

\$25 million settlement reached in Colstrip lawsuit

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BILLINGS, Mont. — The five corporations that own eastern Montana's Colstrip power plant have agreed to pay \$25 million to settle a groundwater contamination lawsuit brought by residents with fouled water supplies.

Fifty-seven plaintiffs — including some plant workers — alleged plant officials knew water supplies were contaminated beneath at least one Colstrip neighborhood for four years before the community was notified. Other parts of the town suffered damage when leaking water caused homes and at least one business to settle unevenly.

"These companies fought every step of the way," plaintiffs attorney Jory Ruggiero of Bozeman said. "You can't hide the facts when you're testing wells and they're coming up contaminated."

Ruggiero said no serious illnesses were seen in people who drank the water, but that many homeowners and the Colstrip Moose Lodge lost use of their water wells.

The lawsuit, filed in 2003, had been scheduled to go to trial in early June in state district court in Forsyth. Notice of the settlement agreement has been filed with the court.

The defendants were PPL Montana, Puget Sound Energy, Portland General Electric, Avista Corp., and PacifiCorp.

Details on how much each of the companies will pay into the settlement were not immediately available.

The five corporations jointly own the 2,100 megawatt plant with NorthWestern Energy, which was not part of the lawsuit. Operated by PPL Montana, the Colstrip plant is the second largest coal-fired power plant west of the Mississippi, generating electricity primarily for West Coast markets.

A PPL Montana spokesman, David Hoffman, said his company has acknowledged contamination in portions of Colstrip's aquifers close to the surface but not in the vicinity of deeper residential wells.

"We certainly believe this tentative agreement is in the best interest of all parties involved," Hoffman said. "We recognize there had been some evidence of contamination in the shallow aquifer."

The contamination came from pollutants removed from the power plant's smokestacks to meet clean air requirements. At least two of the holding ponds where that waste was kept leaked.

The lawsuit also alleged another reservoir — Castle Rock Lake, which provides water to operate the plant — leaked in volumes great enough to raise the water level under the town and cause structural damage to some homes.

Ruggiero said the contamination dated to at least 1993 and was first revealed in 1997. It was not until several years after the lawsuit was filed that the companies agreed to pay for new water lines to serve properties that had lost their wells.

Ruggiero said his law firm will receive a "standard fee" of approximately one-third of the settlement amount.

PPL Montana bought into the plant in 1999 when it acquired the Montana Power Co. — two years after the contamination problems emerged.

Company spokesman Hoffman said the two holding ponds where the contamination originated have since been lined with a rubber material to prevent further leaks.

Pat Nees, a plaintiff who worked at the plant for 30 years before leaving in 2005, said it had been "awkward" to stay loyal to the company through the past five years of litigation.

"I wouldn't say they hoodwinked us, but they did withhold (information) and it took a lawsuit like that to get them to come into the open," he said.

Another lawsuit remains pending against the plant, from three ranching families that allege another waste reservoir contaminated their property. Hoffman said his company had not seen any evidence of contamination from that reservoir.

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