
LETTER TO THE EDITOR

To the *Billings Gazette*, *Carbon County News*, and *Great Falls Tribune*

April 9, 2013

Dear Editor,

Much has been written about the bankruptcy of SME. While Enron's demise may have gathered more national media headlines, the demise of SME does not lack the drama, sordid characters, secrecy or ill begotten financial gains thrust upon unsuspecting ratepayers. Lee Freeman, SME Trustee, has now proposed a plan to lead SME out of bankruptcy. Many aspects of that plan remain secret. What is clear is that it relies on favorable future energy markets, ownership of Highwood II and creditors repaid over 10 years on the backs of the 14,400 remaining customers. Has anyone actually run the numbers to see the monthly financial impact to the average residential customer?

Lee Freeman sits on the precipice of making a catastrophic decision that will destroy the economic vitality within the service territories linked to SME for decades to come. This is easy to overlook in the shadow of the Bakken economic stimulus and its impact on the greater Billings economy. But everyday folks will cease to be able to live and work in cooperative service territory served by SME. Fixed income, low income and seniors will migrate to communities served by Northwestern out of dire necessity. Lee Freeman's Plan makes the primary creditors financially whole. Prudential manages a multimillion-dollar loan portfolio. That portfolio has winners, as well as losers. To manage that risk, high-risk customers are charged higher rates as was done with SME. Lee Freeman needs to get his clippers and give Prudential a significant haircut, high and tight.

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