash ponds for distress and that firm supposedly will address this issue with more credibility.

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<sup>2</sup> The Chattanooga Times Free Press, online edition, January 8, 2009.

<sup>3</sup> PBS Online NewsHour interview broadcasted on February 2, 2009.

- **Was the dike failure connected to the earlier leaks?** A TVA spokesperson is quoted saying that the earlier 2003 and 2006 leaks “were not related to last month’s spill and were in a different area from the section that TVA officials believed caused the breach.”<sup>4</sup> In contrast, the CEO said we don’t know until we finish the failure investigation and that he was interested in determining if the mechanism and the location were the same as the previous leaks.<sup>5</sup>
- **Will TVA pay for health care required because of the spill?** The SVP of OE&R and the CEO said that it was too early to say whether TVA would cover health-care expenses if a link can be established [between illnesses and the coal ash].<sup>6</sup> This is in contrast to the CEO’s congressional testimony, “We are committed to do a first-rate job of remediation of the problems caused by the spill,”<sup>7</sup> and the SVP of OE&R saying “We have committed to making things right for the people in the area, and that’s what we will do.”<sup>8</sup> A TVA spokesperson has also been quoted as saying “We have committed to making things right for the people of Roane County and that’s what we’ll do.”<sup>9</sup>
- **Will ratepayers pay for the costs of the ash spill?** An Associated Press article noted that TVA officials said the cost of the cleanup will be borne in the electric rates of the 9 million consumers TVA serves across Tennessee and parts of Alabama, Kentucky, Mississippi, Georgia, North Carolina, and Virginia.<sup>10</sup> Subsequently, the CEO said he could not estimate how much of the cost to clean up the spill would be borne by TVA ratepayers. The same article stated that a TVA director included raising rates as one of several options for covering the cost of cleaning up the spill.<sup>11</sup> Later, the CEO stated he did not expect a rate increase to help cover the cost of the Kingston Ash spill.<sup>12</sup>
- **Did TVA overstate its efforts in getting independent test results?** A TVA spokesman was quoted as saying that in addition to TVA, TDEC, and EPA sampling methodologies, TVA is also obtaining independent sampling.<sup>13</sup> However, a TVA Environmental Project Manager stated to the Office of the Inspector General that TVA had not sought out any third party testing.

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<sup>4</sup> Knoxville News Sentinel, January 6, 2009.

<sup>5</sup> Testimony given before the Congressional Environmental and Public Works Committee, January 8, 2009.

<sup>6</sup> Tennessean.com, April 1, 2009.

<sup>7</sup> Testimony given at the Congressional hearing on January 8, 2009.

<sup>8</sup> Environmental News Service, March 9, 2009.

<sup>9</sup> Volunteertv.com, March 4, 2009.

<sup>10</sup> Published January 13, 2009.

<sup>11</sup> Knoxvillebiz.com, February 14, 2009.

<sup>12</sup> NewsChannel5.com, February 18, 2009.

<sup>13</sup> New York Times, January 1, 2009.

While TVA management has taken the position that this information was reviewed for factual accuracy, these incidents emphasize the need to ensure that the information provided in media settings is accurate.

### **TVA's Comments About Apparent Inconsistencies in Media Statements**

The Senior Vice President (SVP), Communication, Government and Valley Relations (CG&VR), was asked to respond to these apparent inaccurate or inconsistent statements and TVA's vetting process. Her full response is attached to this report as Appendix B. To summarize it, TVA's media relations specialists are available to respond to media inquiries 24/7, and in a typical year take 1,500 media calls, hold 25 news conferences, and arrange 250 interviews. More than 3,000 articles about TVA are published each year. The vetting process is covered in two steps by TVA staff. First, information is gathered from an internal TVA source responsible for the program or topic, and the draft is prepared. Then staff members request reviews of the draft from subject-matter experts and executives with oversight responsibility. Interaction between staff and members of the media is documented daily, and media coverage is reviewed daily. Even with significant preparation and fact-checking, questions from the media, particularly in a live setting, occur in real time and are often unanticipated. While we strive to be as prepared as possible and to provide accurate, timely responses, each interview is unique and each news report is unique as well.

In her response to the above specific references to inconsistent statements, again set out in full in Appendix B, the SVP of CG&VR states that when the statements are reviewed in the context in which they were given, there is no real inconsistency. She also notes that in retrospect, in some cases, statements could have been made more clear or qualified.

### **Recommendation**

To avoid accusations against TVA of engaging in defensive "spin," TVA should consider establishing a clearly defined protocol that requires verification from more than one source before releasing a statement to the media. TVA should scrutinize press releases to determine if enough information is available to issue a reliable statement. The test for TVA press releases should be, "Is it the transparent truth?" We also recommend that documentation be maintained to verify that this process was followed and the media statement was approved by an appropriate TVA official.

**Management's Response** - Overall, management agreed with the OIG's recommendation on the importance of protocols and verification processes prior to the release of media statements. Specifically, in response to our recommendation, management stated TVA has procedures in place for processing media requests and developing and reviewing documents for release. Management is increasing the amount of documentation kept as products go

through the internal review cycle. Management plans to document the process, and maintain verification that the appropriate processes were followed.

However, management did state, "We respectfully disagree with the description of information being inaccurate or inconsistent 'in many cases,' given the level of media inquiries, numbers of statements, interviews, briefings, etc., that was being handled; although 'in several cases' the initial information was incorrect."

(The complete text of the comments provided by the SVP, OE&R, is provided in Appendix C.)

**Auditor's Comments** – As reflected in the report, we recognize the tremendous amount of media inquiries TVA received regarding the KIF ash spill and made the change suggested by management. We concur with TVA management's actions or planned actions.

**TVA HAS RESPONDED EFFECTIVELY TO VICTIMS IN THE AFFECTED AREA, HOWEVER, FAILURE TO COMMUNICATE THE CLAIMS POLICY AND DECISIONS IN A TIMELY MANNER INCREASED SETTLEMENT EXPECTATIONS FOR SOME**

TVA has effectively responded to the needs of the individuals and communities impacted by the spill. Some of TVA's key actions to date include: (1) meeting the immediate needs of affected individuals, (2) working with the communities to establish a Long Term Recovery Committee and the Alliance Hauling contract, and (3) acquiring impacted properties. However, failure to communicate the claims process in a timely manner increased settlement expectations for some.

**Immediate Needs**

As previously stated, TVA addressed immediate needs by providing housing, gift cards for food and clothing, cellular telephone service, and cash to replace Christmas gifts. Specific actions included:

- Reserving 30 hotel rooms;
- Providing Visa and restaurant cards for meal purchases;
- Purchasing cell phones for residents whose phone service was disrupted;
- Having insurance representatives assess damages;
- Moving mailboxes to address concerns caused by increased traffic;

- Cleaning roads, driveways, and mailboxes in affected areas;
- Installing 10,900 feet of safety fence along the shoreline to protect pets and children;
- Delivering Tennessee Department of Health information about the health of the reservoirs around the affected areas to approximately 20 marinas and campgrounds; and
- Supporting local utilities with restoration of electric, gas, and water lines, and hooking up water lines to other affected residents.

### **Restoration of the Community**

TVA is also addressing the larger, community-wide needs. TVA has stated it will make the community better than it was before the spill. While community leaders feel TVA is doing a good job, they are quick to point out that it is still early in the recovery process, and TVA needs to continue to work with the community. Two areas specifically highlighted include working with the community to establish (1) the Long Term Recovery Committee and (2) the Alliance Hauling contract.

The Long Term Recovery Committee is composed of half elected official and half concerned citizens. The Committee is working with TVA to prioritize the community wish-list. To make the community whole, TVA has received numerous requests for improvements which are forwarded to the committee. The Committee is tasked with determining the improvements of greatest importance to the affected communities. TVA remains challenged by the task of balancing on the one hand what is appropriate for restoring and improving the community, and on the other hand, being a good steward of the costs charged to the ratepayers of the rest of the Valley.

Following the spill, concerns were raised to local officials regarding TVA's use of contractors from outside the area. Contractors in the Kingston area felt that because they had been impacted by the spill, they should have the opportunity and be given priority to perform work as part of the recovery. TVA worked with local officials and contractors to establish the Alliance Hauling contract, which was a consortium of local haulers, to ensure local participation in the clean up. The Tennessee State Representative for the Kingston community said this had a positive economic impact and helped TVA's image in the community.

### **Acquiring Impacted Properties**

As of April 7, 2009, TVA has acquired 70 tracts of land that encompasses approximately 225 acres and has spent about \$20.1 million in the acquisition of properties in the affected area. TVA has developed a list of additional properties

that are being evaluated for acquisition. For those outside the designated affected area, property owners may request that their property be acquired by TVA and agency personnel will evaluate the merits of the request on a case-by-case basis. These property owners must show a direct adverse affect to the value of their property due to the ash spill. TVA continues to have the challenge of what is deemed to be affected. TVA recently sent "no purchase," "deferred," and "diminished value" letters to 342 claimants. Specifically:

- TVA sent 189 "no purchase" letters which stated, "In reviewing your request, we considered whether there is physical damage to your property, the location of your property in relation to the ash spill, and the location of your property with respect to areas impacted by current recovery efforts. Based on our review of these criteria, we have found no reason for TVA to purchase your property or offer compensation for any diminished value of your property."
- TVA sent 18 "deferred" letters which stated, "We will not know if or to what extent your property will be impacted until the long-term recovery plan is completed. Accordingly, TVA will not, at this time, offer to purchase your property or respond to your claim for diminished value. We will reconsider your request and make a final decision with respect to your property once a long-term recovery plan is approved. I cannot at this time, however, tell you when this final decision will be made."
- TVA sent 135 "diminished value" letters which stated, "In reviewing your request, we considered whether there is physical damage to your property, the location of your property in relation to the ash spill, and the location of your property with respect to areas impacted by current recovery efforts. Based on our review of these criteria, we have determined that TVA will not offer compensation for any claimed diminished value of your property."

While the officials we interviewed noted that TVA overall has done a good job of providing information, being responsive to questions and concerns, and meeting the needs of victims, concern was expressed by some Roane County residents about a lack of communication from TVA regarding the property acquisition criteria. Some residents state that TVA did not respond to their claim in a timely manner. Many of these claims are those that lie outside the boundaries of what TVA has determined to be the affected zone. According to Roane County officials, TVA has not fully communicated its claims policy. In addition, TVA has raised settlement expectations of some claimants by not making claims decisions in a timelier manner. When these concerns were discussed with the SVP, Corporate Responsibility and Diversity (CR&D), he stated communication improvement opportunities exist and the time needed to respond to claims may have raised some expectations about potential settlements. However, the basis for purchasing properties impacted by the spill and the overall claims process

were communicated. After discussion with the SVP CR&D, we agree aspects of the individual claim negotiation and settlement process involve sensitive and confidential information which cannot be disclosed. This continues to be a hard spot going forward in TVA's efforts to communicate with the public. As noted above, denial, deferral, and diminished value letters have just been recently issued to claimants.

**Recommendation**

TVA should continue to work with the committees and local residents to improve the communications related to TVA's property acquisition and claims process.

**Management's Response** - TVA management agreed with the recommendation for TVA to continue to work with the communities and local residents to improve the communications related to TVA's efforts with property acquisition and claims process.

(The complete text of the comments provided by the SVP, OE&R, is provided in Appendix C.)

**Auditor's Comments** - We concur with TVA management's actions or planned actions.



## **OBJECTIVE, SCOPE, AND METHODOLOGY**

The objectives of our overall review are to determine (1) the causes of the spill, (2) the adequacy of TVA's response to the spill, and (3) what TVA can do to assure the public that a similar spill will not occur again at this or any other TVA plant. This report addresses (1) TVA's initial emergency response, including implementation and utilization of the National Incident Management System (NIMS); (2) TVA's actions to quickly respond to the media; and (3) reparations to the victims. To achieve the objectives of this interim report, we:

- Conducted interviews with selected TVA management, TVA staff assigned to the ash spill recovery, key community leaders, and TVA consultants.
- Obtained and reviewed the KIF Emergency Response Plan, the Agency Emergency Response Plan, and National Incident Management System (NIMS) information.
- Documented TVA actions to facilitate the communication of information to the victims, public and media and reviewed media articles and TVA statements.
- Performed walkdowns of KIF site.
- Obtained and reviewed engineering, emergency response/recovery, and other documentation pertaining to the KIF ash spill (e.g., photographs, permits, recovery plans, community outreach documents, engineering drawings, claims information, etc.)
- Attended key TVA meetings, which included amongst others TVA's consultants, TDEC, EPA, and U.S. Fish and Wildlife Service.

This review was conducted in accordance with the Quality Standards for Inspections.

5/8/09

**Comments on OIG Questions**

**(OIG input in italics)  
(TVA comments in regular type)**

**Overview**

In government and business settings, media relations specialists typically field multiple incoming calls from members of the news media each day and are available to respond to media inquiries 24/7. For example, TVA's media relations activities in a "typical" year include the following:

- About 1,500 media calls
- About 25 media events (news conferences, briefings, etc.)
- About 250 interviews arranged
- More than 3,000 news articles published about TVA

Information for responding to media inquiries comes from existing, prepared information, if available and applicable, and from direct communications with subject-matter experts. A media relations specialist may ask the subject-matter expert to conduct an interview with the reporter but often gathers the information and provides it to the reporter directly. Operational objectives include conveying TVA information accurately and in context, responding quickly, and conveying the information in non-technical language so it communicates effectively to the news media and the public.

Every effort is made to respect and honor media deadlines although, given the complexity of TVA's business, many requests are more technical in nature and may require more time to assure an accurate response.

In preparing news releases, statements, and other documents for release to the news media and public, staff members ensure that subject-matter experts and appropriate executives review and approve information for public dissemination. To develop such a product, staff members gather information from an internal source in the TVA organization responsible for the program or topic, or staff members work from an initial draft prepared by the internal source. Once a draft is developed, staff members request reviews from subject-matter experts and executives with oversight responsibility. These reviews and associated corrections and revisions ensure that the non-technical communications staff accurately translates technical language in a way that communicates effectively to the general public. Preparation for a live interview or conversation with a reporter is similarly based on information from source documents and subject-matter experts. Interaction between staff and members of the news media, including media calls, interviews, and news releases, is documented daily, and media coverage is reviewed daily.

Even with significant preparation and fact-checking, questions from the media, particularly in a live setting, occur in real time and are often unanticipated. While we

strive to be as prepared as possible and to provide accurate, timely responses, each interview is unique and each news report is unique, as well.

Spokespersons and the organizations they represent have no final authority over how the information they provide is reported in the news media – that is, what information is used or discarded, whether the information is conveyed accurately, how the information is interpreted, or even whether the information is misunderstood, misconstrued, or misrepresented.

For the purposes of responding to the specific items requested below, we will assume that media relations staff members and others were quoted accurately for the most part and that their comments were generally presented in context.

**1. January 8, 2009 – Times Free Press – Gil Francis** - *Ash ponds at all of TVA's coal plants are inspected by both state and TVA environmental officials every year and by plant regulators every three months, Mr. Francis said. "These ponds are appropriately managed and there are not any integrity problems."*

*A transcript of a February 2, 2009 PBS Online NewsHour interview, shows that Ron Hall, Kingston Plant Manager, was questioned on whether a spill could happen at another location in the country. Mr. Hall responded that "there are quite a few other wet storage systems across the country. Until we understand what caused this failure, it will be speculation to say that they're at risk or not." Additionally, TVA had hired an engineering consulting firm, Stantec Consulting Services, Inc. (Stantec), to observe the coal ash disposal facilities at all active and closed fossil plants and report visible signs of distress that needed immediate attention or an engineering evaluation. Stantec continues to provide analysis at the plants to determine if there are any problems.*

The TVA spokesperson based his comments about the structural integrity of TVA ash ponds on numerous discussions with TVA subject-matter experts, primarily Missy Hedgecoth, Manager of Coal Combustion Byproducts, and Jamey Dotson, Byproducts Program Manager. His comments address TVA's inspection methods in general, as indicated by the context of the quote. The conversation did not attempt to address any specific cause of the problem at Kingston or the potential for a problem at any other location.

Specifically, the text that appears immediately before the reference to "not any integrity problems" is as follows:

"TVA spokesman Gil Francis has said plant workers at other TVA coal plants immediately conducted special inspections of the ash ponds after the Kingston spill. He said engineers are reviewing records for any signs of trouble at the other plants.

"Ash ponds at all of TVA's coal plants are inspected by both state and TVA environmental officials every year and by plant regulators every three months,' Mr. Francis said. 'Also, plant workers look for any leaks or pond problems every day,' he said.

"There are at least three levels of inspections at each plant, and that is ongoing,' he said. 'These ponds are appropriately managed, and there are not any integrity problems.'"

Background materials used by the media relations staff as source documents for these and related comments are the preliminary (now final) Kingston Fossil Plant Annual Ash Pond Dike Stability Inspection 2008 and associated fact sheet; those documents are posted on tva.com. Background materials also include the 2007 annual inspection report.

In this instance, Mr. Hall's statements were cautionary in nature and correct. While Mr. Francis provided significant context about inspection procedures for the ash ponds, his reference to "not any integrity problems" at the ash pond would have been more accurate and cautionary if he had added "there are not any integrity problems that we are aware of" or "that have been identified."

**2. January 6, 2009 – Knox News – Gil Francis** - *TVA spokesman Gil Francis said the earlier leaks were not related to last month's spill*

*During Kilgore's testimony before the Environmental and Public Works Committee on January 8, 2009, Senator Boxer brought up the Tennessean article that talks about the previous problems with the KIF dikes and TVA choosing the least costly option. In response Kilgore said the following, "We don't know until we finish the failure investigation." He said, "he was interested in determining if the mechanism and the location were the same" as the previous issues.*

Sources for Mr. Francis' comments were discussions with subject-matter experts (primarily Missy Hedgecoth and Jamey Dotson) and the inspection materials referenced above. As the referenced article notes, Mr. Francis said the earlier leaks "were in a different area from the section that TVA officials believe caused the breach" on December 22.

As was the case with the *Times Free Press* story above, Mr. Francis' conversation with the reporter generally addressed TVA's inspection methods and findings; the conversation did not attempt to address any specific cause of the failure at Kingston.

Mr. Kilgore's response to a question from Senator Boxer at the January 8, 2009, hearing reiterates his desire for complete information on the cause of the failure ("I would like to get the failure investigation complete and know exactly what the cause was"). His remarks also reflect similar observations. The hearing transcript indicates that in responding to Senator Boxer's question referenced above, Mr. Kilgore said "What I am interested in finding out is whether or not the mechanism was the same, whether the location (sic). Those locations were on the west side of the dike. It appears to me, just from a layman's standpoint, that the dike went north. So the location appears to be different."

**3. January 1, 2009 – NY Times – Jim Allen** - *"TVA has every confidence in the integrity of its sampling methodologies as well as those of the Tennessee Department of Environment and Conservation and the Environmental Protection Agency. TVA also is obtaining independent sampling."*

*In discussions with a TVA Environmental Project Manager, it was noted that TVA had not sought out any third party testing.*

The federal Environmental Protection Agency, Tennessee Department of Environment & Conservation, U.S. Department of Energy, Oak Ridge National Laboratory, Tennessee Wildlife Resources Agency, and the Army Corps of Engineers have all collected samples at the site. Agencies other than TVA validate their own data and publish the information to their Web sites. They share information with TVA, and TVA posts links to other agencies (and their data) directly from the TVA Web site.

As reported in a news release from the Roane County Joint Information Center on January 2, 2009, primarily on water sampling by EPA, TDEC, and TVA, "Each agency is using certified labs for analysis, including EPA's facility in Athens, Georgia, the state of Tennessee lab in Nashville and independent certified labs in Maryville and Mt. Juliet."

For air quality sampling, TVA has contracted with the Center for Toxicology and Environmental Health (CTEH), for air monitoring. CTEH has in place an ambient air-monitoring network in the community around the spill site. This network was designed and implemented in collaboration with the Environmental Protection Agency and the Tennessee Department of Environment & Conservation.

When the reporter's call was received, EPA, TDEC, and TVA had done water quality sampling, and the reporter was asking for updated results. (JIC news release number 2, dated December 29, 2008, already reported water sampling results from the EPA and TDEC and air monitoring by EPA and TVA.) Sampling results claimed by an independent citizen group were also receiving media attention, thus Mr. Allen's reference to TVA's confidence in the integrity of its sampling methods. Mr. Allen also provided news release of December 31, 2008, from the Joint Information Center to inform the reporter of JIC hours of operation and briefing and tour schedules.

While we do not know the origin or context of statements by an environmental project manager, a number of agencies have conducted and reported a large volume of independent sampling.

**4. April 1, 2009 – Tennessean – Tom Kilgore & Anda Ray - Kilgore and Ray said it was too early to say whether TVA would cover health-care expenses if a link can be established.**

*Kilgore's written testimony from the January 8, 2009, congressional hearing stated "We are committed to do a first-rate job of remediation of the problems caused by the spill..."*

*In a March 9, 2009 Environment News Service article, Ray is quoted as saying "We have committed to making things right for the people in the area, and that's what we will do."*

*In a March 4, 2009 volunteertv.com article, Gil Francis, a TVA spokesman, was quoted as saying, "We have committed to making things right for the people of Roane County and that's what we'll do."*

TVA is developing a plan to respond to individual health concerns, including a process for determining whether there are health effects that may be related to the ash released from Kingston. For this reason, we have contracted with Oak Ridge Associated Universities to provide community members and the local medical community with access to medical and toxicology experts. Because details of this effort have not been fully developed, however, it continues to be accurate to say that TVA has not made a final decision yet regarding the means and manner of handling coverage of health-care expenses if a link were to be established.

TVA's commitment since December 22 has been to restore conditions and "make things right" for the people of Kingston. TVA has expressed that commitment consistently, and the comprehensive recovery efforts in the Kingston area demonstrate that commitment.

This commitment is not an unequivocal endorsement for paying any claim that might be filed. For example, we have worked with area property owners and residents on an individual basis in the evaluation of their claims, and we will continue to do so as we work to fully restore the area.

This approach is reflected in the April 1, 2009, *Tennessean* article quoted above. The article reports that both Mr. Kilgore and Ms. Ray said TVA will have experts determine whether residents' exposure to ash can be linked to illnesses. It also reports that Mr. Kilgore said that the cost of this work by ORAU would depend on how much work is involved.

Meanwhile, TVA has made available through its Web site and distribution at public meetings the "Coal Fly Ash Release Fact Sheet" provided by the Tennessee Department of Health. The fact sheet reports that TDH has conducted a health needs assessment, reviewed environmental data, and continues to test air, water and soil samples at its laboratory.

**5. February 18, 2009 – News Channel 5.com – Tom Kilgore - CEO Kilgore said he does not expect a rate increase to help cover the cost.**

*A February 14, 2009 Knoxvillebiz.com article noted that Kilgore said he could not estimate how much of the cost to clean up the spill would be borne by TVA ratepayers. He was quoted as saying "The worst-case scenario would be 100 percent." The article also stated that Dennis Bottorff, TVA director, included raising rates as one of several options for covering the cost of cleaning up the spill.*

*A January 13, 2009 Associated Press article noted that TVA officials say the cost of the cleanup will be borne in the electric rates of the 9 million consumers TVA serves across Tennessee and parts of Alabama, Kentucky, Mississippi, Georgia, North Carolina and Virginia.*

TVA is evaluating several potential sources for funding the recovery effort at Kingston, including insurance, using a portion of a trust fund established for the retirement of non-nuclear assets, using debt for funding over a longer period, and recovering some of the costs directly through rates. TVA officials have stated consistently that some or all of the cost of the Kingston clean-up likely would be incorporated into power rates. As the

range of options is considered, however, individual Board members and executives may well express their points of view, and those points of view can be expected to vary with the individuals and over time. In this case, the addition of the word "immediate" in terms of the expectation of a rate increase might have added more clarity to Mr. Kilgore's statement.

June 8, 2009

Ben R. Wagner, ET 4C-K

COMMENTS ON DRAFT INSPECTION 2008-12283-01 – KINGSTON FOSSIL PLANT  
ASH SLIDE INTERIM REPORT

Thank you for the opportunity to comment on the draft interim report for the Kingston Fossil Plant ash slide. We appreciate the extra effort of the auditors, involved in preparing this report, and in re-verifying information where it was conflicting or unclear. We are providing comments in four sections:

- I. Factual Background
- II. TVA's Emergency Response to the Ash Spill
- III. Information Releases and Media
- IV. Reparations to the Victims

I. FACTUAL BACKGROUND

Also on page 1, please add the word "visual" in the last sentence of the second paragraph of the section ASH PONDS to state, "The last KIF ash pond visual inspection was..."

II. TVA'S EMERGENCY RESPONSE TO THE ASH SPILL

OIG Recommendation (page 13):  
TVA management should:

- (1) As previously committed, consider taking all necessary actions needed for full implementation of NIMS including, but not limited to, modifying all ERPs to include NIMS principles and language.
- (2) Ensure employees complete all emergency response training as required by TVA and NIMS.
- (3) Consider implementing the best practices identified by the Director.

COMMENTS ON RECOMMENDATIONS:

- (1) We agree that TVA should ensure full implementation of NIMS as previously committed. TVA will review all ERPs to ensure appropriate NIMS principles and language is included.
- (2) We agree with the recommendation to ensure employees complete training requirements. Through use of TVA's on line Environmental Compliance and Awareness Training Assessment (ECATA) system, managers will ensure employees complete the required training as appropriate.
- (3) We agree to evaluate the implementation of best practices identified by the Roane County Emergency Management Director.



Ben R. Wagner  
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### III. INFORMATION RELEASES AND MEDIA

OIG Recommendation (page 16):

*To avoid accusations against TVA of engaging in defensive 'spin,' TVA should consider establishing a clearly defined protocol that requires verification from more than one source before releasing a statement to the media. TVA should scrutinize press releases to determine if enough information is available to issue a reliable statement. The test for TVA press releases should be, "Is it the transparent truth?" We also recommend that documentation be maintained to verify that this process was followed and the media statement was approved by an appropriate TVA official.*

We appreciate the OIG's acknowledgement of the 'unprecedented media coverage,' and consequently, enormous challenge faced with the Kingston event to convey important information as quickly and accurately as possible even as the scope of the incident was still being determined and emergency procedures implemented. The spill itself did TVA significant reputational harm, and compounded the need for TVA's media and public response to be as timely and accurate as possible under extremely difficult circumstances.

We agree with the stated need for a 'clearly defined protocol,' and in fact, have procedures in place for processing media requests and developing and reviewing documents for release. We are also increasing the amount of documentation we keep as products go through the internal review cycle. Reviews typically involve multiple parties reviewing and commenting on documents, and we work to ensure the accuracy of documents while also being as responsive as possible to deadline pressures faced by the news media.

Taken to the extreme, however, a review process can produce diminishing returns, if, in fact, it dramatically delays a response to a time-sensitive question from the media.

Please bear in mind that not every communication to the news media is in the form of a press release or media statement. Realistically, live interviews, briefings, question-and-answer sessions, and other communications are done in real time, and while the need for accuracy remains, those types of communications may be expected to include some degree of variability.

For example, the report mentions the use of a preliminary number on the amount of ash spilled. Initial estimates, as the OIG report indicates, were provided based on historical records and best estimates. As more accurate information became available following the aerial survey, the figure was updated to the news media.

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The description of some outreach activities on page 7 of the report indicates the level of activity and TVA's willingness and efforts – from the Chief Executive Officer (CEO) down – to provide information on what we knew about the incident as quickly as possible. Given the interest in the spill, and the public's need to know, we made every effort to be as transparent as possible in providing information in real time as we knew it. TVA staff was handling multiple media calls from news outlets across the country, even as engineers and others assessing the situation were reviewing conditions, data and other pertinent information.

We respectfully disagree with the description of information being inaccurate or inconsistent 'in many cases,' given the level of media inquiries, numbers of statements, interviews, briefings, etc., that was being handled; although 'in several cases' the initial information provided was incorrect. The pace was extremely hectic in the immediate weeks following the spill, and we worked diligently to ensure accuracy and transparency in our responses with staff based at both the Joint Information Center and subsequently, the Local Information Center, in addition to having a staff member embedded at the Incident Command Center for fact-checking purposes with subject matter experts at the site.

We acknowledge that some errors were made, particularly in the first 24 to 72 hours following the spill. In our desire to be as responsive as possible in a difficult situation, and as information continued to move quickly and change rapidly, our goal was to provide as much timely information as we could. We regret these mistakes, as our goal is to respectfully earn the public's trust.

Spokespersons and the organizations they represent have no final authority over how the information they provide is reported in the news media, what information is used or discarded, whether the information is conveyed accurately, how the information is interpreted, or even whether the information is misunderstood, misconstrued, or misrepresented.

For example, the report references a headline from a television station indicating that the CEO "did not expect a rate increase" to help cover the cost of the Kingston spill. The headline might have been based on a question posed at a legislative hearing when the CEO was asked if he expected a sudden rate increase to help cover the cost, to which he replied that he did not.

The communications staff at TVA strives in earnest to provide facts that are accurate and verifiable, and understands the need to be trusted, knowledgeable, and reliable sources of information on TVA.

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COMMENTS ON RECOMMENDATIONS:

Overall, we agree with the OIG's recommendation of the importance of protocols and verification processes prior to the release of media statements. We will document the process, and maintain verification that the appropriate processes were followed.

OIG Recommendation (page 19):

*TVA should continue to work with the communities and local residents to improve the communications related to TVA's property acquisition and claims process.*

The report recognizes that TVA has effectively responded to the needs of the individuals and communities impacted by the spill. It accurately details the actions that TVA employees and retirees have taken over the last several months to meet the needs of our neighbors.

COMMENTS ON RECOMMENDATIONS:

We agree with OIG's recommendation for TVA to continue to work with the communities and local residents to improve the communications related to TVA's efforts with property acquisition and claims process.

Again, we appreciate the opportunity to comment. If you have any questions or need additional clarification, please let me know.



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