

Utility Buys Town It Choked, Lock, Stock and Blue Plume

By KATHARINE Q. SEELYE
Published: May 13, 2002

CHESHIRE, Ohio, May 8— This would have been an ordinary little town except for the bizarre blue plume that periodically emerged from the gigantic power plant and stalked through the streets, leaving townspeople complaining of raspy throats, burning eyes, sore lips, mouth blisters and grime everywhere.

The village clerk read a list of cloud incidents at a recent public meeting.

"Sightings of blue cloud."

"Touchdown of blue haze."

"Complaints of spots on vehicle."

"Citizen complains of fly ash release."

The words could have come from a science-fiction movie, except that in this story, the blue plume was no mystery and everyone already knows the ending.

Two years after the Environmental Protection Agency accused the plant's owner, American Electric Power, of violating the Clean Air Act in this southeast Ohio hamlet, the company, which is contesting that accusation, is solving at least some of its problems by buying the town, for \$20 million.

Over the next few months, all 221 residents of Cheshire will pack up and leave. The 90 homeowners here will get checks for about three times the value of houses they probably could not have sold anyway. In return, they have signed pledges never to sue the power company for property damage or health problems.

The deal, announced April 16, is believed to be the first by a company to dissolve an entire town. It will help the company avoid the considerable expense and public-relations mess of individual lawsuits, legal and environmental experts said.

The sale of an entire town is extremely rare in corporate and environmental history. Since 1973, about two dozen neighborhoods -- Love Canal and Times Beach are famous examples -- have been bought out because of environmental problems. Then it was the government, not the polluting company, that bought the houses, and only after years of legal challenges. In cases where companies did the buying, the numbers of houses were much smaller.

In this case, while threats were made, no one has sued American Electric Power. Despite residents' complaints, no one has documented an abnormal rate of long-term health problems, and the village is not a toxic Superfund site. At this point, the company is not even in violation of E.P.A. rules, having spent \$7 million to fix the blue plume problem, which the company says resulted from two antipollution devices that did not work properly together.

Still, most residents appear happy to go, no questions asked.

FACEBOOK

TWITTER

GOOGLE+

EMAIL

SHARE

PRINT

REPRINTS

MOST EMAILED

RECOMMENDED FOR YOU

122

articles viewed recently

schumpeter

All Recommendations

1. SOCIAL Q'S
Whose Birthday Is It This Time?

2. THE EDUCATION ISSUE
Teaching Slavery to Reluctant Listeners

3. OP-ED CONTRIBUTORS
A Mojave Solar Project in the Bighorns' Way

4. LETTER
Abortion, a Personal Choice

5. Brian Williams to Start at MSNBC on Sept. 22

6. Onetime Chairwoman of NBCUniversal News Announces Her Exit

7. Video: Kim Suozzi's Last Wishes

8. Donald Trump Finds Defenders and Detractors Among Conservatives

9. CORNER OFFICE
Patty Stonesifer of Martha's Table: Zigzag Your Way to the Top

10. BREAKINGVIEWS
Change to Bank Rules Could Spur Political Fight in a Crisis

"It's just not healthy here," said Carolyn Little, 55, a longtime resident who plans to rent a trailer a few miles away. She glanced at the thick brown puffs overhead. "You can't live under this all day, every day."

Residents have agreed not to disclose the terms, but the word locally is that the 90 homeowners will each receive about \$150,000, three times the assessed value of their homes, assuming they could be sold at all.

At that rate, the houses will cost the company \$13.5 million. Three lawyers hired by residents to negotiate the deal are said to be getting \$5.6 million. An additional million or so will cover \$25,000 payments to renters and miscellaneous costs.

"None of us could sell our homes if this didn't take place," Ms. Little said, calling the buyout "more than fair."

American Electric Power, the nation's largest utility, with annual revenues of \$61 billion, has acknowledged unspecified "concerns" by the community but says that the residents initiated the negotiations and that the company agreed to buy the town chiefly to expand its plant.

"We've become an increasing annoyance, no doubt about it," said Pat Hemlepp, a company spokesman. "The dust, the noise, the occasional blue plume, spots on vehicles and homes. These are the problems of living next to any large industrial site." The desire to avoid litigation "did factor into it," he said of the company's deal with the town. "But it wasn't a primary factor."

Legal and environmental experts said that avoiding legal liability can be a powerful motivator. John Stanton, vice president for air programs at the National Environmental Trust, an advocacy group, said the purchase of Cheshire could be saving the company millions.

"The payment of damages in and of itself can create a stigma and adverse perception of property value," Mr. Stanton said, "and that can trigger additional claims by additional people who were in proximity to the original claims. That is the danger: what other towns are hiring attorneys?"

Sprawled along the Ohio River, the Gen. James M. Gavin Power Plant has two of the world's largest coal-fired generating units. Each is big enough to contain the Statue of Liberty. The plant burns 25,000 tons of coal a day, enough to power 2.6 million homes. It was built in 1974 and had major renovations in the mid-1990's. For \$616 million, the company installed scrubbers to reduce carbon dioxide and replaced the single 1,100-foot-high stack with two 830-foot stacks. With these changes, the plant could still burn its high-sulfur coal, which is dirtier but cheaper than low-sulfur coal, but it also meant that emissions fell closer to home.

"The scrubbers meant no more acid rain," Mr. Hemlepp said, adding that the Gavin plant was now one of the cleanest-burning coal plants in the country. "It was applauded in the Northeast. It was a great success story. But unfortunately the people next door have to move."

Last year, the plant undertook another renovation, installing a \$195 million system to reduce the nitrogen oxide emissions. That is when the blue plume made its debut.

An analysis of the plant's emissions published in January by the Agency for Toxic Substances and Disease Registry, a division of the federal Centers for Disease Control and Prevention, found that the levels of sulfur dioxide and sulfuric acid in the town "pose a public health hazard to some residents, particularly residents with asthma." While the levels were not life-threatening, the report said, they were high enough to cause breathing problems and "adverse effects on the lungs."

Mr. Hemlepp said those problems had been fixed and the emissions were well within federal limits.

In any case, before the town and company agreed to the buyout, federal regulators had threatened to force the plant to burn low-sulfur coal. But in an agreement reached last week, the regulators dropped that very costly requirement and essentially withdrew from the scene, leaving the plant to monitor its emissions itself. The plant said it would keep some low-sulfur coal on hand to burn if the blue plume reappeared.

Mr. Hemlepp said the company still had a strong incentive to fix its antipollution controls. "We've already spent the money on it," he said. "And since we have other plants that may end up with the same combination of technologies, it's important for us to get the fix."

As it was forced to add pollution controls over the years, the plant has expanded, crowding right up to the Cheshire town property line. At the same time, Mr. Hemlepp said, the plant has exhausted many of the local coal mines, so it imports much of its coal by barge and needs yet more space for unloading them.

"This deal provides us with the buffer we need and space for the barges, and it addresses the neighbors' concerns," Mr. Hemlepp said.

If there is no problem, as the company insists, why are people leaving? They say they are tired of fighting the plant, and for many people, the immediate concern is less their health than their economic stability.

Jennifer Harrison, the village clerk, said: "We're not going to have another chance to leave, and financially I cannot buy another house without this. I don't want to start all over again. This is a chance to get out. If we have to stay here and take it to court and fight it, we'd probably sit here another 10 years."

Others are starting to question the deal, particularly town employees who do not live within the village limits but are upset that they were not included. Some wonder if selling out was an overreaction and if it might have been smarter to somehow solve the dust problem rather than move the residents out. They also question whether the village elders sold the town for too little.

"We thought they were going to make the plant clean up," said Helen Preston, who at 87 is the village's oldest resident and does not want to leave. She lives in the house where she was born, and most of her family is buried nearby. "But the village just accepted the first offer, grabbed it up. Now people are saying we sold out too cheap."

At their monthly meeting the other night, the first since the deal was announced, the village mayor and council began confronting the mechanics of their self-abolition.

Already, bill collectors are coming around, with the Ohio Water and Development Authority first in line to make sure it recoups a \$20,000 loan to Cheshire for its sewer treatment plant before the village vanishes.

The council members agreed to renew the trash contract monthly instead of yearly. They voted to put a hold on expenses but wanted flowers at the riverfront park. "Annuals, not perennials," one said mordantly.

One of the biggest puzzles is what to do about the schoolchildren. Charla Evans, Gallia County school superintendent, is, as she put it, "squealing like a scalded cat" over the deal's leaving out the schools, which sit just outside the village limits. She is meeting with company lawyers to address the problem.

Teresa Mills, director of the Buckeye Environmental Network, which helps communities wage environmental challenges and supported the buyout, said that in the end, the buyout was easier than trying to force the plant to clean up.

"The villagers got to the point of, 'Just get us out of here,' " Ms. Mills said. "Is \$20 million fair? No. Do I think A.E.P. got off easy? Absolutely." But, she added, the villagers "just wanted out, and they reached an agreement they thought they could live with."

