
LETTER TO THE EDITOR

To the *Carbon County News*

February 28, 2013

To the Editor,

Our family partnership has been a member of Beartooth Electric for 20 years. During most of that time, my involvement was limited to flipping the switches and paying the bills. I suppose that a lot of our members' involvement is like mine. As time passed, we added a few meters and at the same time, Beartooth began raising rates to pay for Southern and its power projects. My attention increased as the bills rose rapidly. I attended a meeting. I found out that Southern was considering a coal-fired power plant. From step one, the project failed to pass even sloppy due diligence screening because it was simply too large for the resources of the sponsoring co-ops. Sure enough! Southern could not stand an unexpected downdraft and boom! It declared bankruptcy!

I found myself paying more and more attention to the information coming from Beartooth and I urge other members to pay close attention. It seems that our ox is going to be gored.

In the sixteen months since Southern filed bankruptcy, not much has happened. The trustee has not seemed very engaged. Now he seems in a hurry. BEC's objections and desire to get out of Southern have been ignored. More than \$3 million has been spent on professional fees, including \$1.9 million for the trustee and his lawyers. The members of the co-ops like BEC which own Southern have been forced to pay \$1 million a month to Prudential and some other insurance companies who made a very shaky, stupid loan knowing that if anything went wrong, the money would have to come from retail power consumers.

Now comes a "plan" which proposes to keep Southern's management in place and binds the co-ops like BEC into this wreckage for ten years owning an ill conceived power plant that is judged to be worthless by competent experts. The trustee has declared the ownership interests in Southern to be "unimpaired" even though they are worthless and thus the co-ops have no vote in the plan. This may be legal but it is certainly unjust.

Beartooth Electric's experience with a Co-op Generation and Transmission affiliate has been a disaster and should not be prolonged. We don't want any part of Highwood. We don't want Southern management. We do want our trustees to be able to chart a path to competitive rates for our members. I urge all our members to pay close attention.

Jack Schutte
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