Kleen Energy's fatal deal - Full version



By Katie Benner, writer

September 10, 2010: 12:17 PM ET

FORTUNE -- When the natural gas ignited, it caused a blast so powerful that people 30 miles away thought there had been an earthquake. Inside the almost finished power plant in Middletown, Conn., around 11:15 a. m. on Feb. 7, the explosion blew the siding off the structure, crumpled construction trailers, and sparked a conflagration that sent a dense plume of black smoke hundreds of feet in the air. Six men died. Another 50 were injured, some of them gravely.

They had all been laboring at the Kleen Energy plant that Super Bowl Sunday, pushing to wrap up construction ahead of schedule so that the lead contractor could collect a \$14 million bonus for early completion. The cause of the disaster was

identified almost instantly: a "gas blow" gone awry. In theory, it's a simple procedure -- highly pressurized nitrogen, steam, air, or natural gas is propelled through pipes to clean out debris. Natural gas is the most dangerous choice; safety depends on dispersing the gas effectively and avoiding even the slightest spark. At the Kleen plant large quantities of gas were vented into a partially enclosed area that had a door that opened into a space where pipefitters were using blowtorches and open-flame industrial heaters warmed the men on a frigid winter day.

In retrospect, it wasn't surprising that something went wrong. There was no safety meeting that morning. Workers complained about the strong smell of gas, according to their affidavits, but were told to keep working. "This is a gas plant -- what do you expect to smell?" a supervisor said, according to the affidavits, only moments before losing his life in the explosion.

The federal authorities rendered harsh judgments. The Occupational Safety and Health Administration concluded in August

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that the construction firms "blatantly disregarded well-known and accepted industry procedures." OSHA cited 370 violations and imposed a \$16.6 million fine, its second largest ever (exceeded only by the penalties for BP's (BP) Texas City refinery explosion). The Chemical Safety Board deemed the Kleen accident "preventable." Criminal investigations are ongoing, and the inevitable wave of civil litigation has begun.

There will be endless squabbling about who had what responsibility in the calamity. But that ignores the bigger mystery: How did this power plant, the sort of heavily regulated, billion-dollar engineering challenge usually developed and built by a handful of multinational construction behemoths, end up in the hands of a homegrown trio -- a Connecticut construction firm, a former city councilman, and a garbage hauler in his seventies? That's not just a historical question either, since the same firm has repaired the plant, restarted construction, and expects to open it next year. This is a tale of a trio who smoothly navigated local politics, sweettalked the legislature, and outmaneuvered a Fortune 500 corporation to win a giant prize. But ultimately their understanding of power (the political kind) would far exceed their understanding of power (the electric kind).

No Kleen without Armetta

If you own the joint, you can enter any way you like. Phil Armetta is driving me to visit the outer reaches of the Kleen Energy site. He sees no need to use the main entrance. Instead Armetta steers his Lexus off the town road, through a gate with a no trespassing sign, and into a dusty, unpaved

expanse with rocks the size of baseballs, before sailing slowly and majestically down the side of a steep embankment and landing on a rough construction road. "I used to drive a cab in New York City," he assures me as I flinch. "We're fine."

There would be no Kleen Energy without Phil Armetta, who bought the land and hatched the idea for the power plant. He's an institution in these parts -- owner of the memorably named Dainty Rubbish and sometimes referred to as a "trash magnate" in the local press. At 79, the Brooklyn native is bursting with energy, charm, and affability. "I used to dream of girls, and now I dream of projects," he croons, though you get the feeling he hasn't completely forgotten the charms of the opposite sex.

Armetta presents me with a three-ring binder filled with details of a half-dozen past and current business ventures, a biography, newspaper clippings, and a collection of his maxims. The biography cites "my first visit to an incinerator" as helping inspire his career in garbage. "You make your money when you buy, not when you sell," he tells



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me. "That's in the book."

As Armetta sees it, Kleen is a story of renewal. Its site was ravaged by decades of feldspar mining. Hoodlums used to congregate there, and it was used as an illegal dumping ground. But Armetta saw potential, and in 2000 he scooped up the 137 acres on the Connecticut River for a mere \$300,000.

Beyond professions of regret for the lives lost in the explosion -- " Deaths like these are always tragic" -- Armetta deflects questions about sensitive topics by repeatedly saying, "I'm just a high school dropout," and suggesting that I talk to his partners. Despite the tragedy, Armetta maintains the plant will be a boon. Connecticut depends on outdated coal-fired plants, and Kleen will boast gas turbines that provide electricity to power one-fifth of the state's homes while emitting dramatically less pollution than coal. He claims the plant will save consumers \$1.25 billion over 15 years. "Everybody makes out," he says. "We lower prices, it helps consumers. We make hundreds of jobs. And since it's a cleaner plant, it should be easier to sell."

A tight-knit community

Electricity was a politically charged issue in the first years of the new millennium.

Deregulation in the 1990s separated the selling of electricity (still handled by utilities) from the production of electricity (now handled by independent power companies).

Once expected to reduce energy bills, deregulation led to outlandish rate increases and turmoil in California (aided by Enron), terminating the career of Gov. Gray Davis.

Meanwhile, electricity use was rising, and

states needed to find new sources.

In 2004, New England's power authority proposed a plan to divide the region, which till then had shared capacity, into four separate markets. Connecticut lawmakers feared this would raise rates for its residents because parts of the state consumed more power than it could produce or import economically. The state, it appeared, needed new power sources.

It's in that context that Phil Armetta and his partners, O&G Industries, a \$613 million firm best known for constructing roads and buildings, and local political broker William Corvo, launched their plans for the Kleen plant. Armetta and Corvo are prominent figures in tight-knit Middletown, home not only to a long-standing community of Sicilians but also to many descendants of a single town there, Melilli. Armetta, who regularly visits family and associates in Sicily, has developed several ventures that required municipal government cooperation, including two waste-to-energy plants.

Corvo, 59, is the son of Biagio Max Corvo, a



local hero who was born in the village next to Melilli and worked with Sicilians and their émigré families to gather intelligence for the Office of Strategic Services during World War II. Max published the Middletown Bulletin, the source for local political scuttlebutt, and though he never held office, he was a political adviser and revered civic figure. William Corvo is a smoother, but less venerated, version of his dad. Known to all as Billy, Corvo is short, stout, and wellconnected. He served in Middletown's city council from 1991 to 1993 and is often described as brilliant, less often as too clever by half. The Kleen project would make him a formidable local presence. (Corvo declined to be interviewed for this article.)

As for O&G, the majority of its contracts are within the state of Connecticut and with its universities.* Its name figured in the controversy that led to Gov. John Rowland's 2004 resignation. O&G was benefiting from large state contracts for roads and office buildings even as it renovated Rowland's weekend home.

When it came to Kleen, the trio of partners had a clear division of labor, Armetta says: "I bought the property, Billy did the permits, and O&G brought the know-how and a lot of money. One of those three legs goes, and the stool is broken. No project."

Kleen faced some local opposition, particularly from a man named Earle Roberts, who wanted the site made into a nature conservation area. But Kleen knew how to play politics. It promised residents they'd benefit from taxes paid by the plant. And when the town approved a proposal for Kleen to draw water from the aquifers beneath the site (water is essential for a

power plant), the company spent about \$13 million on an extra pump for the town so that it, too, could draw water for residents.

The benefits flowed in both directions. Then-mayor Domenique Thornton inked a generous tax deal with Kleen in 2003. The electric plant's tax bill was based on the facility's proposed \$260 million cost in 2002. Over the decade, construction and land prices soared. The plant and property are now worth \$760 million, but Kleen will pay taxes on the original assessment. "So much for that great source of tax revenue," says Roberts.

Just how close was Kleen to Middletown? For several years Kleen actually paid the lawyers representing the town on the power plant issue. Mayor Sebastian Giuliano (who took office in November 2005) put an end to the practice in 2006. Corvo shrugged it off. The law firm, he told the Hartford Courant, "would send the bills to the city, the city would review them and send them to us, and we'd pay them. I didn't have control or direction" of the law firm.



The hands-down winner

For all its progress, by 2004, Kleen was stymied. It had won key permits, but nobody wanted to lend hundreds of millions of dollars for merchant power plants, especially one proposed by a trio of neophytes. So Corvo hired a prominent former assemblyman, Richard Balducci (still known) as "Mr. Speaker"), to lobby the state legislature. Balducci delivered: The 2005 Energy Independence Act contained a provision tailored specifically for Kleen. It mandated a handful of new power plants and required that Connecticut utilities guarantee predictable, steady revenue for those facilities. That would be a game-changer for Kleen: Lenders would undoubtedly fund a project with state-assured revenues. "Corvo was actually a visionary here," says Don Downes, who headed the state's Department of Public Utility Control (DPUC) at the time. "The legislature wrote the bill, but they were not necessarily the intellectual authors."

The law also required competitive bids for the new plants. The only serious threat to Kleen came from NRG Energy (NRG, Fortune 500), a \$9 billion public corporation that has operated plants in Connecticut, including one in Middletown, for years. NRG proposed transforming one of its coal facilities into a bigger gas-fired plant, a low-cost way to add energy to Connecticut's grid.

NRG expected to prevail, but it blundered. The giant corporation didn't realize that the most important selection criterion was new generation capacity. The company's proposal to refurbish a plant didn't add as many megawatts as building something from scratch.

On May 3, 2007, the DPUC named Kleen the winner. The good news was tempered only by the fact that Armetta had experienced an unfortunate brush with the law. Well, a bit more than a brush: He was indicted by federal prosecutors as part of a case alleging a conspiracy among a large group (including two alleged members of the Genovese crime family) to control the state's garbage contracts. Armetta was charged with one count of extortion "induced by the wrongful use of actual and threatened force, violence and fear" and ultimately pleaded guilty on April 27, 2007, to concealing his knowledge of racketeering in the industry. Armetta says he took the plea to save Kleen's chances at financing. He placed his stake in a trust, with his children and long-time secretary as beneficiaries, and relinquished any control of the partnership.

Once Kleen had regulatory approvals and a guaranteed contract with Connecticut Light & Power, financing quickly followed. In May 2008, Energy Investors Fund, a \$2.4 billion private equity firm that specializes in power projects, took an 80% stake in Kleen in exchange for about \$350 million and an



agreement to raise additional money.
Goldman Sachs (**GS**, **Fortune 500**) and BNP
Paribas financed the project, along with a
consortium of banks. In total, EIF helped
Kleen raise \$985 million in loans and credit
facilities. Project Finance magazine named it
the North American Single Asset Power Deal
of the Year.

We're not just the contractor...

There was one more oddity to come in the Kleen saga. O&G, one of the three developers, had made its name building r oads and office buildings. But it also harbored ambitions for power plants. It had worked on four small to midsize operations but had been the lead contractor on only one of the jobs, a 116-megawatt electrical engineering station.

Plants of Kleen's magnitude -- 620 megawatts -- are almost always built by a h andful of giant construction firms, such as Bechtel or Fluor (FLR, Fortune 500). "The larger the plant, the greater the complexity," notes Jeff Merrifield, a senior vice president in the power group of Shaw, the construction giant. Merrifield argues that to handle jobs of this magnitude, a firm needs a division that does nothing but lead and oversee mammoth projects. O&G has no such division. Moreover, five power construction experts interviewed by Fortune say they've never even heard of O&G.

But when it came time to select a contractor for Kleen's plant, the developers -- which included O&G -- picked ... O&G. Kleen agreed to pay O&G \$760 million to deliver a plant by Nov. 30, 2010. O&G was entitled to a \$14 million bonus if it completed the plant early, according to Fitch's rating report on

Kleen's bonds. "It's the first time I have known [a lead] contractor that was also the owner and developer," O&G project manager Rick Audette told Business Excellence magazine in September 2009. O&G insists in a statement that "without question" it had "the experience and resources necessary to deliver a project like Kleen Energy."

Allegations that O&G placed speed above all else are at the heart of the many lawsuits filed against Kleen, O&G, and its subcontractors. Kleen had a nearly flawless safety record before the blast, but workers say management never made safety a priority. Small violations, like not wearing protective gear, were ignored by O&G, whereas on other sites workers would be issued warnings or even escorted off the job. OSHA's report portrayed a site where safety was the last consideration. In a statement, O&G, which is contesting OSHA's findings, asserts that it "requires strict compliance with safety rules, regulations, and procedures from all those working on its sites. O&G routinely disciplines employees and censures contractors for noncompliance."



But eyebrow-raising choices were made at Kleen. Natural gas is so explosive that before a gas blow, contractors usually turn off electricity to avoid the chance of a spark, and clear a site of all but those involved in the blow. O&G left the electricity on. And the contractor not only told other workers to show up, but also directed them to perform tasks that produce open flames.

The companies that were in charge on the day of the blast are still in charge today. And there are signs the commitment to safety has not improved. According to multiple sources, O&G's safety director recently told workers that to avoid scrutiny, they should drive one another to the hospital rather than call 911 if they are injured. (O&G asserts that the director denies making the statement and adds that it is company policy and practice to call 911 when appropriate.)

The building goes on

These days Kleen is attempting a resurrection. The project faces a deadline it can't beat: Its permit from the Siting Council, the state regulator that oversees environmental reviews of power plants, expires Nov. 21. Kleen appears likely to win an extension, putting the plant on track to open in April, according to Corvo's testimony. But O&G is also contractually obligated to pay damages for any delay, which could well put the interests of O&G the contractor directly at odds with those of O&G the developer/owner.

Among the bitter ironies is that electricity use hasn't soared, and the 2004 plan to break up the New England market was dropped. The state that believed it needed new supply now faces a glut, and prices are

hovering at\$2.50 per kilowatt/month, well below the \$13.40 Kleen is guaranteed.

Armetta isn't worried. "I can guarantee you it's going to get done," he says. "Everybody makes out when this plant is done."
Especially Armetta. His guilty plea turned out to be a boon for him: Because he turned his Kleen stake over to a blind trust and was uninvolved in the project at the time of the accident, he is not a defendant in the explosion litigation. He sold the plant site to Kleen, has been paid developer's fees, and he and the beneficiaries of his trust will receive payments that he says could amount to tens of millions of dollars over the next two decades.

In the end the Kleen plant will be far more lucrative for Armetta and Corvo than their other joint power plant foray. The two entered a bid to construct one in Melilli but lost. "Our connections were in Sicily," Armetta says. Alas, the decision was made in Rome.

*Editor's note: An earlier version of this story incorrectly stated that the majority of



O&G's contracts are with the state of Connecticut and its universities. The majority of O&G's contracts are within the state of Connecticut and with its universities.





Close

Kleen Energy companies fined \$16.6mn for deadly explosion

5 August 2010-- The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) fined three construction companies and 14 site contractors a total of \$16.6 million following an investigation into the causes of the <u>February 7 fatal explosion</u> at the <u>620 MW Kleen Energy</u> natural gasfired power plant in Connecticut. Six workers died and 50 others were injured.

A gas blow was being performed in which natural gas was pumped under high pressure through new fuel gas lines to remove debris. The <u>U.S. Chemical Safety Board</u> said 400,000 standard cubic feet of natural gas, <u>enough to fill a professional basketball stadium</u>, was vented into areas where it could not easily disperse and where welding and other work was being done, and sparks from the construction equipment ignited the gas and caused the explosion.

OSHA has cited O&G Industries Inc., the project's general contractor; Keystone Construction and Maintenance Inc., which was in charge of the piping and oversaw the gas blow; and Bluewater Energy Services Inc., the commissioning and startup contractor for the plant.

O&G has been issued 119 willful, 17 serious and three other-than-serious citations with penalties totaling \$8,347,000. Keystone Construction and Maintenance was issued 94 willful, 16 serious and one other-than-serious citation with fines of \$6,686,000. Bluewater Energy Services was issued 12 willful citations and eight serious citations totaling \$896,000.

All three companies were cited for performing the gas blow procedure in a way that exposed workers to fire and explosion hazards, including the configuration of the vent pipes in close proximity to scaffolding and other structures, and the failure to remove non-essential personnel from the area. Citations were also issued for failing to install and use electrical equipment in accordance with its listing and labeling, allowing welding work during the gas blows and failing to train employees to recognize hazards associated with gas blows.

In addition to those three companies, 14 subcontractors have been cited for additional serious hazards with penalties totaling \$686,000.

OSHA defines a willful violation as one committed with plain indifference to or intentional disregard for employee safety and health. A serious citation is issued when there is substantial probability that death or serious physical harm could result from a hazard about which the employer knew or should have known.

"These employers blatantly disregarded well-known and accepted industry procedures and their own safety guidelines in conducting the gas blow operation in a manner that exposed workers to fire and explosion hazards," said Assistant Secretary of Labor for OSHA Dr. David Michaels. "We see this time

and time again across industries when companies deliberately ignore safety precautions in the interest of completing jobs quickly, and workers end up being killed or seriously hurt."

Each company has 15 business days from receipt of its citations and proposed fines to comply, meet with OSHA or contest the findings to the independent Occupational Safety and Health Review Commission.

As a result of the explosion, OSHA said it would issue a warning letter to natural gas power plant operators regarding gas blows, and the need to ensure that safety procedures and practices are implemented to prevent these disasters. The letter also advises on alternatives such as the use of nonflammable, non-explosive sources to clean the pipes.

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'As Day Went On, It Got Worse'

Kleen Plant Director Shaken By Lost Lives

February 14, 2010 | By BILL CORVO

I was called to the Kleen Energy power plant site in Middletown after the explosion last Sunday morning. When the power island came into view, I knew that I was going to experience one of the major tragedies in my life.

That was confirmed when rescue personnel told me that they had discovered the lifeless body of one of the workers. As the day went on, it got worse as each new casualty was reported. I had no names or faces of the departed — these were being kept confidential pending relatives being informed.

When asked to write about how I felt following the terrible events at the plant, where five people lost their lives and more were injured, I needed time to think.

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I needed time to think about the men who died and their families.

Monday, I was at the Kleen Energy gate when the van carrying the remains of those men passed between two rows of their brother workers, union leaders and others who gathered to pay their respects.

There were about 50 men and women in the crowd including Shaun Cashman, a former Connecticut Labor Commissioner, Jeff Merrow from Local 611 and Chris Cozzi of the operating engineers, as well as pipefitters and laborers who have worked at Kleen since the project started in 2007.

I went to see these working people who were in tremendous pain and suffering from this tragic loss. Shaun was kind enough to introduce me to those who did not know me and I was able to express my feelings to these friends and workers. I told them that this is not what I wanted — these deaths and injuries to people who were just trying to make a living.

As one of the developers of the Kleen power plant, I have always been proud that this project was able to supply jobs for so many people for so long. The construction company, O&G, had agreed to make this project a union job and, based on that, I gave my word and my handshake to Jeff Merrow and others that they would have a project labor agreement.

During one of the worst economic downturns in my lifetime, I was pleased that more than 700 families could count on decent paychecks and benefits. While people were working and making money, the Kleen Energy project was moving toward completion and achieving its goal of lowering electricity costs for Connecticut's consumers.

As the grim reality of last Sunday's events set in, I made a promise that I would not forget the people who died and were injured that day. I read about these men and their families and see that the finger of God has taken away good human beings who never did anyone harm and were only trying to make a living and enjoy their families.

Peter Chepulis, Ronald Crabb, Raymond Dobratz, Roy Rushton and Chris Walters are gone. I will make sure that they will not be forgotten.

•Bill Corvo of Middletown is a member of the board of directors of Kleen Energy Systems LLC.

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KLEEN ENERGY BLAST

First Lawsuit Filed In Kleen Energy Blast

By DAVE ALTIMARI, JOSH KOVNER and EDMUND H. MAHONY

February 23, 2010

Two electricians who survived the Kleen Energy power plant explosionin Middletownhave advertisement filed the first lawsuit against the contractor conducting the gas line purge that claimed the lives of six people and injured 26 others.

While some of the victims headed to court and investigators continued trying to piece together whether criminal charges would be filed, the national board that sets regulations for gas purges was prepared to discuss the tragedy at a meeting later this week in San Francisco.

The lawsuit, filed at Superior Court in Hartford by Timothy Hilliker and Harold Thoma, who both were working for Ducci Electrical Contractors Inc. of Torrington, alleges that the Feb. 7 purge was poorly supervised, that active welding and grinding were taking place on-site at the time of the explosion and that a gas-fueled torch heater was running at the time of the deadly blast.

"These guys showed up to work and had no concept of what was going on," said New Haven attorney Joel Faxon of Stratton Faxon, the firm representing the two men.

"There was no supervisor telling them what to do," Faxon said.

Faxon said that Thoma had just stepped out of the Ducci construction trailer when the blast occurred. He suffered head injuries and has been in and out of the hospital. Hilliker was in the trailer when the blast occurred and was thrown into a wall; he also had head injuries.

Faxon said his firm represents about 12 people who were working at the plant when the blast occurred. The lawsuit names O&G Industries, the general contractor for the billion-dollar construction job; Keystone Construction and Maintenance Services Inc., which was supervising the purge; and plant owner Kleen Energy Systems LLC.

Contractors were in the process of pumping nearly 700 pounds per square inch of natural gas through pipes when the explosion took place in the "courtyard" area between the two giant towers behind the power block building. Sources familiar with the investigation have told The Courant that on the final and largest purge, the gas was vented out of pipes into the courtyard area, creating a giant pool of natural gas that had nowhere to disperse.

The six workers who were killed were all working near one of the gas turbines in the back of the building, near a garage door leading into the courtyard. They were blown out of the building by the force of the blast.

Three of the men — Raymond Dobratz, 58, of Old Saybrook; Ronald Crabb, 42, of Colchester; and Peter Chepulis, 48 of Thomaston — were on the startup crew working for Keystone. Two others, Chris Walters, 48, and Kenneth Haskell, 37, were also Keystone employees: Walters was the safety manager and Haskell the superintendent. Roy Rushton, 36, was a supervisor involved with the installation of the gas turbines at the plant.

The explosion at Kleen Energy — among the country's worst industrial disasters in the past few years — is on the minds of regulators and combustion engineers throughout the country.

The pipeline purging that led to the blast is expected to be discussed at a National Fire Protection Administration safety meeting in San Francisco on Wednesday, and during a separate national Web seminar on gas-purging safety next week.

"You read about the loss of life, the disruption, the destruction, from these incidents. We want to be able to do something of value," said Bryan Baesel of Combustion Safety Inc., the Cleveland-based company sponsoring the Web forum.

Baesel and other engineers participated in a safety-code review after a natural gas explosion at the ConAgra plant in North Carolina killed four and injured 67 people last year. Just three days before the Middletown explosion, the U.S. Chemical Safety Board issued urgent safety recommendations stemming from the board's probe of the ConAgra blast.

The safety board is also investigating the Middletown blast and is participating in the NFPA conference.

The NFPA meeting had been scheduled to take up the chemical board's ConAgra recommendations. While the North Carolina and Middletown explosions are different — one occurred at a factory at relatively low gas-line pressure; the other at a power plant at a very high pressure — "the overarching safety concepts are similar," said Dan Horowitz, a spokesman for the Washington-based chemical safety board.

"You don't want to ventilate in an area where gas can accumulate near people and ignition sources," Horowitz said. The board is recommending a ban of indoor purging of gas lines and says that gas should be discharged outdoors, away from all confined areas.

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News

Workers pushed hard to get Kleen Energy job done

Wednesday, February 10, 2010 9:37 AM EST

By LUTHER TURMELLE, Journal Register News Service

MIDDLETOWN — Dozens of people working under the general contractor building the Kleen Energy power plant were routinely working seven days a week and putting in 70 hours a week, according to the son of one of five workers killed in Sunday's blast and others who worked at the facility.

Erik Dobratz said Tuesday that his father, Ray, had been working that kind of schedule for the past six months. Dobratz said he knew a "couple dozen" workers at the job site who were working schedules similar to his father.

"He was 58 years old; he was exhausted," Erik Dobratz said Tuesday. "He'd come home, stay up for an hour with my mom, and then go to bed and get up and do it all over again the next day."

Dobratz said he wouldn't be surprised if the long hours turned out to be a factor in the explosion, which occurred as workers cleared natural-gas lines in a test.

"If something comes out that someone forgot to do something could it be because they were really tired and thought they did it and didn't do it," Dobratz said.

Ray Dobratz, of Old Saybrook, was a member of Local 777, United Association of Plumbers and Pipefitters, and flags outside the union's East Main Street headquarters as well as a training center on Murdock Avenue in that city were at half staff. A handwritten sign attached to the front door of the training center, where classes have been suspended since the blast, gave a toll-free phone number that workers seeking grief counseling could call.

The headquarters was deluged with phone calls Tuesday afternoon, but union officials side-stepped addressing the question of the long hours of pipefitters working on the Kleen Energy project.

"I'm not going to comment on that," said Thomas Cassidy, Local 777's business agent, when asked whether the union had complained to O&G Industries, the Torrington-based general contractor in charge of building the plant, about the hours its members were working.

But a union member outside the building, who declined to give his name but said he was a pipefitter at the plant, said the company "was pushing us hard to get the job done."

Dan Carey, director of human resources for O&G Industries, declined to comment on workers' hours at the Kleen Energy plant, citing the ongoing safety and criminal investigations regarding what caused the explosion.

Ted Fitzgerald, a spokesman for the Boston regional office of the Department of Labor, said he wasn't aware of any Occupational Safety & Health Administration regulations that restrict the hours of workers using heavy or dangerous equipment.

While investigators continue to process the scene, as many as a half dozen union pipefitters from as far away as Kentucky and California are in limbo. They worked at the Kleen Energy site, but weren't there at the time of the blast and now can't get equipment they left at the plant because it is considered a crime scene.

Tommy Hughes, an instructor at the Local 777 training center, and Eileen Hils, the facility office manager, spent part of Wednesday afternoon trying to arrange donations of new welders masks and winter work clothing so that the out-of-state workers could return home before the storm hits. Connecticut-based clothing retailer Bob's Stores has donated some work clothes by mid-afternoon on Tuesday.

Hughes said union members aren't being told about how the investigation is progressing.

"We see it on television and read in the newspapers, the same as everybody else," Hughes said.

When training new pipefitters in their trade, Hughes said safety rules "are the highest priority."

"But when they get out on the job site, it's up to the contractors to make sure everyone is safe, that rules are followed," he said.

Funeral services for Ray Dobratz will be held at 10 a.m. Saturday at the First Church of Christ, 366 Main St., Old Saybrook. Calling hours will be Friday from 5 to 9 p.m. at Swan Funeral Home, 1224 Boston Post Road, Old Saybrook.

New Haven Register reporter Susan Misur contributed to this story. Luther Turmelle can be reached at (203) 789-5706, or **Iturmelle@newhavenregister.com**.

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November 2, 2010

This is the print preview: Back to normal view »

Gas Plant Explosion: "Substandard Safety Conditions, 80 Hour Work Weeks At Kleen Energy Systems Plant

JOHN CHRISTOFFERSEN | 02/10/10 07:25 PM | 4

NEW HAVEN, Conn. — The brother of one of five workers killed in an explosion at a power plant under construction says his brother called the project "screwed up," and a worker on the job the day before the explosion says safety on the job was "substandard."

The concerns about pressure to get the job done and safety standards at the Kleen Energy Systems plant in Middletown were raised in interviews with The Associated Press on Wednesday, and add to a growing number of questions about work conditions at the site.

Carl Crabb told the AP that his brother, Ron, and other workers evacuated the building after they smelled gas. He said they made it outside the building, but Ron was killed.

"Ron wasn't too happy the way this job was going," Carl Crabb said. "They had a lot of problems. I know he said the job was really screwed up."

Crabb, who did not cite specifics, said his brother and others felt pressure to get the job done and wished he hadn't taken the assignment.

"They felt they were slipping further behind – lot of tension on the job," he said.

Tom Alferi, 58, a steamfitter who worked on the plant as recently as the day before the explosion, said electrical and welding cords were strewn all over the site.

"It was a very messy place," Alferi said. "They didn't hire enough laborers. The safety on the job was substandard."

Alferi said there was pressure in recent weeks to get the job done, but he described it as normal for that kind of job. He said his immediate concern was for those who lost friends and loved ones.

The son of another worker killed said Tuesday his father was working more than 80 hours per week and felt pressure to finish. Robert Reardon, an attorney for a worker injured in the blast, also said workers were spending seven days a week on the project.

"There's no doubt my client felt he was being rushed in his job," Reardon said Wednesday. "The word was coming down from above, so to speak, that they had to work longer hours and they had to work on Sundays because they were behind. He made it clear to me the pressure was on to get the job done and it was daily."

Paul Gaskins, who was working on a steam turbine at the time of the explosion, said Tuesday that he and his colleagues worked 12 to 13 hours every day, but said they were not rushed.

The powerful explosion blew apart large swaths of the nearly completed 620-megawatt Kleen Energy Systems plant as workers for O&G purged a gas line Sunday morning. The cause is being investigated, and authorities launched a criminal investigation Monday, saying they couldn't rule out negligence.

O&G Industries said in a statement Wednesday that while it is the general contractor on the project and a minority shareholder in the plant's ownership, the company did not perform the majority of specialized work, including mechanical, electric and piping.

Subcontractors were "required to have and adhere to their own safety plan, as well as having a safety officer on site," according to the statement.

O&G said safety personnel regularly inspected the site. An O&G spokesman said he could not comment on the complaints from some workers and their families.

John Chavez, a public affairs officer for OSHA, said Wednesday he is not aware of any federal laws or regulations that would limit the number of hours an employer can require their employee to work.

Daniel Horowitz, a spokesman for the U.S. Chemical Safety Board, which investigates chemical disasters, said it was too early to tell whether fatigue is an issue because investigators have only done a handful of interviews due to a dispute with local authorities over whether they can have access to the site and investigation. But he said fatigue and performance issues are something the agency would typically look at.

OSHA records show O&G Industries had one violation on the site after a July 2009 inspection, but it was minor and the company settled it by paying a \$1,000 fine.

Telephone messages were left Wednesday for union officials were not returned.

Middletown Deputy Fire Marshal Al Santostefano told AP that officials are close to identifying the point of origin for Sunday's explosion at Kleen Energy Systems, and that will help them determine the cause.

Santostefano says investigators wrapped up work site around 11:30 p.m. Tuesday because of the winter storm, plan to return Thursday and might know the cause by Friday.

Also Wednesday, Don Holmstrom, the lead investigator for the U.S. Chemical Safety Board, said he was concerned that employees of O&G have had unfettered access to the site and could compromise probes into the deadly blast.

He said evidence, including a camera and a combustible gas detector, has been removed.

Santostefano said O&G workers do not have access to the interior of the building or the site where they feel the blast might have came from.

Associated Press Writer Susan Haigh contributed to this story.

Plant blast probe opens 'regulatory black hole'

By Ken Dixon And Rob Varnon, STAFF WRITERS
Published: 10:14 p.m., Tuesday, February 9, 2010

MIDDLETOWN -- As investigators came closer to pinpointing the location of Sunday's fatal power plant explosion, Connecticut's attorney general Tuesday declared that the mishmash of building and safety codes are a "regulatory black hole" that may need more state oversight.

About 80 witnesses have been interviewed by investigators who combed through the debris that might answer questions about how a routine cleaning of natural gas lines led to a fireball that killed five workers.

Derek Phelps, executive director of the Connecticut Siting Council, which approved the billion-dollar project back in 2002, said Tuesday that officials have told him the explosion occurred in an outdoor "courtyard" area between the 95-foot-tall power house and the twin, 215-foot exhaust stacks.

Targeting the blast location is one of the first steps in figuring out what happened at 11:17 a.m. Sunday, when gas exploded, tearing through the power house and sending a concussion as far away as 30 miles.

On Sunday, crews were purging a section of pipe near or in the power house, which housed the two electricity-generating turbines.

Attorney General Richard Blumenthal said that a preliminary review of state and federal oversight regulations on the power plant's construction, safety and operations oversight is "at best muddled and incomplete" and "appear to occupy a regulatory black hole."

He said the tragedy may indicate the need to provide expanded authority to the state Department of Public Utility Control or other state agencies, on overseeing conventional construction of non-nuclear power plants.

John Olsen, president of the state AFL-CIO, the statewide labor organization, said Tuesday that he couldn't understand why local firefighters weren't on the scene during the weekend cleaning of natural gas pipelines in a process called purging.

"You have to wonder about the procedures," he said in an interview. "I don't know why the fire department wasn't on standby."

Crews at the site were purging a pipe that was to feed one of the massive turbines in the planned 620-megawatt power plant when the explosion occurred.

Engineers at the now-demolished Kleen Energy Systems plant said Tuesday it was stable enough for the probe to continue in advance of Wednesday's anticipated winter storm.

Al Santostefano, a deputy fire marshal and the department spokesman, described a massive pile of debris 12 feet high in places that "has to be sifted through." He said in a phone interview from the site that investigators were meticulously going through material, taking photos and were almost finished by about 5 p.m.

Santostefano said late Tuesday night that he could not confirm that the courtyard was the spot where the ignition occurred and rebutted a report that a welding torch started the explosion. He said that safety codes did not require firefighters to be on the site during purges. "They followed all the industry standards," he said. "Whether they followed all the procedures remains to be seen."

He said finding the point of origin is key. "Then, hopefully, we'll find the cause," he said. "The force of the explosion could have blown that evidence 200 yards."

A team from the U.S. Chemical Safety Board was kept out of the building and was offered only an exterior tour of the site.

Daniel Horowitz, director of public affairs for the federal advisory agency, said it is unusual for CSB investigators to be kept far away from physical evidence.

He said that while other investigators have quizzed about 80 workers who were on site that day, his crew has had access to only two people and a few pages of documents.

The federal Department of Labor said Tuesday that local fire officials have authority over the 137-acre site. It's part of a search warrant that local police have over the location until midnight Wednesday in an attempt to gather evidence of possible criminal negligence.

The Associated Press reported Tuesday that some workers had been spending more than 80 hours a week there before the Sunday blast. One employee said workers smelled gas less than an hour beforehand and were told to open doors for more air.

The son of one of those killed told the AP that his father complained that the crew felt pressure to finish the plant.

Erik Dobratz, son of pipefitter Raymond Dobratz, said his father had told him he was working 12-hour days, seven days a week, for the last six months.

"A lot of guys on the job were doing this for six months and they were exhausted," Dobratz said. "They were all exhausted. To me that just seems a little ridiculous. Eighty-five hours a week -- accidents happen, if you ask me."

But Olsen, the union official, believes that the job site was well run and that workers were using industry standards.

"This is one of these jobs, for a construction worker, that you love," Olsen said. "It's Sunday overtime and these guys are going to try to make a buck." He noted there was a project-labor agreement that prevented job actions.

"Everyone was working together, the trade unions and the company, working together to bring it in on time and under budget," he said. "These guys were trying to make a buck."

Santostefano said it was clear workers at the site understood safety procedures on gas pipe purges. He said all equipment was to be shut down, non-essential workers were to leave the scene and energy in the area was supposed to be shut off.

"Did they do that here?" he said. "That's the question."

The Hartford Courant, citing sources, reported that a welding torch may have been left on.

Santostefano said it would be possible for investigators to confirm that, if they find a torch in the "on" position or with a canister that's empty. But as one engineer said and Santostefano confirmed, it wouldn't take much to spark a fire -- even flipping a light switch or running the engine of a fork lift.

But Phelps, the Connecticut Siting Council director, said it's too early to say a torch may have set off the explosion.

"I have not received any reliable authorized information about what the cause of this was," Phelps said.

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