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## MEMBER LETTER

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To the Trustee, Southern Montana Electric

September 17, 2013

Dear Mr. Freeman:

We are writing concerning the very utmost urgency and importance in the matter of the Southern reorganization plan you are proposing. There must be a person such as you who may step in on behalf of the Beartooth Electric Coop members to help the members with the fiasco that is getting ready to hit like a tsunami.

The previous Board for the Beartooth Electric Coop must have been inept, ill-advised or just in collusion with the Southern Board. For these Board members to commit such a small coop to such a large plan for such a long, irresponsible contract and infrastructure is incomprehensible. With the ever-changing technology, who would ever think that things would not change for the better in a 40 year period? Our present Board members now see the problems that the previous board members have created. They are fighting desperately for their members against you and the huge corporations that will profit while crushing the people with exorbitant rates.

The ramifications of the reorganization of Southern Electric and the Highwood Generation Station versus liquidation are tremendous when you think of all of the people and their livelihoods who will be affected. We already have the highest rates in the region and probably the West, yet you think we should bear more of the burden. And yet, we do not know as consumers what the "more" will be since no one will disclose exactly what we will have to pay in the future nor can anyone really project all of the costs of overhead in the future. It is very strange that you appear to be less than transparent with the memberships of the coops.

In our small coop we do not have the large businesses and industries to help offset the burden of the reorganization. It falls on the humble people who cannot afford the rates to heat their homes in the winter, cool them in the summer, irrigate their ranches and their lawns, to cook their meals, and all of the general uses of their electric power. Nor will we ever have the opportunity for growth in industry since the utilities create an unfriendly climate to businesses. Why should

they move to an area where they know the highest utility rates exist? It not only affects the business development, but also the real estate values for the homeowners in the district will suffer. People on fixed incomes will really hurt.

As people start to reduce the amount of energy they consume due to prohibitive costs, the costs will continue to rise because usage is low. People will have to find alternative sources for their energy to live and to ranch. This is a vicious and downward spiraling cycle.

For all of these reasons and we are sure there are more, we implore you to look into why a small coop should have to pay for this mess that an uninformed, or worse, a collaborative Board member has now held us hostage. You should consider the people more than the creditors who took a big chance on an investment. The corporations may have to dig deep into their pockets for a mistake they made, but the coop members who really did not have a say in this mistake should not.

Thank you for your time and, hopefully, your help. We do know you are a very busy, successful lawyer so we know your time is precious. We believe if you lived in our area you would be more concerned about the future of the citizens and their electric rates. The corporations took the risks and they should bear the burden for their risks. We know if Livingston were in this situation, you would want people to stand up and just say "No!!"

Sincerely,  
Cindy and Philip Land