EXHIBIT 3
DATE 2-14-05
HB 642

WHO WE ARE

SMEG&T is a generation and transmission cooperative formed to bring reliable and competitively-priced long term wholesale power supply to its member systems.

Our G&T cooperative is made up of five distribution electric cooperatives and the City of Great Falls, which recently formed a municipal utility system.

YELLOWSTONE VALLEY ELECTRIC COOPERATIVE
P.O. Box 249 • 150 Cooperative Way • Huntley, MT 59037
(406) 348-3411

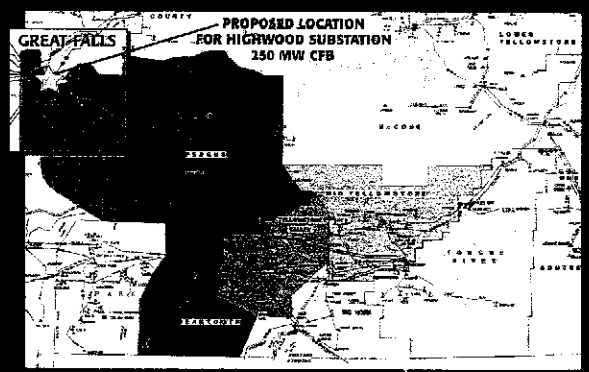
FERGUS ELECTRIC COOPERATIVE
84423 US Hwy 87 • Lewistown, MT 59457
(406) 538-3465

BEARTOOTH ELECTRIC COOPERATIVE
P.O. Box 1110 • 1306 N. Broadway • Red Lodge, MT 59068
(406) 446-2310

MID-YELLOWSTONE ELECTRIC COOPERATIVE
P.O. Box 386 • 203 Elliot • Hysham, MT 59038
(406) 342-5521

TONGUE RIVER ELECTRIC COOPERATIVE
P.O. Box 138 • Main Street/Hwy 212 • Ashland, MT 59003
(406) 784-2341

CITY OF GREAT FALLS, MONTANA
P.O. Box 5021 • Great Falls, MT 59403
(406) 455-8450



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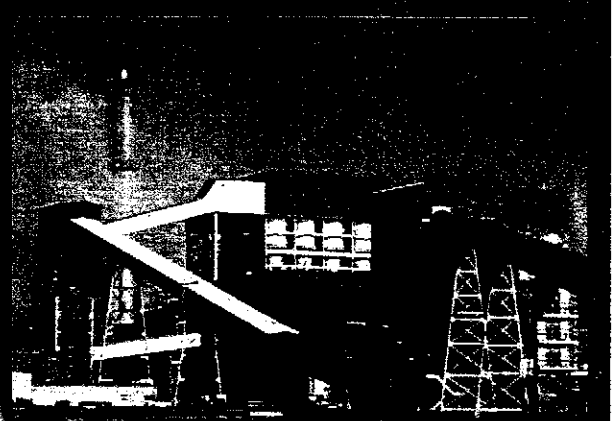
Southern Montana Electric
Generation & Transmission Cooperative, Inc
3521 Gabel Road, Suite 5
Billings, MT 59102

SME

Southern Montana Electric
Generation & Transmission Cooperative, Inc.

PRESENTS

HIGHWOOD GENERATING STATION



SOUTHERN MONTANA ELECTRIC GENERATION & TRANSMISSION COOPERATIVE, INC.
3521 Gabel Road, Suite 5 • Billings, MT 59102
(406) 294-9527 • www.smegt.com

PRODUCED BY MONTANA LABOR...

THE 250 MW HIGHWOOD GENERATING STATION WILL:

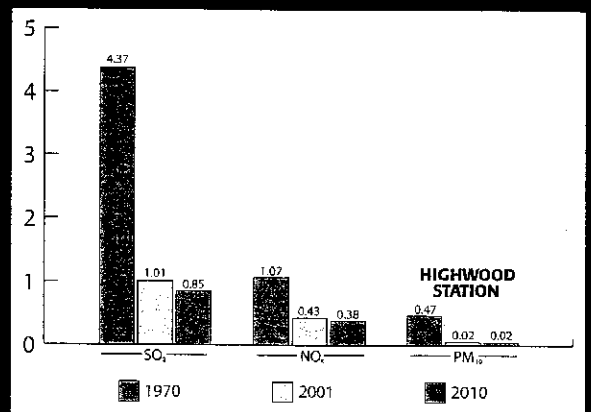
- Deliver cost-based electricity to Montanans, using Montana coal and Montana limestone resources
- Provide the power needs for the five distribution electric cooperatives and the City of Great Falls, benefiting nearly 150,000 Montanans
- Be the most modern, cleanest burning coal-fired plant in Montana, using the latest technology
- Meet or exceed all Federal and State SO_2, NO, and CO_2 regulations
- Create 400-500 jobs for construction and 65-75 permanent operating and maintenance jobs
- Be produced by Montanans, for Montanans providing long term, stable electric rates
- Have a positive impact on the economy and the quality of life in Montana
- Cost $515 million in total project cost, with approximately $75 million dollars in construction wages
- Combine nicely with renewable energy, which will also be available for purchase
- Come online in 2010, when the members of SMEG&T will have the need for a new power source

POWERED BY MONTANA COAL...

WHY COAL?

Coal is a stable, low cost fuel. Higher cost fuels, such as natural gas, are the primary reason for higher future electricity prices. Coal is a readily available Montana resource and coal mining in Montana is considered (in 2000 by the Montana AFL-CIO) to be one of the "high wage/goods producing industries." Coal fuels over 50% of the U.S. electricity generation, while providing affordable energy. Additionally, coal consumption increases have actually coincided with declines in emissions.

INCREASINGLY CLEAN



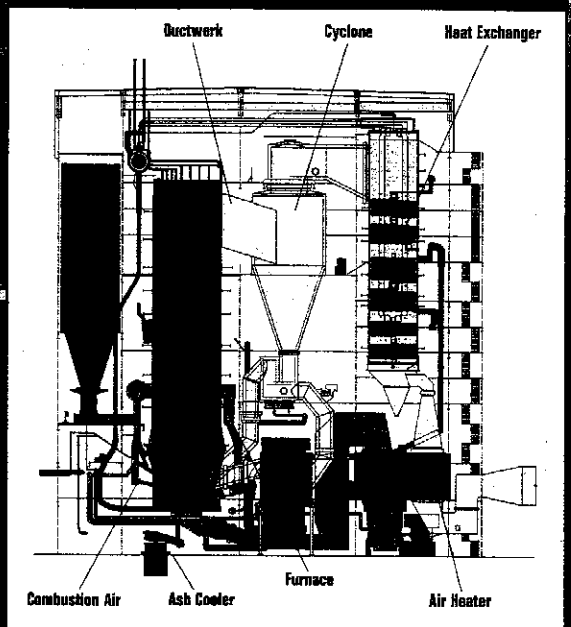
Source: U.S. Environmental Protection Agency and Department of Energy, 2002.

New technologies have enhanced the environmental performance of power plants that use coal. According to EPA data, the average emissions rate (emissions per unit of energy) for coal-based units has improved by about 77 percent for sulfur dioxide (SO_2), 60 percent for nitrogen oxide (NO_x), and 96 percent for particulate matter (PM_{10}) since 1970, while energy production has increased significantly.

POSITIVE IMPACT ON THE MONTANA ECONOMY

CIRCULATING FLUIDIZED BED (CFB) TECHNOLOGY

ALSTOM SIDE ELEVATION 250 MW CFB



Fluidized bed combustion is a technology capable of reliably burning a wide range of fuels to produce electricity, while meeting stringent environmental requirements. These newer technologies not only help reduce emissions, but the greater fuel flexibility means lower costs.

The "fluidized bed" refers to large amounts of air that are blown into the combustor. The fuel and limestone are actually suspended in the air as the fuel burns. The continuous recycling of solids rising in the combustor allows the CFB boiler to operate at lower temperatures than other types of power plants, allowing for the clean economical generation of electricity.