

M-S-R Public Power Agency

MEETING OF THE COMMISSION

Wednesday, July 20, 2011, 12:00 noon
Navigant Consulting, Inc.
3100 Zinfandel Drive, Suite 600, Sierra Room
Sacramento, California

AGENDA

Distribution:

<u>Commissioners & Alternate Commissioners</u>	<u>Others</u>
Modesto:	Lisa Gast
Allen Short	Steve Gross
Roger Van Hoy (Alt)	Lou Hampel
Greg Salyer (Alt)	Alan Hockenson
Santa Clara:	Martin Hopper ¹
Pat Kolstad	Jan Pepper
John Roukema ¹ (Alt)	Pete Scanlon
Redding:	Cindy Worley
Paul Hauser	file/er/msr
Tim Nichols ¹ (Alt)	Rin Helzerman ¹

¹ Please post agenda.

M-S-R Public Power Agency

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AGENDA

<p>Any member of the public who desires to address the Commission on any item considered by the Commission at this meeting before or during the Commission's consideration of that item shall so advise the Chair and shall thereupon be given an opportunity to do so.</p>

1. Call to Order
2. Roll Call
3. *Approve meeting minutes of May 18, 2011* (attached)
4. Report on summary of invoices paid totaling \$23,657,258.03 (attached)
5. Finance (Lou Hampel)
 - a. Account Status Report (to be provided at meeting)
 - b. Unaudited Preliminary Financial Statements (to be provided at meeting)
 - c. Treasurer's Report (attached)
6. Projects and Activities (Alan Hockenson)
 - a. San Juan Project Status Report (attached)
 - b. Southwest Transmission Projects Status Report (attached)
 - c. Pacific Northwest Projects Status Report (attached)
7. M-S-R Public Power Agency General Manager's Report (attached, Martin Hopper)
8. *Discussion and possible action regarding Big Horn I Wind Energy Project Payment Procedures* (attached, Martin Hopper)

9. Closed Session
 - a. Closed Session Pursuant to Government Code Section 54956.9(a) - Conference with Legal Counsel – Existing Litigation (ER11-3697 and ER11-44), Two cases
 - b. Closed Session Pursuant to Government Code Section 54956.9(b) - Conference with Legal Counsel - Anticipated Litigation, Significant Exposure to Litigation, Three cases
 - c. Closed Session Pursuant to Government Code Section 54956.9(c) - Conference with Legal Counsel - Anticipated Litigation, Decision on Whether to Initiate Litigation, Two cases
10. Announcement from Closed Session
11. Public Comment
12. *Confirm date and time of next meeting*
13. Adjourn

ALTERNATE FORMATS OF THIS AGENDA WILL BE MADE AVAILABLE UPON REQUEST TO QUALIFIED INDIVIDUALS WITH DISABILITIES.
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**M-S-R PUBLIC POWER AGENCY
DRAFT MINUTES
MEETING OF THE COMMISSION
MAY 18, 2011**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met May 18, 2011, at the offices of Navigant Consulting, Inc. (NCI), 3100 Zinfandel Drive, Sacramento, CA. Present from Modesto Irrigation District (MID) were Allen Short, Lou Hampel, and Greg Salyer; present from Santa Clara were Pat Kolstad and Jan Pepper; present from Redding was Dave Arthur, and Tim Nichols (by telephone). Present from Baker Tilly Virchow Krause, LLP was Aaron Worthman. Also present were General Counsel Steven C. Gross; General Manager Martin R. Hopper; Consultant Alan Hockenson; Financial Advisor Frank Perdue; and Bond Counsel John Wang.

Chair Short called the meeting to order at 12:25 PM. A quorum was attained with the voting representatives being Mr. Short, Mr. Kolstad, and Mr. Arthur.

The Commission then reviewed the minutes of its regular and special meetings of March 23, 2011. It was moved by Commissioner Kolstad and seconded by Alternate Commissioner Nichols to approve the minutes. The motion carried unanimously.

The Commission then reviewed the invoices listed under Item No. 4 on the Agenda which have previously been paid pursuant to pre-existing delegations of authority.

Mr. Worthman of the Agency's auditors, Baker Tilly Virchow Krause, LLP then addressed the Commission regarding the Financial Statements and Independent Auditor's Report for the Years Ended December 31, 2010, and 2009. He reviewed the required communications and noted that M-S-R PPA received an "unqualified opinion" and stated that they found the reports to be free from material misstatements. He presented the highlights of the financial statements to the Commission. The accounting estimates applied to the Asset Retirement Obligations (ARO) pertaining to the San Juan Project are based on 2003 studies and should be updated for the 2011 reports. He did note that by definition, there was a weakness in Internal

Controls because of the role played by the Auditor in the preparation of Financial Statements and due to the material adjusting entry pertaining to coal mine obligations. He expressed his appreciation for the assistance provided by staff and management in the preparation of the audit. It was moved by Commissioner Kornder and seconded by Alternate Commissioner Arthur to accept the Financial Statements. The motion carried unanimously.

Mr. Hampel, M-S-R PPA Treasurer, then presented the March 2011 Account Status Report and Unaudited Financial Statements and the April 2011 Treasurer's Report to the Commission. He noted that total funds on hand are greater than \$64 million. He also reported that the value of the AGF Medium Term notes is now 98% of face value, with a coupon of 5.5%, and again affirmed that the Agency made the right decision in not liquidating this investment and continued to recommend holding it to maturity.

Mr. Hockenson then addressed the Commission regarding the San Juan Project, Southwest Transmission Project and Big Horn Project Status Reports. Mr. Hockenson noted that since the preparation of the reports the new San Juan water supply line is in service and the old line has been drained and capped where it crossed the Hunt property. At the San Juan Engineering and Operating Committee meeting, the Operating Agent, the Public Service Company of New Mexico (PNM), requested retro-active approval of certain capital budget expenditures and was reminded of the need to follow their own procedures requiring prospective approvals of such matters. PNM will also be requested to update and document their opinions and estimates pertaining to San Juan Project decommissioning obligations. He also reported the Mead-Phoenix and Mead-Adelanto Project operating agents and project managers continue to develop the WECC Delegation Agreements pertaining to reliability standards compliance activities. Although the output of the Big Horn I and Big Horn II Wind Energy Projects in March dropped to about 75% of expected levels, April generation was 117% of projected output and represented a return to the high levels experienced in January and February.

Mr. Hopper then briefly reviewed the May 2011 General Manager's Report for the Commission and addressed questions thereon. He particularly noted the issue pertaining to

recent record production experienced at the Big Horn I Wind Energy Project and the impact on the funding requirements in the energy payment escrow accounts. Three options to alleviate the problem have been identified: increased funding of the escrows; modification of payment time-lines; or elimination of the escrow account requirements by contract amendment with the Big Horn I Wind Energy Project counter-parties. A recommendation for Commission action will be presented at its next meeting.

Mr. Hopper then addressed the Commission regarding Resolution 2011 – 05 Regarding Big Horn II Operating Procedures. Detailed accounting and operating procedures have been prepared in the form of a proposed Service Schedule K to be appended to the M-S-R Public Power Agency Operating Agreement. These formal procedures will supersede the interim procedures adopted by the M-S-R PPA Commission on November 17, 2010, pursuant to Resolution No. 2010 – 04. It was moved by Commissioner Kolstad and seconded by Alternate Commissioner Arthur to adopt Resolution 2011 – 05 Regarding Big Horn II Operating Procedures. The motion carried unanimously.

Mr. Hopper then addressed the Commission regarding the proposed Resolution 2011 - 06 regarding Compliance With Greenhouse Gases Emission Performance Standards Related to 2011 San Juan Project Capital Budget Items Additions. He noted that within the constraints of the regulations adopted by the California Energy Commission to implement its responsibilities pursuant to SB1368, “Routine Maintenance” is exempted from its definition of covered procurements. The proposed resolution makes the appropriate findings for M-S-R PPA to determine that those 2011 San Juan Capital Budget Items pertaining to San Juan Unit 3 & 4 Common Spare Sootblowing Air Compressor Rewind, Unit 3 & 4 Common Ash Conveying Cross-tie System, and Unit 3 & 4 Common Spare Pulverizer Mill Yoke are routine maintenance and are not covered procurements subject to the emission performance standard. It was moved by Commissioner Kolstad and seconded Alternate Commissioner Arthur to adopt Resolution No. 20011 – 06 “Resolution Of The Commission Of The M-S-R Public Power Agency Making Certain Findings With Respect To Compliance With Greenhouse

Gases Emission Performance Standards Related To 2011 San Juan Project Capital Budget Item Additions.” The motion carried unanimously.

Mr. Hopper then addressed the Commission regarding the proposed Amended and Restated San Juan Project Designated Representative Agreement. This agreement has been prepared by PNM to update the specification of the manner in PNM acts as agent on behalf of the San Juan Project Participants with respect to Clean Air Act requirements related to the Environmental Protection Agency (EPA) Acid Rain Program and the distribution and accounting of allowances thereunder and related to the Greenhouse Gas Program and its mandatory reporting requirements. The proposed amended and restated agreement is in substantially final form and ready for Commission approval. It was moved by Alternate Commissioner Arthur and seconded Commissioner Kolstad by to approve in substantially the form presented, and subject to the final review of the General Manager and General Counsel, the Amended and Restated San Juan Project Designated Representative Agreement. The motion carried unanimously.

Mr. Perdue, M-S-R Financial Advisor then addressed the Commission regarding the proposed Continuing Covenant Agreement pertaining to the Series 2008 M & N Bonds. The proposed direct purchase of by Wells Fargo of these bonds would replace the need to secure a successor Letter of Credit (LOC) for the Dexia Bank LOC which expires July 24, 2011. Mr. Perdue reviewed the solicitation process for LOC replacement, the proposals received and the superior value and reduction of basis risk presented by the Wells Fargo direct purchase proposal. The direct purchase will be implemented by a Continuing Covenant Agreement. The proposed term of the agreement is for three years. At the end of the term, the agreement could be renewed or replaced by a conventional LOC. Mr. Wang, M-S-R Bond Counsel reviewed the form of the authorizing resolution and the Nineteenth Supplemental Indenture. It was moved by Commissioner Kolstad and seconded by Alternate Commissioner Arthur to adopt Resolution 2011 - 07, “Resolution of the Commission of the M-S-R Public Power Agency Approving the Forms and Authorizing the Execution and Delivery of a Nineteenth

Supplemental Indenture of Trust and a Continuing Covenant Agreement and Certain Other Actions in Connection Therewith.” The motion carried unanimously.

The Commission then retired into Closed Session pursuant to Government Code Section 54956.9 (a) - Existing Litigation – SCE Rate Case: ER11 - 1952; Government Code Section 54956.9 (b) - Anticipated Litigation, Significant Exposure to Litigation - Four Cases; and Government Code Section 54956.9 (c) - Anticipated Litigation, Decision on Whether to Initiate Litigation - Two Cases at 1:02 P.M. Upon the conclusion of the Closed Session at 2:14 P.M., the Chair reported for the record, pursuant to the Government Code, that the Commission had taken no actions which require public disclosure.

The Chair then called for Public Comment and there being none, the Chair announced that the next meeting of the Commission will be a special meeting to be held telephonically on Wednesday, June 15, 2011, at a time to be announced. The meeting was then adjourned by the Chair at 2:16 P.M.

Martin R. Hopper
Assistant Secretary

M-S-R Public Power Agency

Invoices Paid Summary: May - July 2011

Payee	Description	Period Covered	Amount
AF Legal & Consulting Services	Legal Services	Apr 2011	11,002.50
AF Legal & Consulting Services	Legal Services	May-Jun 2011	27,913.16
Baker Tilly Virchow Krause	Audit of 2010 Financials	Final Invoice	22,067.00
Big Horn Wind Project	Firm Energy from Big Horn facility	May 2011	2,862,197.09
BLX Group (BondLogisitix)	Arbitrage Rebate Report 1997D		2,000.00
Capax	Excess Liability Insurance & Directors & Officers Liability Insurance	Jul 2011-Jun 2012	94,896.05
Chapman & Cutler	Special Counsel for WFB (2008M & 2008N)	thru 6/15/11	45,000.00
City of Redding	Reimburse for Credit Invoice 060311 (Firm Energy Losses)	Apr 2011	289.60
City of Redding	WSPP San Juan Energy Sales to PNM	May 2011	45.00
CMUA	Registration for CMUA's Annual Conference		715.00
Dept of Water & Power	Mead-Adelanto Operations Costs	Apr 2011	35,102.48
Dept of Water & Power	Mead-Phoenix O&M Costs	May 2011	22,989.78
Dept of Water & Power	Transmission Service Adelanto-Victorville	Apr 2011	61,595.00
Dept of Water & Power	Transmission Service Adelanto-Victorville	May 2011	61,595.00
Dexia Credit	Commitment Fee for 2008M and 2008N (FINAL INVOICE)	4/1-6/15/11	92,965.54
Duncan Weinberg et al	Legal Services	Apr 2011	67,819.81
Duncan Weinberg et al	Legal Services	May 2011	42,607.75
Government Affairs Consulting	Services rendered	May 2011	2,000.00
Government Affairs Consulting	Services rendered	Jun 2011	2,000.00
Iberdrola Renewables	Big Horn 2 Contract Power Delivery	Apr 2011	1,648,532.50
Iberdrola Renewables	Big Horn 2 Contract Power Delivery	May 2011	1,177,939.98
Iberdrola Renewables	Big Horn Shaping Fee	May 2011	654,732.00
Jack B Mayson, Jr.	Consulting	Apr/May 2011	6,160.00
JP Morgan Securities	Quarterly Remarketing Fee 2008M and 2008N	Final Invoice	8,121.58
KBT, LLC	Consulting	Apr 2011	29,005.82
KBT, LLC	Consulting	May 2011	31,858.37
Martin Hopper Energy Consulting	General Manager services	May 2011	21,135.57
Martin Hopper Energy Consulting	General Manager services	Jun 2011	22,496.29
McCarthy & Berlin	Legal Services	Apr 2011	2,176.65
McCarthy & Berlin	Legal Services	May 2011	2,977.60
Modesto Irrigation District	Accounting and coordination services	Apr 2011	55,163.69
Modesto Irrigation District	Accounting and coordination services	May 2011	54,812.46
Modesto Irrigation District	Accounting and coordination services	Jun 2011	54,532.55
Modesto Irrigation District	WSPP San Juan Energy Sales to PNM	May 2011	243.00
Montague DeRose & Assoc.	Financial Advisory Services	Feb - Jun 2011	46,561.20
Montgomery & Andrews	Professional services	May 2011	3,551.25
Montgomery & Andrews	Professional services	Jun 2011	6,197.63

M-S-R Public Power Agency
Invoices Paid Summary: May - July 2011

Payee	Description	Period Covered	Amount
Navigant	Consulting	Apr 2011	5,217.69
Navigant	Special assistance	May 2011	3,714.49
Orrick Herrington Sutcliffe	2008M & 2008N Legal Services		75,000.00
PNM	Estimated Coal	Apr 2011	2,277,536.83
PNM	Estimated Coal	May 2011	1,687,880.41
PNM	Estimated Coal	Jun 2011	2,293,397.87
PNM	Monthly Net Due for San Juan Construction	Apr 2011	124,082.12
PNM	Monthly Net Due for San Juan Construction	May 2011	137,996.67
PNM	Weekly Advance	051211	71,000.00
PNM	Weekly Advance	051811	164,000.00
PNM	Weekly Advance	052511	270,000.00
PNM	Weekly Advance	060111	180,000.00
PNM	Weekly Advance	061511	709,000.00
PNM	Weekly Advance	062211	828,000.00
PNM	Weekly Advance	062911	234,000.00
PNM	Weekly Advance	070611	9,000.00
Porter Simon	Legal Services	May 2011	2,776.10
Porter Simon	Legal Services	Jun 2011	2,500.00
Salt River Project	Mead-Phoenix O&M Costs	Apr/Jun 2011	8,132.75
Silicon Valley Power	WSPP San Juan Energy Sales to PNM	Jun 2011	228.00
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	May 2011	97,500.00
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Jul 2011	97,500.00
US Bank	Administrative and Transaction Fees for Series 2004J	5/1/11-4/30/12	1,641.66
US Bank	Debt Service Funds for Series D, F, I, J, K, L	May 2011	3,209,872.81
US Bank	Debt Service Funds for Series D, F, I, J, K, L, O	Jun 2011	3,188,846.84
US Bank	Debt Service Payment for 2008 M & N	Jun 2011	22,817.85
US Bank	Swap Payment for 1998F & G	Jun 2011	286,413.11
US Bank	Swap Payment for 1998F & G	Jul 2011	308,237.43
US DOE	Mead-Phoenix Firm Energy Losses	Apr 2011	29,302.14
US DOE	Mead-Phoenix Firm Energy Losses	May 2011	15,257.91
Wells Fargo Bank	Interest on M&N	6/15-30/2011	34,829.55
WREGIS	Transfer Volume Fee	May 2011	576.90
TOTAL			\$ 23,657,258.03



ACCOUNT STATUS REPORT

(to be presented at the meeting)

Presented To Commission

July 20, 2011



UNAUDITED
FINANCIAL STATEMENTS

(to be presented at the meeting)

Presented To Commission

July 20, 2011

Treasurer's Report

June 2011



**M-S-R Public Power Agency
Treasurer's Report
Index**

Treasurer's Report for the Month of June 2011

Investment Activity, All Funds

General Fund Investment Portfolio Guideline Compliance

Investment Portfolio Pie Chart

General Fund Portfolio Average Maturity Report

MSR / LAIF / US Treasury 2-Year

Investment Portfolio Quarterly Comparison

General Fund:

 Portfolio Summary

 Portfolio Details – Investments

 Portfolio Details – Cash

 Investment Status Report – Investments

 Investment Status Report – Cash

 Investment Activity by Type

 Received Interest

 Activity Report – LAIF

Trust Funds:

 Portfolio Summary

 Portfolio Details – Investments

 Portfolio Details – Cash

 Investment Status Report – Investments

 Investment Status Report – Cash

 Investment Activity by Type

 Received Interest

 Investment Maturity Report

**MSR PUBLIC POWER AGENCY
TREASURER'S REPORT
FOR THE MONTH OF JUNE 2011**

FUND BALANCES

<u>UNRESTRICTED FUNDS</u>	05/31/11			06/30/11		Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Mkt. Value	
General Fund	22,463,591	13,466,297	13,169,756	22,760,132	22,858,610	98,478
 <u>RESTRICTED FUNDS</u>						
MSR MASTER RESERVE	0	0	0	0	0	0
MSR Series F	4,057,382	404,670	(2,090)	4,464,142	4,464,142	0
MSR Series I	4,722,124	437,623	(2,681)	5,162,427	5,162,427	0
MSR 2004 Series J	2,017,153	187,053	(1,070)	2,205,276	2,205,276	0
MSR 2007 Series K	15,717,110	1,268,301	(61,867)	17,047,278	17,247,592	200,314
MSR 2008 Series L	10,091,636	546,770	(1,072)	10,639,478	10,639,478	0
MSR 2008 Series M	3,333,677	93,597	117,741	3,309,533	3,309,533	0
MSR 2008 Series N	1,208,269	38,611	45,621	1,201,259	1,201,259	0
MSR 2011 Series O	1,672,624	123,518	(2)	1,796,144	1,838,821	42,676
MSR Series 97D	1,336,919	220,905	(328)	1,558,152	1,558,152	0
MSR Big Horn Wind Collat Acct.	3,735,626	2,862,197	2,969,282	3,628,541	3,628,541	0
MSR Big Horn Shaping Acct.	935,397	761,816	654,731	1,042,482	1,042,482	0
	48,827,918	6,945,061	3,718,265	52,054,714	52,297,705	242,991
 TOTAL FUNDS	 71,291,509	 20,411,358	 16,888,021	 74,814,847	 75,156,315	 341,468

CASH & INVESTMENTS

DEMAND ACCOUNTS

Union Bank - General Fund 331,695

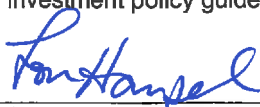
INVESTMENTS (See Attached)


	Standard per Gov't Code	Actual	
Bankers Acceptances	40%	0.0%	0
Certificates of Deposit(Coll./Ins.)	No Limit	0.0%	0
Commercial Paper(A1/P1)	25%	0.0%	0
Corporate Notes-Medium Term	30%	9.4%	7,016,832
Federal Agencies	No Limit	10.2%	7,588,342
Local Agency Investment Fund	\$50,000,000	14.2%	10,612,996
Money Market Accounts	No Limit	64.3%	47,986,457
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	2.0%	1,479,916
TOTAL INVESTMENTS		100.0%	74,684,543

Add: Deposits in transit 0
Less: Outstanding checks (201,391)

TOTAL CASH & INVESTMENTS 74,814,847

We certify that this statement is a true and correct record of transactions in the Treasury since the prior report. The agency has sufficient liquid assets on deposit to meet its obligations over the next 6 months. All investments are in compliance with the agency's investment policy guidelines.


Lou Hampel - Treasurer


Don Dermond -- Asst. Treasurer

**Investment Activity, All Funds
June 2011**

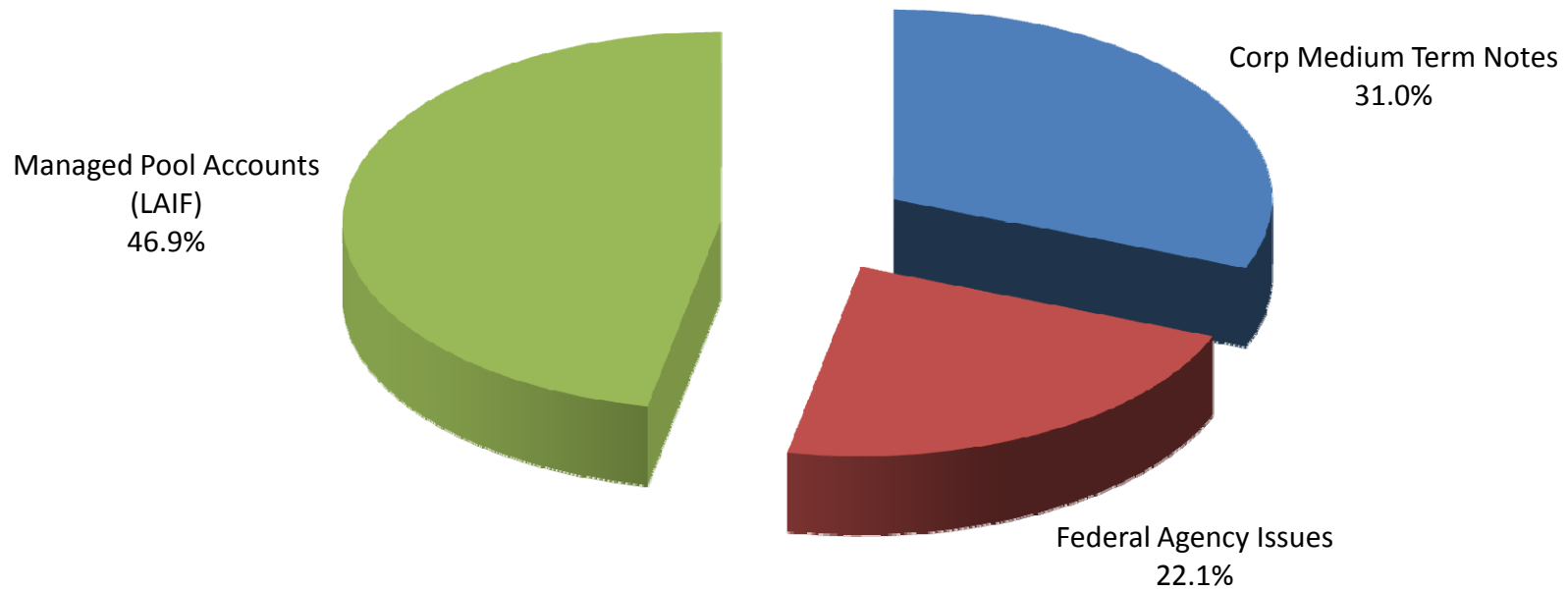
Portfolio	Beginning Balance (Cost)	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance (Cost)	Market Value*
MSR	\$22,463,591	\$4,700,000	\$4,403,459	\$22,760,132	\$22,858,610
MSR Trusts	<u>\$48,827,918</u>	<u>\$34,930,320</u>	<u>\$31,703,524</u>	<u>\$52,054,714</u>	<u>\$52,297,705</u>
	<u><u>\$71,291,509</u></u>	<u><u>\$39,630,320</u></u>	<u><u>\$36,106,982</u></u>	<u><u>\$74,814,847</u></u>	<u><u>\$75,156,315</u></u>

**General Fund Investment Portfolio Guideline Compliance
June 2011**

	Standard	Actual	Cost	Market Value*
Corp Medium Term Notes	30%	31.0%	\$7,016,832	\$7,131,790
Federal Agency Issues	No Limit	22.1%	\$5,000,000	\$4,983,520
Managed Pool Accounts (LAIF)	40M	46.9%	\$10,612,996	\$10,612,996
Treasury Securities	No Limit	0.0%	\$0	\$0
Municipal Bonds	No Limit	<u>0.0%</u>	<u>\$0</u>	<u>\$0</u>
		<u>100.0%</u>	<u>\$22,629,829</u>	<u>\$22,728,306</u>
Demand Account Balance	No Limit		<u>\$130,304</u>	<u>\$130,304</u>
Total			<u><u>\$22,760,132</u></u>	<u><u>\$22,858,610</u></u>

* Source of Market Value information is Union Bank and Bloomberg Financial Systems

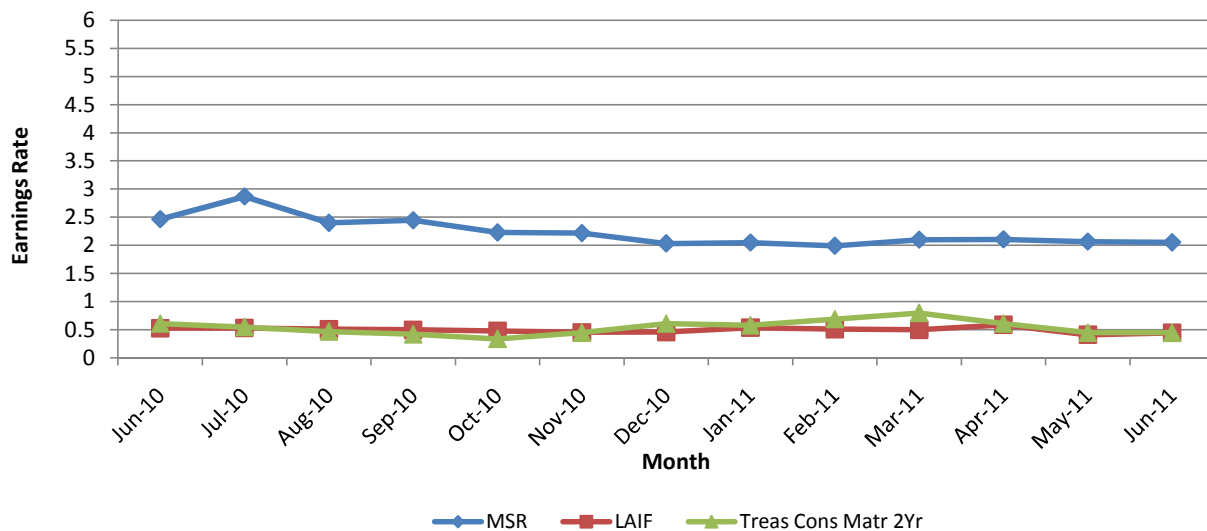
M-S-R Public Power Agency Investment Portfolio June 2011



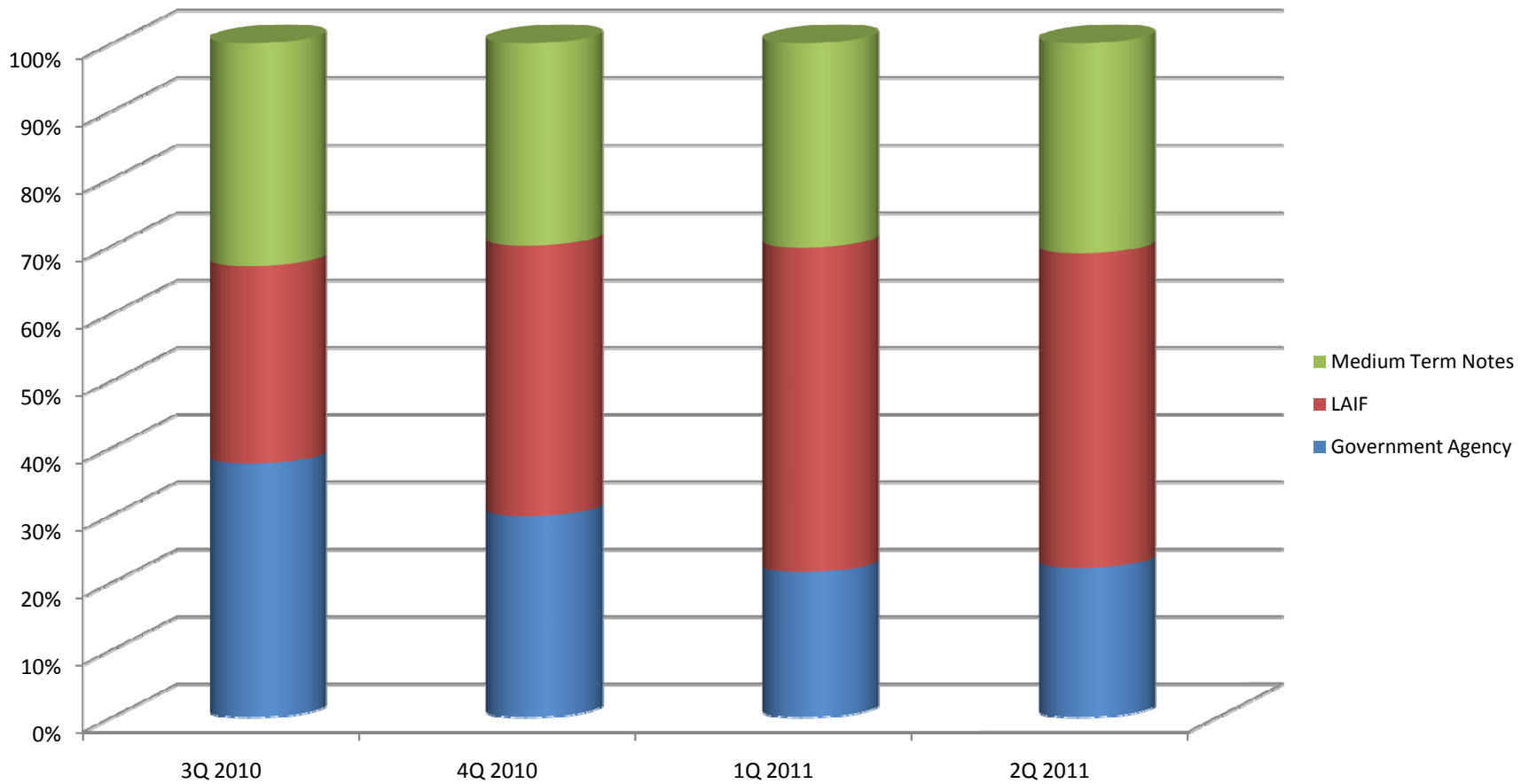
General Fund Portfolio Average Maturity Report



MSR / LAIF / US Treasury 2-Year



M-S-R Public Power Agency Investment Portfolio Quarterly Comparison Second Quarter 2011





MSR Public Power Agency
Portfolio Management
Portfolio Summary
June 30, 2011

Modesto Irrigation District
 1231 - 11th St.
 Modesto, CA 95352
 (209)526-7308

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Managed Pool Accounts	10,612,996.45	10,612,996.45	10,612,996.45	46.90	1	1	0.448
Corporate Medium Term Notes	7,000,000.00	7,131,790.00	7,016,832.08	31.01	1,665	434	4.517
Federal Agency Issues - Coupon	5,000,000.00	4,983,520.00	5,000,000.00	22.09	1,678	1,255	2.000
Investments	22,612,996.45	22,728,306.45	22,629,828.53	100.00%	887	412	2.053
Cash							
Passbook/Checking (not included in yield calculations)	130,303.85	130,303.85	130,303.85		1	1	0.000
Total Cash and Investments	22,743,300.30	22,858,610.30	22,760,132.38		887	412	2.053
Total Earnings	June 30 Month Ending	Fiscal Year To Date					
Current Year	38,659.98	16,397,205.19					
Average Daily Balance	22,186,809.14						

 Lou Hampel, Treasurer

Portfolio MSRG
 CP

**MSR Public Power Agency
Portfolio Management
Portfolio Details - Investments
June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Managed Pool Accounts												
SYSLAIF	LAIF	Local Agency Investment Fund		01/01/1999	10,612,996.45	10,612,996.45	10,612,996.45	0.448		0.448	1	
Subtotal and Average			9,939,663.12		10,612,996.45	10,612,996.45	10,612,996.45			0.448	1	
Corporate Medium Term Notes												
02639ENF7	13575	American General Finance		12/06/2007	2,000,000.00	1,960,040.00	2,000,000.00	5.500		5.500	533	12/15/2012
06406HBJ7	13699	Bank of New York Mellon		04/08/2008	2,000,000.00	2,124,980.00	2,016,832.08	4.500		4.310	640	04/01/2013
36966RW44	13634	General Electric Capital Corp		02/28/2008	3,000,000.00	3,046,770.00	3,000,000.00	4.000		4.000	229	02/15/2012
Subtotal and Average			7,016,832.08		7,000,000.00	7,131,790.00	7,016,832.08			4.517	434	
Federal Agency Issues - Coupon												
31331JT45	15393	Federal Farm Credit Banks		10/19/2010	3,000,000.00	2,977,140.00	3,000,000.00	1.500		1.500	1,571	10/19/2015
3133XUNE9	14549	Federal Home Loan Bank		08/25/2009	2,000,000.00	2,006,380.00	2,000,000.00	2.750		2.750	780	08/19/2013
Subtotal and Average			5,000,000.00		5,000,000.00	4,983,520.00	5,000,000.00			2.000	1,255	
Total Investments and Average			22,186,809.14		22,612,996.45	22,728,306.45	22,629,828.53			2.053	412	

**MSR Public Power Agency
Portfolio Management
Portfolio Details - Cash
June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
Passbook/Checking Accounts											
SYSGENERAL FUND	GENERAL FUND	Union Bank of California		01/01/1999	130,303.85	130,303.85	130,303.85			0.000	1
		Average Balance	0.00								1
Total Cash and Investments			22,186,809.14		22,743,300.30	22,858,610.30	22,760,132.38			2.053	412

**MSR Public Power Agency
Portfolio Management
Investment Status Report - Investments
June 30, 2011**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
Managed Pool Accounts												
SYSLAIF	LAIF	LAIF	10,612,996.45	0.448		01/01/1999	0.442	0.448	01/15 - Quarterly		10,612,996.45	10,612,996.45
Managed Pool Accounts Totals			10,612,996.45				0.442	0.448		0.00	10,612,996.45	10,612,996.45
Corporate Medium Term Notes												
02639ENF7	13575	AMERIC	2,000,000.00	5.500	12/15/2012	12/06/2007	5.425	5.500	06/15 - 12/15		2,000,000.00	2,000,000.00
06406HBJ7	13699	BNYM	2,000,000.00	4.500	04/01/2013	04/08/2008	4.251	4.310	10/01 - 04/01	Received	2,016,832.08	2,016,832.08
36966RW44	13634	GEC	3,000,000.00	4.000	02/15/2012	02/28/2008	3.946	4.000	08/15 - 02/15		3,000,000.00	3,000,000.00
Corporate Medium Term Notes Totals			7,000,000.00				4.455	4.517		0.00	7,016,832.08	7,016,832.08
Federal Agency Issues - Coupon												
31331JT45	15393	FFCB	3,000,000.00	1.500	10/19/2015	10/19/2010	1.479	1.500	04/19 - 10/19		3,000,000.00	3,000,000.00
3133XUNE9	14549	FHLB	2,000,000.00	2.750	08/19/2013	08/25/2009	2.712	2.750	02/19 - 08/19	Received	2,000,000.00	2,000,000.00
Federal Agency Issues - Coupon Totals			5,000,000.00				1.973	2.000		0.00	5,000,000.00	5,000,000.00
Investment Totals			22,612,996.45				2.024	2.053		0.00	22,629,828.53	22,629,828.53

**MSR Public Power Agency
Portfolio Management
Investment Status Report - Cash
June 30, 2011**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
Passbook/Checking Accounts												
SYSGENERAL FUND	GENERAL FUND	UBC	130,303.85			01/01/1999	0.000	0.000	/ - Monthly		130,303.85	130,303.85
Cash Totals			130,303.85							0.00	130,303.85	130,303.85
Totals for Cash and Investments			22,743,300.30				2.024	2.053		0.00	22,760,132.38	22,760,132.38

**MSR Public Power Agency
Portfolio Management
Investment Activity By Type
June 1, 2011 through June 30, 2011**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
Managed Pool Accounts (Monthly Summary)								
SYSLAIF	LAIF	Local Agency Investment Fund		0.448		4,700,000.00	4,300,000.00	
		Subtotal	10,212,996.45			4,700,000.00	4,300,000.00	10,612,996.45
Passbook/Checking Accounts (Monthly Summary)								
SYSGENERAL FUND	GENERAL FUND	Union Bank of California				0.00	103,458.72	
		Subtotal	233,762.57			0.00	103,458.72	130,303.85
Corporate Medium Term Notes								
		Subtotal	7,016,832.08					7,016,832.08
Federal Agency Issues - Coupon								
		Subtotal	5,000,000.00					5,000,000.00
		Total	22,463,591.10			4,700,000.00	4,403,458.72	22,760,132.38



MSR Public Power Agency
Received Interest
Sorted by Date Received
Received June 1, 2011 - June 30, 2011

Modesto Irrigation District
 1231 - 11th St.
 Modesto, CA 95352
 (209)526-7308

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate	Date Due	Received	Interest		Variance
								P & I Due	Amount Received	
June 2011	02639ENF7	13575	MTN	2,000,000.00	5.500	06/15/2011	06/15/2011	55,000.00	55,000.00	-
							Subtotal	55,000.00	55,000.00	
							Total	55,000.00	55,000.00	
							Total Cash Overpayment	0.00		
							Total Cash Shortfall	0.00		

Portfolio MSRG
 CP

RI (PRF_RI) SymRept V6.00f2
 Report Ver. 5.00



MSR Public Power Agency
Activity Report
Issuer: Local Agency Investment Fund
June 1, 2011 - June 30, 2011

Modesto Irrigation District
 1231 - 11th St.
 Modesto, CA 95352
 (209)526-7308

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Sales/Calls/Maturities or Withdrawals	
Issuer: Local Agency Investment Fund									
Managed Pool Accounts									
SYSLAIF	LAIF	Local Agency Investment Fund			0.448		4,700,000.00	4,300,000.00	
		Subtotal and Balance		10,212,996.45			4,700,000.00	4,300,000.00	10,612,996.45
		Issuer Subtotal	46.664%	10,212,996.45			4,700,000.00	4,300,000.00	10,612,996.45
		Total		10,212,996.45			4,700,000.00	4,300,000.00	10,612,996.45

Portfolio MSRG
 CP

DA (PRF_DA) SymRept V6.00f2
 Report Ver. 5.00



**MSR Public Power Agency Trust
Portfolio Management
Portfolio Summary
June 30, 2011**

Modesto Irrigation District
1231 - 11th St.
Modesto, CA 95352
(209)526-7308

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Federal Agency Issues - Coupon	2,600,000.00	2,788,656.00	2,588,341.89	63.62	1,829	714	4.351
Treasury Securities - Coupon	1,390,000.00	1,522,592.10	1,479,915.63	36.38	2,576	2,510	2.856
Investments	3,990,000.00	4,311,248.10	4,068,257.52	100.00%	2,101	1,367	3.807
Cash							
Passbook/Checking (not included in yield calculations)	47,986,456.65	47,986,456.65	47,986,456.65		1	1	0.010
Total Cash and Investments	51,976,456.65	52,297,704.75	52,054,714.17		2,101	1,367	3.807
Total Earnings	June 30 Month Ending	Fiscal Year To Date					
Current Year	16,531.47	8,695,329.58					
Average Daily Balance	49,273,164.52						

Lou Hampel, Treasurer

**MSR Public Power Agency Trust
Portfolio Management
Portfolio Details - Investments
June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity	Maturity Date
Federal Agency Issues - Coupon												
3133XRFL9	13816	Federal Home Loan Bank		06/11/2008	2,600,000.00	2,788,656.00	2,588,341.89	4.250		4.351	714	06/14/2013
Subtotal and Average			2,588,341.89		2,600,000.00	2,788,656.00	2,588,341.89			4.351	714	
Federal Agency Issues - Discount												
Subtotal and Average			26,022,626.87									
Treasury Securities - Coupon												
912828HZ6	15842	U.S. Treasury		04/26/2011	1,390,000.00	1,522,592.10	1,479,915.63	3.875		2.856	2,510	05/15/2018
Subtotal and Average			1,479,915.63		1,390,000.00	1,522,592.10	1,479,915.63			2.856	2,510	
Total Investments and Average			49,273,164.52		3,990,000.00	4,311,248.10	4,068,257.52			3.807	1,367	

MSR Public Power Agency Trust
Portfolio Management
Portfolio Details - Cash
June 30, 2011

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
Passbook/Checking Accounts											
SYS0741MONEY	0741MONEY	U S BANK		09/26/2001	5,162,427.47	5,162,427.47	5,162,427.47	0.010		0.010	1
SYS0744 MONEY	0744 MONEY	U S BANK		09/26/2001	0.00	0.00	0.00	0.010		0.010	1
SYS1400 MONEY	1400 MONEY	U S BANK			0.00	0.00	0.00	0.500		0.500	1
SYS1401 MONEY	1401 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS1402 MONEY	1402 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS1403 MONEY	1403 MONEY	U S BANK			0.00	0.00	0.00	0.010		0.010	1
SYS1405 MONEY	1405 MONEY	U S BANK			0.00	0.00	0.00	5.030		5.030	1
SYS2400 MONEY	2400 MONEY	U S BANK		06/06/2003	0.00	0.00	0.00	1.510		1.510	1
SYS2401 MONEY	2401 MONEY	U S BANK		06/06/2003	0.00	0.00	0.00	1.510		1.510	1
SYS2402 MONEY	2402 MONEY	U S BANK		06/27/2003	0.00	0.00	0.00	0.570		0.570	1
SYS2404 MONEY	2404 MONEY	U S BANK		05/29/2003	0.00	0.00	0.00	0.510		0.510	1
SYS30000 MONEY	30000 MONEY	U S BANK		05/01/2009	365,515.82	365,515.82	365,515.82	0.010		0.010	1
SYS30001 MONEY	30001 MONEY	U S BANK		12/24/2008	2,927,645.98	2,927,645.98	2,927,645.98	0.010		0.010	1
SYS30002 MONEY	30002 MONEY	U S BANK		01/26/2009	710,347.30	710,347.30	710,347.30	0.010		0.010	1
SYS30003 MONEY	30003 MONEY	U S BANK		07/23/2008	6,635,968.75	6,635,968.75	6,635,968.75	0.010		0.010	1
SYS30004 MONEY	30004 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS30005 MONEY	30005 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS31000 MONEY	31000 MONEY	U S BANK		05/01/2009	229,533.32	229,533.32	229,533.32	0.010		0.010	1
SYS31003 MONEY	31003 MONEY	U S BANK		07/23/2008	3,079,999.96	3,079,999.96	3,079,999.96	0.010		0.010	1
SYS31006 MONEY	31006 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS32000 MONEY	32000 MONEY	U S BANK		05/01/2009	84,869.44	84,869.44	84,869.44	0.010		0.010	1
SYS32003 MONEY	32003 MONEY	U S BANK		07/24/2008	1,116,390.00	1,116,390.00	1,116,390.00	0.010		0.010	1
SYS32006 MONEY	32006 MONEY	U S BANK		07/24/2008	0.00	0.00	0.00	0.010		0.010	1
SYS5570 MONEY	5570 MONEY	U S BANK			0.00	0.00	0.00	2.700		2.700	1
SYS5571 MONEY	5571 MONEY	U S BANK			0.00	0.00	0.00	2.700		2.700	1
SYS5572 MONEY	5572 MONEY	U S BANK			0.00	0.00	0.00	6.000		6.000	1
SYS5580 MONEY	5580 MONEY	U S BANK			0.00	0.00	0.00	0.035		0.035	1
SYS5581 MONEY	5581 MONEY	U S BANK			0.00	0.00	0.00	1.510		1.510	1
SYS5590 MONEY	5590 MONEY	U S BANK			1,326,202.45	1,326,202.45	1,326,202.45	0.010		0.010	1
SYS5591 MONEY	5591 MONEY	U S BANK			231,950.00	231,950.00	231,950.00	0.010		0.010	1
SYS5592 MONEY	5592 MONEY	U S BANK		04/30/2004	0.00	0.00	0.00	1.640		1.640	1
SYS5593 MONEY	5593 MONEY	U S BANK		05/03/2004	0.00	0.00	0.00	0.470		0.470	1
SYS5600 MONEY	5600 MONEY	U S BANK			0.00	0.00	0.00	0.520		0.520	1
SYS5601 MONEY	5601 MONEY	U S BANK			0.00	0.00	0.00	1.550		1.550	1
SYS5602 MONEY	5602 MONEY	U S BANK			0.00	0.00	0.00	5.100		5.100	1
SYS6680 MONEY	6680 MONEY	U S BANK			0.00	0.00	0.00	6.000		6.000	1
SYS6681 MONEY	6681 MONEY	U S BANK			0.00	0.00	0.00	5.020		5.020	1
SYS6810 MONEY	6810 MONEY	U S BANK			0.00	0.00	0.00	6.100		6.100	1
SYS6811 MONEY	6811 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1

**MSR Public Power Agency Trust
Portfolio Management
Portfolio Details - Cash
June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
Passbook/Checking Accounts											
SYS6813 MONEY	6813 MONEY	U S BANK			0.00	0.00	0.00	4.400		4.400	1
SYS69000 MONEY	69000 MONEY	U S BANK		05/01/2009	316,391.03	316,391.03	316,391.03	0.010		0.010	1
SYS69001MONEY	69001 MONEY	U S BANK		12/24/2007	1,150,284.00	1,150,284.00	1,150,284.00	0.010		0.010	1
SYS69002 MONEY	69002 MONEY	U S BANK		01/25/2008	12,931,331.09	12,931,331.09	12,931,331.09	0.010		0.010	1
SYS69003MONEY	69003 MONEY	U S BANK		12/04/2007	60,930.00	60,930.00	60,930.00	0.010		0.010	1
SYS69004 MONEY	69004 MONEY	U S BANK		12/04/2007	0.00	0.00	0.00	0.035		0.035	1
SYS6990 MONEY	6990 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6991 MONEY	6991 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6992 MONEY	6992 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS6993 MONEY	6993 MONEY	U S BANK			0.00	0.00	0.00	1.370		1.370	1
SYS7000MONEY	7000MONEY	U S BANK		01/01/2011	3,628,541.21	3,628,541.21	3,628,541.21	0.010		0.010	1
SYS7260 MONEY	7260 MONEY	U S BANK			0.11	0.11	0.11	0.010		0.010	1
SYS7261 MONEY	7261 MONEY	U S BANK			397,150.95	397,150.95	397,150.95	0.010		0.010	1
SYS7262 MONEY	7262 MONEY	U S BANK			4,066,991.04	4,066,991.04	4,066,991.04	0.010		0.010	1
SYS7267 MONEY	7267 MONEY	U S BANK			0.00	0.00	0.00	5.060		5.060	1
SYS7510 MONEY	7510 MONEY	U S BANK			0.00	0.00	0.00	0.035		0.035	1
SYS7511 MONEY	7511 MONEY	U S BANK			0.00	0.00	0.00	1.400		1.400	1
SYS7512 MONEY	7512 MONEY	U S BANK		01/01/2001	0.00	0.00	0.00	5.000		5.000	1
SYS7514 MONEY	7514 MONEY	U S BANK			0.00	0.00	0.00	0.520		0.520	1
SYS785001 MONEY	785001 MONEY	U S BANK		05/25/2011	247,038.51	247,038.51	247,038.51	0.010		0.010	1
SYS785003 MONEY	785003 MONEY	U S BANK		04/26/2011	27,931.41	27,931.41	27,931.41	0.010		0.010	1
SYS785004 MONEY	785004 MONEY	U S BANK		04/26/2011	41,258.88	41,258.88	41,258.88	0.010		0.010	1
SYS8000MONEY	8000MONEY	U S BANK		01/01/2011	1,042,481.56	1,042,481.56	1,042,481.56	0.010		0.010	1
SYS8440 MONEY	8440 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8441 MONEY	8441 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8442 MONEY	8442 MONEY	U S BANK			0.00	0.00	0.00	4.350		4.350	1
SYS8443 MONEY	8443 MONEY	U S BANK			0.00	0.00	0.00	1.500		1.500	1
SYS8444 MONEY	8444 MONEY	U S BANK			0.00	0.00	0.00	0.970		0.970	1
SYS8940 MONEY	8940 MONEY	U S BANK		01/01/2001	0.00	0.00	0.00	0.035		0.035	1
SYS8942 MONEY	8942 MONEY	U S BANK			0.00	0.00	0.00	1.400		1.400	1
SYS8944 MONEY	8944 MONEY	U S BANK			0.00	0.00	0.00	5.500		5.500	1
SYS9000 MONEY	9000 MONEY	U S BANK		06/25/2004	35.30	35.30	35.30	0.010		0.010	1
SYS9001 MONEY	9001 MONEY	U S BANK		05/25/2004	44,182.66	44,182.66	44,182.66	0.010		0.010	1
SYS9002 MONEY	9002 MONEY	U S BANK		05/25/2004	2,161,058.41	2,161,058.41	2,161,058.41	0.010		0.010	1
SYS9004 MONEY	9004 MONEY	U S BANK		05/03/2004	0.00	0.00	0.00	0.510		0.510	1

**MSR Public Power Agency Trust
 Portfolio Management
 Portfolio Details - Cash
 June 30, 2011**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Moody's	YTM 365	Days to Maturity
		Average Balance	0.00								1
		Total Cash and Investments	49,273,164.52		51,976,456.65	52,297,704.75	52,054,714.17			3.807	1,367

**MSR Public Power Agency Trust
Portfolio Management
Investment Status Report - Investments
June 30, 2011**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
Federal Agency Issues - Coupon												
3133XRFL9	13816	FHLB	2,600,000.00	4.250	06/14/2013	06/11/2008	4.291	4.351	12/14 - 06/14	Received	2,588,341.89	2,588,341.89
Federal Agency Issues - Coupon Totals			2,600,000.00				4.291	4.351		0.00	2,588,341.89	2,588,341.89
Treasury Securities - Coupon												
912828HZ6	15842	US TRE	1,390,000.00	3.875	05/15/2018	04/26/2011	2.816	2.856	05/15 - 11/15	Received	1,479,915.63	1,479,915.63
Treasury Securities - Coupon Totals			1,390,000.00				2.816	2.856		0.00	1,479,915.63	1,479,915.63
Investment Totals			3,990,000.00				3.755	3.807		0.00	4,068,257.52	4,068,257.52

**MSR Public Power Agency Trust
Portfolio Management
Investment Status Report - Cash
June 30, 2011**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
Passbook/Checking Accounts												
SYS0741MONEY	0741MONEY	USBANK	5,162,427.47	0.010		09/26/2001	0.010	0.010	09/26 - Monthly		5,162,427.47	5,162,427.47
SYS0744 MONEY	0744 MONEY	USBANK	0.00	0.010		09/26/2001	0.010	0.010	09/26 - Monthly		0.00	0.00
SYS1400 MONEY	1400 MONEY	USBANK	0.00	0.500			0.493	0.500	01/02 - Monthly		0.00	0.00
SYS1401 MONEY	1401 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS1402 MONEY	1402 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS1403 MONEY	1403 MONEY	USBANK	0.00	0.010			0.010	0.010	01/02 - Monthly		0.00	0.00
SYS1405 MONEY	1405 MONEY	USBANK	0.00	5.030			4.961	5.030	01/02 - Monthly		0.00	0.00
SYS2400 MONEY	2400 MONEY	USBANK	0.00	1.510		06/06/2003	1.489	1.510	07/01 - Monthly		0.00	0.00
SYS2401 MONEY	2401 MONEY	USBANK	0.00	1.510		06/06/2003	1.489	1.510	07/01 - Monthly		0.00	0.00
SYS2402 MONEY	2402 MONEY	USBANK	0.00	0.570		06/27/2003	0.562	0.570	07/01 - Monthly		0.00	0.00
SYS2404 MONEY	2404 MONEY	USBANK	0.00	0.510		05/29/2003	0.503	0.510	06/01 - Monthly		0.00	0.00
SYS30000 MONEY	30000 MONEY	USBANK	365,515.82	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		365,515.82	365,515.82
SYS30001 MONEY	30001 MONEY	USBANK	2,927,645.98	0.010		12/24/2008	0.010	0.010	01/01 - Monthly		2,927,645.98	2,927,645.98
SYS30002 MONEY	30002 MONEY	USBANK	710,347.30	0.010		01/26/2009	0.010	0.010	01/26 - Monthly		710,347.30	710,347.30
SYS30003 MONEY	30003 MONEY	USBANK	6,635,968.75	0.010		07/23/2008	0.010	0.010	08/01 - Monthly		6,635,968.75	6,635,968.75
SYS30004 MONEY	30004 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS30005 MONEY	30005 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS31000 MONEY	31000 MONEY	USBANK	229,533.32	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		229,533.32	229,533.32
SYS31003 MONEY	31003 MONEY	USBANK	3,079,999.96	0.010		07/23/2008	0.010	0.010	08/01 - Monthly		3,079,999.96	3,079,999.96
SYS31006 MONEY	31006 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS32000 MONEY	32000 MONEY	USBANK	84,869.44	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		84,869.44	84,869.44
SYS32003 MONEY	32003 MONEY	USBANK	1,116,390.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		1,116,390.00	1,116,390.00
SYS32006 MONEY	32006 MONEY	USBANK	0.00	0.010		07/24/2008	0.010	0.010	08/01 - Monthly		0.00	0.00
SYS5570 MONEY	5570 MONEY	USBANK	0.00	2.700			2.663	2.700	01/01 - Monthly		0.00	0.00
SYS5571 MONEY	5571 MONEY	USBANK	0.00	2.700			2.663	2.700	01/01 - Monthly		0.00	0.00
SYS5572 MONEY	5572 MONEY	USBANK	0.00	6.000			5.918	6.000	01/01 - Monthly		0.00	0.00
SYS5580 MONEY	5580 MONEY	USBANK	0.00	0.035			0.035	0.035	01/01 - Monthly		0.00	0.00
SYS5581 MONEY	5581 MONEY	USBANK	0.00	1.510			1.489	1.510	01/01 - Monthly		0.00	0.00
SYS5590 MONEY	5590 MONEY	USBANK	1,326,202.45	0.010			0.010	0.010	01/01 - Monthly		1,326,202.45	1,326,202.45
SYS5591 MONEY	5591 MONEY	USBANK	231,950.00	0.010			0.010	0.010	01/01 - Monthly		231,950.00	231,950.00
SYS5592 MONEY	5592 MONEY	USBANK	0.00	1.640		04/30/2004	1.618	1.640	04/30 - Monthly		0.00	0.00
SYS5593 MONEY	5593 MONEY	USBANK	0.00	0.470		05/03/2004	0.464	0.470	05/03 - Monthly		0.00	0.00
SYS5600 MONEY	5600 MONEY	USBANK	0.00	0.520			0.513	0.520	01/01 - Monthly		0.00	0.00
SYS5601 MONEY	5601 MONEY	USBANK	0.00	1.550			1.529	1.550	01/01 - Monthly		0.00	0.00
SYS5602 MONEY	5602 MONEY	USBANK	0.00	5.100			5.030	5.100	01/01 - Monthly		0.00	0.00
SYS6680 MONEY	6680 MONEY	USBANK	0.00	6.000			5.918	6.000	01/02 - Monthly		0.00	0.00
SYS6681 MONEY	6681 MONEY	USBANK	0.00	5.020			4.951	5.020	01/02 - Monthly		0.00	0.00

**MSR Public Power Agency Trust
Portfolio Management
Investment Status Report - Cash
June 30, 2011**

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
Passbook/Checking Accounts												
SYS6810 MONEY	6810 MONEY	USBANK	0.00	6.100			6.016	6.100	01/02 - Monthly		0.00	0.00
SYS6811 MONEY	6811 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS6813 MONEY	6813 MONEY	USBANK	0.00	4.400			4.340	4.400	01/02 - Monthly		0.00	0.00
SYS69000 MONEY	69000 MONEY	USBANK	316,391.03	0.010		05/01/2009	0.010	0.010	05/01 - Monthly		316,391.03	316,391.03
SYS69001MONEY	69001 MONEY	USBANK	1,150,284.00	0.010		12/24/2007	0.010	0.010	01/01 - Monthly		1,150,284.00	1,150,284.00
SYS69002 MONEY	69002 MONEY	USBANK	12,931,331.09	0.010		01/25/2008	0.010	0.010	01/25 - Monthly		12,931,331.09	12,931,331.09
SYS69003MONEY	69003 MONEY	USBANK	60,930.00	0.010		12/04/2007	0.010	0.010	01/01 - Monthly		60,930.00	60,930.00
SYS69004 MONEY	69004 MONEY	USBANK	0.00	0.035		12/04/2007	0.035	0.035	01/01 - Monthly		0.00	0.00
SYS6990 MONEY	6990 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6991 MONEY	6991 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6992 MONEY	6992 MONEY	USBANK	0.00	1.370			1.351	1.370	01/02 - Monthly		0.00	0.00
SYS6993 MONEY	6993 MONEY	USBANK	0.00	1.370			1.351	1.370	/ - Monthly		0.00	0.00
SYS7000MONEY	7000MONEY	USBANK	3,628,541.21	0.010		01/01/2011	0.010	0.010	01/01 - Monthly		3,628,541.21	3,628,541.21
SYS7260 MONEY	7260 MONEY	USBANK	0.11	0.010			0.010	0.010	01/02 - Monthly		0.11	0.11
SYS7261 MONEY	7261 MONEY	USBANK	397,150.95	0.010			0.010	0.010	01/02 - Monthly		397,150.95	397,150.95
SYS7262 MONEY	7262 MONEY	USBANK	4,066,991.04	0.010			0.010	0.010	01/02 - Monthly		4,066,991.04	4,066,991.04
SYS7267 MONEY	7267 MONEY	USBANK	0.00	5.060			4.991	5.060	01/02 - Monthly		0.00	0.00
SYS7510 MONEY	7510 MONEY	USBANK	0.00	0.035			0.035	0.035	01/02 - Monthly		0.00	0.00
SYS7511 MONEY	7511 MONEY	USBANK	0.00	1.400			1.381	1.400	01/02 - Monthly		0.00	0.00
SYS7512 MONEY	7512 MONEY	USBANK	0.00	5.000		01/01/2001	4.932	5.000	01/02 - Monthly		0.00	0.00
SYS7514 MONEY	7514 MONEY	USBANK	0.00	0.520			0.513	0.520	01/01 - Monthly		0.00	0.00
SYS785001 MONEY	785001 MONEY	USBANK	247,038.51	0.010		05/25/2011	0.010	0.010	06/01 - Monthly		247,038.51	247,038.51
SYS785003 MONEY	785003 MONEY	USBANK	27,931.41	0.010		04/26/2011	0.010	0.010	05/01 - Monthly		27,931.41	27,931.41
SYS785004 MONEY	785004 MONEY	USBANK	41,258.88	0.010		04/26/2011	0.010	0.010	05/01 - Monthly		41,258.88	41,258.88
SYS8000MONEY	8000MONEY	USBANK	1,042,481.56	0.010		01/01/2011	0.010	0.010	01/01 - Monthly		1,042,481.56	1,042,481.56
SYS8440 MONEY	8440 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8441 MONEY	8441 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8442 MONEY	8442 MONEY	USBANK	0.00	4.350			4.290	4.350	01/02 - Monthly		0.00	0.00
SYS8443 MONEY	8443 MONEY	USBANK	0.00	1.500			1.479	1.500	01/02 - Monthly		0.00	0.00
SYS8444 MONEY	8444 MONEY	USBANK	0.00	0.970			0.957	0.970	/ - Monthly		0.00	0.00
SYS8940 MONEY	8940 MONEY	USBANK	0.00	0.035		01/01/2001	0.035	0.035	07/01 - Monthly		0.00	0.00
SYS8942 MONEY	8942 MONEY	USBANK	0.00	1.400			1.381	1.400	07/01 - Monthly		0.00	0.00
SYS8944 MONEY	8944 MONEY	USBANK	0.00	5.500			5.425	5.500	/ - Monthly		0.00	0.00
SYS9000 MONEY	9000 MONEY	USBANK	35.30	0.010		06/25/2004	0.010	0.010	06/25 - Monthly		35.30	35.30
SYS9001 MONEY	9001 MONEY	USBANK	44,182.66	0.010		05/25/2004	0.010	0.010	05/25 - Monthly		44,182.66	44,182.66
SYS9002 MONEY	9002 MONEY	USBANK	2,161,058.41	0.010		05/25/2004	0.010	0.010	05/25 - Monthly		2,161,058.41	2,161,058.41
SYS9004 MONEY	9004 MONEY	USBANK	0.00	0.510		05/03/2004	0.503	0.510	05/03 - Monthly		0.00	0.00

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CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Purchase Principal	Book Value
Cash Totals			47,986,456.65							0.00	47,986,456.65	47,986,456.65
Totals for Cash and Investments			51,976,456.65				3.755	3.807		0.00	52,054,714.17	52,054,714.17

**MSR Public Power Agency Trust
Portfolio Management
Investment Activity By Type
June 1, 2011 through June 30, 2011**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
Passbook/Checking Accounts (Monthly Summary)								
SYS0741MONEY	0741MONEY	U S BANK		0.010		5,161,623.57	0.00	
SYS30001 MONEY	30001 MONEY	U S BANK		0.010		2,927,645.98	0.00	
SYS30002 MONEY	30002 MONEY	U S BANK		0.010		710,125.83	0.00	
SYS31000 MONEY	31000 MONEY	U S BANK		0.010		93,597.34	36,791.15	
SYS31003 MONEY	31003 MONEY	U S BANK		0.010		0.00	80,950.04	
SYS32000 MONEY	32000 MONEY	U S BANK		0.010		38,611.80	17,180.14	
SYS32003 MONEY	32003 MONEY	U S BANK		0.010		0.00	28,441.25	
SYS5590 MONEY	5590 MONEY	U S BANK		0.010		1,325,905.64	0.00	
SYS69001MONEY	69001 MONEY	U S BANK		0.010		1,149,602.91	0.00	
SYS69002 MONEY	69002 MONEY	U S BANK		0.010		12,930,699.61	0.00	
SYS69003MONEY	69003 MONEY	U S BANK		0.010		55,250.00	0.00	
SYS7000MONEY	7000MONEY	U S BANK		0.010		2,862,197.09	2,969,281.87	
SYS7261 MONEY	7261 MONEY	U S BANK		0.010		396,153.55	0.00	
SYS7262 MONEY	7262 MONEY	U S BANK		0.010		4,066,517.61	0.00	
SYS785001 MONEY	785001 MONEY	U S BANK		0.010		246,518.06	0.00	
SYS8000MONEY	8000MONEY	U S BANK		0.010		761,816.78	654,732.00	
SYS9001 MONEY	9001 MONEY	U S BANK		0.010		43,359.62	0.00	
SYS9002 MONEY	9002 MONEY	U S BANK		0.010		2,160,694.46	0.00	
	Subtotal		16,843,513.25			34,930,319.85	3,787,376.45	47,986,456.65
Federal Agency Issues - Coupon								
	Subtotal		2,588,341.89					2,588,341.89
Federal Agency Issues - Discount								
313384HN2	15869	Federal Home Loan Bank			06/30/2011	0.00	220,988.02	
313384HN2	15870	Federal Home Loan Bank			06/30/2011	0.00	65,996.43	
313384HN2	15871	Federal Home Loan Bank			06/30/2011	0.00	337,981.69	
313384HN2	15872	Federal Home Loan Bank			06/30/2011	0.00	6,999.62	
313384HN2	15873	Federal Home Loan Bank			06/30/2011	0.00	179,990.25	
313384HN2	15874	Federal Home Loan Bank			06/30/2011	0.00	191,989.60	
313384HN2	15875	Federal Home Loan Bank			06/30/2011	0.00	1,075,941.72	
313384HN2	15876	Federal Home Loan Bank			06/30/2011	0.00	487,973.57	
313384HN2	15877	Federal Home Loan Bank			06/30/2011	0.00	59,996.75	
313384HN2	15964	Federal Home Loan Bank			06/30/2011	0.00	220,995.70	
313384HN2	15965	Federal Home Loan Bank			06/30/2011	0.00	65,998.72	
313384HN2	15966	Federal Home Loan Bank			06/30/2011	0.00	338,993.41	
313384HN2	15967	Federal Home Loan Bank			06/30/2011	0.00	26,999.48	
313384HN2	15968	Federal Home Loan Bank			06/30/2011	0.00	420,991.81	
313384HN2	15969	Federal Home Loan Bank			06/30/2011	0.00	6,999.86	

**MSR Public Power Agency Trust
Portfolio Management
Investment Activity By Type
June 1, 2011 through June 30, 2011**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
Federal Agency Issues - Discount								
313384HN2	15970	Federal Home Loan Bank			06/30/2011	0.00	179,996.50	
313384HN2	15971	Federal Home Loan Bank			06/30/2011	0.00	190,996.29	
313384HN2	15972	Federal Home Loan Bank			06/30/2011	0.00	1,076,979.06	
313384HN2	15973	Federal Home Loan Bank			06/30/2011	0.00	487,990.51	
313384HN2	15974	Federal Home Loan Bank			06/30/2011	0.00	58,998.85	
313384HN2	15975	Federal Home Loan Bank			06/30/2011	0.00	122,997.61	
313588HN8	15682	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	220,838.23	
313588HN8	15683	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	65,951.69	
313588HN8	15684	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	2,372,262.36	
313588HN8	15685	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	160,882.16	
313588HN8	15686	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	2,948,840.03	
313588HN8	15687	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	6,994.88	
313588HN8	15688	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	1,261,076.29	
313588HN8	15689	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	191,859.47	
313588HN8	15690	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	7,541,476.02	
313588HN8	15691	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	487,642.81	
313588HN8	15692	Federal Nat'l Mtg. Assoc.			06/30/2011	0.00	413,696.98	
313588HE8	15829	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	220,947.20	
313588HE8	15830	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	65,984.23	
313588HE8	15831	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	339,918.78	
313588HE8	15832	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	159,961.78	
313588HE8	15833	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	420,899.43	
313588HE8	15834	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	7,998.09	
313588HE8	15835	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	178,957.24	
313588HE8	15836	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	191,954.13	
313588HE8	15837	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	1,076,742.72	
313588HE8	15838	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	487,883.42	
313588HE8	15839	Federal Nat'l Mtg. Assoc.			06/22/2011	0.00	58,985.91	
313396HM8	15789	Freddie Mac Discount Note			06/29/2011	0.00	220,903.45	
313396HM8	15790	Freddie Mac Discount Note			06/29/2011	0.00	65,971.16	
313396HM8	15791	Freddie Mac Discount Note			06/29/2011	0.00	336,852.75	
313396HM8	15792	Freddie Mac Discount Note			06/29/2011	0.00	160,929.65	
313396HM8	15793	Freddie Mac Discount Note			06/29/2011	0.00	421,815.61	
313396HM8	15794	Freddie Mac Discount Note			06/29/2011	0.00	6,996.94	
313396HM8	15795	Freddie Mac Discount Note			06/29/2011	0.00	179,921.35	
313396HM8	15796	Freddie Mac Discount Note			06/29/2011	0.00	190,916.54	
313396HM8	15797	Freddie Mac Discount Note			06/29/2011	0.00	1,076,529.41	
313396HM8	15798	Freddie Mac Discount Note			06/29/2011	0.00	487,786.77	
313396HM8	15799	Freddie Mac Discount Note			06/29/2011	0.00	58,974.22	

**MSR Public Power Agency Trust
Portfolio Management
Investment Activity By Type
June 1, 2011 through June 30, 2011**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
		Subtotal	27,916,147.15			0.00	27,916,147.15	0.00
Treasury Securities - Coupon								
		Subtotal	1,479,915.63					1,479,915.63
		Total	48,827,917.92			34,930,319.85	31,703,523.60	52,054,714.17



MSR Public Power Agency Trust
Received Interest
Sorted by Date Received
Received June 1, 2011 - June 30, 2011

Modesto Irrigation District
 1231 - 11th St.
 Modesto, CA 95352
 (209)526-7308

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate	Interest				
						Date Due	Received	P & I Due	Amount Received	Variance
June 2011	3133XRFL9	13816	FAC	2,600,000.00	4.250	06/14/2011	06/14/2011	55,250.00	55,250.00	-
	313588HE8	15829	FAD	0.00		06/22/2011	06/22/2011	52.80	52.80	-
	313588HE8	15830	FAD	0.00		06/22/2011	06/22/2011	15.77	15.77	-
	313588HE8	15831	FAD	0.00		06/22/2011	06/22/2011	81.22	81.22	-
	313588HE8	15832	FAD	0.00		06/22/2011	06/22/2011	38.22	38.22	-
	313588HE8	15833	FAD	0.00		06/22/2011	06/22/2011	100.57	100.57	-
	313588HE8	15834	FAD	0.00		06/22/2011	06/22/2011	1.91	1.91	-
	313588HE8	15835	FAD	0.00		06/22/2011	06/22/2011	42.76	42.76	-
	313588HE8	15836	FAD	0.00		06/22/2011	06/22/2011	45.87	45.87	-
	313588HE8	15837	FAD	0.00		06/22/2011	06/22/2011	257.28	257.28	-
	313588HE8	15838	FAD	0.00		06/22/2011	06/22/2011	116.58	116.58	-
	313588HE8	15839	FAD	0.00		06/22/2011	06/22/2011	14.09	14.09	-
	313396HM8	15789	FAD	0.00		06/29/2011	06/29/2011	96.55	96.55	-
	313396HM8	15790	FAD	0.00		06/29/2011	06/29/2011	28.84	28.84	-
	313396HM8	15791	FAD	0.00		06/29/2011	06/29/2011	147.25	147.25	-
	313396HM8	15792	FAD	0.00		06/29/2011	06/29/2011	70.35	70.35	-
	313396HM8	15793	FAD	0.00		06/29/2011	06/29/2011	184.39	184.39	-
	313396HM8	15794	FAD	0.00		06/29/2011	06/29/2011	3.06	3.06	-
	313396HM8	15795	FAD	0.00		06/29/2011	06/29/2011	78.65	78.65	-
	313396HM8	15796	FAD	0.00		06/29/2011	06/29/2011	83.46	83.46	-
	313396HM8	15797	FAD	0.00		06/29/2011	06/29/2011	470.59	470.59	-
	313396HM8	15798	FAD	0.00		06/29/2011	06/29/2011	213.23	213.23	-
	313396HM8	15799	FAD	0.00		06/29/2011	06/29/2011	25.78	25.78	-
	313384HN2	15869	FAD	221,000.00		06/30/2011	06/30/2011	11.98	11.98	-
	313384HN2	15870	FAD	66,000.00		06/30/2011	06/30/2011	3.57	3.57	-
	313384HN2	15871	FAD	338,000.00		06/30/2011	06/30/2011	18.31	18.31	-
	313384HN2	15872	FAD	7,000.00		06/30/2011	06/30/2011	0.38	0.38	-
	313384HN2	15873	FAD	180,000.00		06/30/2011	06/30/2011	9.75	9.75	-
	313384HN2	15874	FAD	192,000.00		06/30/2011	06/30/2011	10.40	10.40	-
	313384HN2	15875	FAD	1,076,000.00		06/30/2011	06/30/2011	58.28	58.28	-
	313384HN2	15876	FAD	488,000.00		06/30/2011	06/30/2011	26.43	26.43	-
	313384HN2	15877	FAD	60,000.00		06/30/2011	06/30/2011	3.25	3.25	-
	313384HN2	15964	FAD	221,000.00		06/30/2011	06/30/2011	4.30	4.30	-
	313384HN2	15965	FAD	66,000.00		06/30/2011	06/30/2011	1.28	1.28	-
	313384HN2	15966	FAD	339,000.00		06/30/2011	06/30/2011	6.59	6.59	-
	313384HN2	15967	FAD	27,000.00		06/30/2011	06/30/2011	0.52	0.52	-
	313384HN2	15968	FAD	421,000.00		06/30/2011	06/30/2011	8.19	8.19	-
	313384HN2	15969	FAD	7,000.00		06/30/2011	06/30/2011	0.14	0.14	-

Portfolio MSRT
 CP

RI (PRF_RI) SymRept V6.00f2
 Report Ver. 5.00

MSR Public Power Agency Trust
Received Interest
Received June 1, 2011 - June 30, 2011

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate			Interest		Variance
						Date Due	Received	P & I Due	Amount Received	
June 2011	313384HN2	15970	FAD	180,000.00		06/30/2011	06/30/2011	3.50	3.50	-
	313384HN2	15971	FAD	191,000.00		06/30/2011	06/30/2011	3.71	3.71	-
	313384HN2	15972	FAD	1,077,000.00		06/30/2011	06/30/2011	20.94	20.94	-
	313384HN2	15973	FAD	488,000.00		06/30/2011	06/30/2011	9.49	9.49	-
	313384HN2	15974	FAD	59,000.00		06/30/2011	06/30/2011	1.15	1.15	-
	313384HN2	15975	FAD	123,000.00		06/30/2011	06/30/2011	2.39	2.39	-
	313588HN8	15682	FAD	221,000.00		06/30/2011	06/30/2011	161.77	161.77	-
	313588HN8	15683	FAD	66,000.00		06/30/2011	06/30/2011	48.31	48.31	-
	313588HN8	15684	FAD	2,374,000.00		06/30/2011	06/30/2011	1,737.64	1,737.64	-
	313588HN8	15685	FAD	161,000.00		06/30/2011	06/30/2011	117.84	117.84	-
	313588HN8	15686	FAD	2,951,000.00		06/30/2011	06/30/2011	2,159.97	2,159.97	-
	313588HN8	15687	FAD	7,000.00		06/30/2011	06/30/2011	5.12	5.12	-
	313588HN8	15688	FAD	1,262,000.00		06/30/2011	06/30/2011	923.71	923.71	-
	313588HN8	15689	FAD	192,000.00		06/30/2011	06/30/2011	140.53	140.53	-
	313588HN8	15690	FAD	7,547,000.00		06/30/2011	06/30/2011	5,523.98	5,523.98	-
	313588HN8	15691	FAD	488,000.00		06/30/2011	06/30/2011	357.19	357.19	-
	313588HN8	15692	FAD	414,000.00		06/30/2011	06/30/2011	303.02	303.02	-
							Subtotal	69,102.85	69,102.85	
							Total	69,102.85	69,102.85	
							Total Cash Overpayment	0.00		
							Total Cash Shortfall	0.00		



**MSR Public Power Agency Trust
Investment Maturity Report
Sorted by Maturity Date
Amounts due during June 1, 2011 - June 30, 2011**

Modesto Irrigation District
1231 - 11th St.
Modesto, CA 95352
(209)526-7308

CUSIP	Investment #	Fund	Inv. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Maturity Interest	Maturity Proceeds	Net Income
313588HE8	15829	5590	FAD	FNMA	221,000.00	06/22/2011	03/28/2011		220,947.20	52.80	221,000.00	52.80
313588HE8	15830	7261	FAD	FNMA	66,000.00	06/22/2011	03/28/2011		65,984.23	15.77	66,000.00	15.77
313588HE8	15831	7262	FAD	FNMA	340,000.00	06/22/2011	03/28/2011		339,918.78	81.22	340,000.00	81.22
313588HE8	15832	0741	FAD	FNMA	160,000.00	06/22/2011	03/28/2011		159,961.78	38.22	160,000.00	38.22
313588HE8	15833	0741	FAD	FNMA	421,000.00	06/22/2011	03/28/2011		420,899.43	100.57	421,000.00	100.57
313588HE8	15834	9001	FAD	FNMA	8,000.00	06/22/2011	03/28/2011		7,998.09	1.91	8,000.00	1.91
313588HE8	15835	9002	FAD	FNMA	179,000.00	06/22/2011	03/28/2011		178,957.24	42.76	179,000.00	42.76
313588HE8	15836	69001	FAD	FNMA	192,000.00	06/22/2011	03/28/2011		191,954.13	45.87	192,000.00	45.87
313588HE8	15837	69002	FAD	FNMA	1,077,000.00	06/22/2011	03/28/2011		1,076,742.72	257.28	1,077,000.00	257.28
313588HE8	15838	30001	FAD	FNMA	488,000.00	06/22/2011	03/28/2011		487,883.42	116.58	488,000.00	116.58
313588HE8	15839	30002	FAD	FNMA	59,000.00	06/22/2011	03/28/2011		58,985.91	14.09	59,000.00	14.09
313396HM8	15789	5590	FAD	FRE	221,000.00	06/29/2011	02/28/2011		220,903.45	96.55	221,000.00	96.55
313396HM8	15790	7261	FAD	FRE	66,000.00	06/29/2011	02/28/2011		65,971.16	28.84	66,000.00	28.84
313396HM8	15791	7262	FAD	FRE	337,000.00	06/29/2011	02/28/2011		336,852.75	147.25	337,000.00	147.25
313396HM8	15792	0741	FAD	FRE	161,000.00	06/29/2011	02/28/2011		160,929.65	70.35	161,000.00	70.35
313396HM8	15793	0741	FAD	FRE	422,000.00	06/29/2011	02/28/2011		421,815.61	184.39	422,000.00	184.39
313396HM8	15794	9001	FAD	FRE	7,000.00	06/29/2011	02/28/2011		6,996.94	3.06	7,000.00	3.06
313396HM8	15795	9002	FAD	FRE	180,000.00	06/29/2011	02/28/2011		179,921.35	78.65	180,000.00	78.65
313396HM8	15796	69001	FAD	FRE	191,000.00	06/29/2011	02/28/2011		190,916.54	83.46	191,000.00	83.46
313396HM8	15797	69002	FAD	FRE	1,077,000.00	06/29/2011	02/28/2011		1,076,529.41	470.59	1,077,000.00	470.59
313396HM8	15798	30001	FAD	FRE	488,000.00	06/29/2011	02/28/2011		487,786.77	213.23	488,000.00	213.23
313396HM8	15799	30002	FAD	FRE	59,000.00	06/29/2011	02/28/2011		58,974.22	25.78	59,000.00	25.78
313384HN2	15869	5590	FAD	FHLB	221,000.00	06/30/2011	04/26/2011		220,988.02	11.98	221,000.00	11.98
313384HN2	15870	7261	FAD	FHLB	66,000.00	06/30/2011	04/26/2011		65,996.43	3.57	66,000.00	3.57
313384HN2	15871	7262	FAD	FHLB	338,000.00	06/30/2011	04/26/2011		337,981.69	18.31	338,000.00	18.31
313384HN2	15872	9001	FAD	FHLB	7,000.00	06/30/2011	04/26/2011		6,999.62	0.38	7,000.00	0.38
313384HN2	15873	9002	FAD	FHLB	180,000.00	06/30/2011	04/26/2011		179,990.25	9.75	180,000.00	9.75
313384HN2	15874	69001	FAD	FHLB	192,000.00	06/30/2011	04/26/2011		191,989.60	10.40	192,000.00	10.40
313384HN2	15875	69002	FAD	FHLB	1,076,000.00	06/30/2011	04/26/2011		1,075,941.72	58.28	1,076,000.00	58.28
313384HN2	15876	30001	FAD	FHLB	488,000.00	06/30/2011	04/26/2011		487,973.57	26.43	488,000.00	26.43
313384HN2	15877	30002	FAD	FHLB	60,000.00	06/30/2011	04/26/2011		59,996.75	3.25	60,000.00	3.25
313384HN2	15964	5590	FAD	FHLB	221,000.00	06/30/2011	05/26/2011		220,995.70	4.30	221,000.00	4.30
313384HN2	15965	7261	FAD	FHLB	66,000.00	06/30/2011	05/26/2011		65,998.72	1.28	66,000.00	1.28
313384HN2	15966	7262	FAD	FHLB	339,000.00	06/30/2011	05/26/2011		338,993.41	6.59	339,000.00	6.59
313384HN2	15967	0741	FAD	FHLB	27,000.00	06/30/2011	05/26/2011		26,999.48	0.52	27,000.00	0.52
313384HN2	15968	0741	FAD	FHLB	421,000.00	06/30/2011	05/26/2011		420,991.81	8.19	421,000.00	8.19
313384HN2	15969	9001	FAD	FHLB	7,000.00	06/30/2011	05/26/2011		6,999.86	0.14	7,000.00	0.14
313384HN2	15970	9002	FAD	FHLB	180,000.00	06/30/2011	05/26/2011		179,996.50	3.50	180,000.00	3.50

Portfolio MSRT
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MSR Public Power Agency Trust
Investment Maturity Report
Amounts due during June 1, 2011 - June 30, 2011

CUSIP	Investment #	Fund	Inv. Type	Issuer	Par Value	Maturity Date	Purchase Date	Rate at Maturity	Book Value at Maturity	Maturity Interest	Maturity Proceeds	Net Income
313384HN2	15971	69001	FAD	FHLB	191,000.00	06/30/2011	05/26/2011		190,996.29	3.71	191,000.00	3.71
313384HN2	15972	69002	FAD	FHLB	1,077,000.00	06/30/2011	05/26/2011		1,076,979.06	20.94	1,077,000.00	20.94
313384HN2	15973	30001	FAD	FHLB	488,000.00	06/30/2011	05/26/2011		487,990.51	9.49	488,000.00	9.49
313384HN2	15974	30002	FAD	FHLB	59,000.00	06/30/2011	05/26/2011		58,998.85	1.15	59,000.00	1.15
313384HN2	15975	5001	FAD	FHLB	123,000.00	06/30/2011	05/26/2011		122,997.61	2.39	123,000.00	2.39
313588HN8	15682	5590	FAD	FNMA	221,000.00	06/30/2011	01/26/2011		220,838.23	161.77	221,000.00	161.77
313588HN8	15683	7261	FAD	FNMA	66,000.00	06/30/2011	01/26/2011		65,951.69	48.31	66,000.00	48.31
313588HN8	15684	7262	FAD	FNMA	2,374,000.00	06/30/2011	01/26/2011		2,372,262.36	1,737.64	2,374,000.00	1,737.64
313588HN8	15685	0741	FAD	FNMA	161,000.00	06/30/2011	01/26/2011		160,882.16	117.84	161,000.00	117.84
313588HN8	15686	0741	FAD	FNMA	2,951,000.00	06/30/2011	01/26/2011		2,948,840.03	2,159.97	2,951,000.00	2,159.97
313588HN8	15687	9001	FAD	FNMA	7,000.00	06/30/2011	01/26/2011		6,994.88	5.12	7,000.00	5.12
313588HN8	15688	9002	FAD	FNMA	1,262,000.00	06/30/2011	01/26/2011		1,261,076.29	923.71	1,262,000.00	923.71
313588HN8	15689	69001	FAD	FNMA	192,000.00	06/30/2011	01/26/2011		191,859.47	140.53	192,000.00	140.53
313588HN8	15690	69002	FAD	FNMA	7,547,000.00	06/30/2011	01/26/2011		7,541,476.02	5,523.98	7,547,000.00	5,523.98
313588HN8	15691	30001	FAD	FNMA	488,000.00	06/30/2011	01/26/2011		487,642.81	357.19	488,000.00	357.19
313588HN8	15692	30002	FAD	FNMA	414,000.00	06/30/2011	01/26/2011		413,696.98	303.02	414,000.00	303.02
Total Maturities					27,930,000.00				27,916,147.15	13,852.85	27,930,000.00	13,852.85



PROJECTS AND ACTIVITIES
STATUS REPORTS

Presented To Commission

July 20, 2011

**M-S-R PUBLIC POWER AGENCY
SAN JUAN PROJECT
STATUS REPORT
JULY 2011**

SAN JUAN UNIT 4 OPERATIONS

May 2011

Net Generation (MWh)	233,863.4
Net Capacity Factor (%)	62.0

San Juan Generation Station (San Juan) Unit 4 began the month of May on a “tune-up” outage to prepare for a summer run of generation. The majority of the work related to repairs on the Boiler Feed Pumps. With the unit out of service for 25 hours in April and 204 hours in May, the unit was brought back on-line as scheduled on May 9, 2011. There were no forced outages during the month of May.

SAN JUAN FORCED OUTAGES

The San Juan Unit 4 has performed well during 2011. The April-May tune up outage has been the only maintenance outage scheduled for San Juan Unit 4. Through May, the unit has only experienced 93 hours of forced outage. This compares favorably to San Juan Units 1, 2, and 3 which have experienced 532, 450, and 245 hours of forced outage, respectively.

SAN JUAN PERMIT RENEWALS

The Public Service Company of New Mexico (PNM) disclosed that after several years of stagnation, it has been very quietly making substantial progress in renewing a variety of permits not related to pending litigation efforts.

NEXT MEETINGS

The next meetings of the San Juan Coordinating Committee and Engineering and Operating Committee (E&O) have been scheduled for July 28, 2011 in Albuquerque, New Mexico. One specific agenda item requested by M-S-R PPA is the E&O Committee obligation to set minimum generating levels for each of the units. A meeting of the San Juan Fuels Committee has been scheduled for the following day.

**M-S-R PUBLIC POWER AGENCY
SOUTHWEST TRANSMISSION PROJECTS
STATUS REPORT
JULY 2011**

MEAD-PHOENIX AND MEAD-ADELANTO TRANSMISSION PROJECTS

The project managers for these transmission projects don't usually schedule many meetings or transmission maintenance during the summer season due to high temperatures in the Inland Southwest. Salt River Project (SRP) has yet to establish a meeting date for completion of a Delegation Agreement.

OASIS COORDINATOR

M-S-R PPA has had multiple discussions regarding the establishment of an OASIS Coordinator to support sales of M-S-R PPA transmission that comes available from time to time. Most recently, the Sacramento Municipal Utility District (SMUD) has been asked to prepare a cost estimates for providing such services. If the schedule keeps on track, arrangements could be complete and operational by the end of 2011.

EFFICIENT DISPATCH TOOLKIT

The second phase of the Benefit/Cost Study for the Efficient Dispatch Toolkit (EDT) being performed on the auspices of the Western Electricity Coordinating Council (WECC) is pending release. Preliminary indications are that the revised annual benefit to the WECC system in 2020 is in the neighborhood of \$175 million. Of this amount \$101 million is attributable to reduced reserve requirements (likely a reduction in reliability) and other \$57 in reduced payments for transmission service. The true reduction in generating cost is therefore rather small. With a projected annual operating cost to administer the EDT projected as high as \$125 million, it is not clear the benefits warrant the potential increased overhead.

At the WECC Board level discussions, there appears to be two basic camps. First there are utilities that are heavy into the buying and selling of power and hope to thrive on a new market structure. They are supported by regulatory members that seek to strengthen their position relative to transmission owners. Most transmission owners are wary of the new system looking too much like a Regional Transmission Organization (RTO) with almost all of the costs and few of the benefits.

**M-S-R PUBLIC POWER AGENCY
PACIFIC NORTHWEST PROJECT
STATUS REPORT
JULY 2011**

BIG HORN I OPERATION

	<u>MWH</u>	<u>% of Expectation</u>
May 2011	52,986	101.6
Entire 2011	268,709	112.4
Project Life (since October 2006)	2,479,006	91.5

BIG HORN II OPERATION

	<u>MWH</u>	<u>% of Expectation</u>
May 2011	10,347	87.7
Entire 2011	59,072	96.0
Project Life (since November 2010)	78,514	91.9

It appears that the original base data used to create projected output at Big Horn II has been more optimistic than similar data associated with Big Horn 1.

BIG HORN CURTAILMENTS

In the months beginning April 2011, Iberdrola Renewables, Inc. (IBR) has identified a series of "system emergencies" which have resulted in curtailments of 559, 252, and 52 MWh, respectively. IBR has been requested to provide additional detail on what caused these curtailments. One issue is that IBR may only be identifying curtailments due to transmission conditions and not curtailments of generation due to new Bonneville Power Administration (Bonneville) mandates.

A meeting has been scheduled between M-S-R PPA staff and IBR staff on July 25, 2011 in Portland, OR to review curtailments and other operating issues.

ENVIRONMENTAL DISPATCH

Bonneville has completed a process that it feels gives it the authority to recapture transmission service it has contracted to generators during high water/high wind periods. Under these conditions, Bonneville has implemented "Environmental Dispatch" wherein it orders generators (primarily wind) to curtail generation; however, Bonneville then provides generation to fill schedules that would otherwise be curtailed. The net result is that schedules are met but renewable energy credits are not created as planned.

M-S-R Public Power Agency Staff Report

Date: July 13, 2011
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: July 2011 General Manager's Report

GENERAL ISSUES:

Annual Strategic Plan Update

Each year the Agency updates the M-S-R PPA Strategic Plan to provide guidance for the preparation of the M-S-R PPA Budget and for the operations of the Agency. The Technical Committee will review the proposed updates at its September 14, 2011, meeting and the M-S-R PPA Commission will consider adopting the 2012 updates at its September 28, 2011, meeting. Technical Committee members are asked to provide their draft comments by September 2, 2011. The General Manager will visit senior management of the members in August to receive additional input.

Proposition 26 Review

Proposition 26 approved by California voters on November 3, 2010, redefines the meanings of the terms "fees" and "taxes" and imposes certain approval requirements for their imposition. M-S-R PPA General Counsel has reviewed whether Proposition 26 could be applied to the sale of power by M-S-R PPA to its members and has concluded that M-S-R PPA does not "impose" charges for the power on its Members within the meaning of Proposition 26.

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M-S-R Public Power Agency Staff Report

Date: July 13, 2011

From: Martin R. Hopper, General Manager

To: M-S-R PPA Commission

Subject: Discussion and Possible Action Regarding Big Horn I Wind Energy Project Payment Procedures

The Project Agreements for the Big Horn I Wind Energy Project require the use of an escrow (or lock-box) account for Member Payments to Iberdrola Renewables, Inc. (IRI) and its subsidiaries for energy deliveries and firming and shaping services. The purpose for this structure was to provide additional security to IRI and its investors regarding M-S-R PPA's performance without regularly requiring the posting of collateral or similar credit enhancements. Because the payment timelines under the agreements with IRI are shorter than those required under the Pacific Northwest Power Sales Agreement between M-S-R PPA and its members, the escrows were initially funded by transfers from M-S-R's Operating Fund. With recent record wind production by the Big Horn Wind Energy Project, funding levels in the escrow accounts were insufficient to meet M-S-R PPA's obligations and an additional transfer from the Operating Fund was required.

Three alternative long-term solutions to this problem have been identified:

1. Permanently increase the balances in the escrow accounts to cover the maximum credible invoice.
2. Modify (shorten) Participant payment deadlines and reduce the escrow account balances to nominal amounts.
3. Reach agreement with IRI to eliminate the escrow requirements and flow all payments through the Operating Fund on customary WECC timelines.

As detailed in the attached report, Member Staff has reviewed the advantages and disadvantages of each potential solution and the M-S-R PPA Technical Committee recommends the following course of action:

That the Commission approves maintaining current escrow funding levels while Staff attempts to reach agreement with IRI to eliminate escrow requirements.

1. If IRI agrees to eliminate escrow requirements, we recommend placing the released escrow funds (about \$4,670,000) in the Member Cash Call Reserve Account (MCCRA) and that the Commission adopt an amendment to Service Schedule A to the M-S-R Operating Agreement to utilize the same payment timelines as specified in Service Schedule K to the M-S-R Operating Agreement for the Big Horn II Wind Energy Project.

2. If IRI does not agree to eliminate the escrow requirements, we recommend reducing the funds held in the escrow accounts to nominal levels of \$5,000 each, placing released funds (about \$4,660,000) in the MCCRA, and that the Commission adopt an amendment to Service Schedule A to the M-S-R Operating Agreement to utilize payment timelines one day shorter than those specified in Service Schedule K to the M-S-R Operating Agreement for the Big Horn II Wind Energy Project.

Big Horn I Payment Procedures Report

July 13, 2011

Introduction:

The Project Agreements for the Big Horn I Wind Energy Project require the use of an escrow (or lock-box) account for Member Payments to Iberdrola Renewables, Inc. (IRI) and its subsidiaries for power purchases and firming and shaping services. The purpose for this structure was to provide additional security to IRI and its investors regarding M-S-R PPA's performance without normally requiring the posting of collateral or other credit enhancements¹. Because the payment timelines under the agreements with IRI are shorter than those required under the Pacific Northwest Power Sales Agreement between M-S-R PPA and its members, the escrows were initially funded by transfers from M-S-R's Operating Fund. With recent record wind production by the Big Horn Wind Energy Project, the funding level in the power purchase escrow account was insufficient to meet M-S-R PPA's obligations and an additional transfer from the Operating Fund was required.

The Escrow Account required under the Power Purchase Agreement was originally funded with a \$3,000,000 transfer from the Operating Fund and the Escrow Account required under the Firming and Shaping Agreement was funded with a \$1,000,000 transfer from the Operating Fund. Interest earnings, primarily received prior to 2009, increased those balances to \$3,128,541 and \$1,042,481 respectively as of April 30, 2011, as corrected². In May 2011 the invoice due under Power Purchase Agreement and to be drawn from the power purchase escrow account on May 20, 2011, totaled \$3,552,851, which exceeded the then available balance. Member payments for April 2011 expenses under the Power Purchase Agreement were due, pursuant to the terms of the Pacific Northwest Power Sales Agreement, on May 25, 2011. To meet this payment, \$500,000 was transferred from the Operating Fund into the power purchase escrow account on May 13, 2011, resulting in a new working balance of \$3,635,626.

Three alternative long-term solutions to this problem have been identified:

1. Permanently increase the balances in the escrow accounts to their current levels.
2. Modify Participant payment deadlines and reduce the escrow account balances to nominal amounts.

¹ If, however, M-S-R PPA fails to meet its San Juan Project Bond Covenant requirements as they pertain to member revenues, debt-service coverage ratios, drawing and timely replenishment of reserves, or if M-S-R PPA's long-term credit rating falls below Baa3 (Moody's) or BBB- (S&P), there is a requirement in the Big Horn I agreements that M-S-R PPA post cash collateral in an amount not to exceed \$5,000,000, as determined by IRI, to be held in the escrows or to provide a Letter of Credit in the same amount guaranteeing M-S-R PPA's obligations.

² As of April 30, 2011, an internal transfer of \$100,000 between the two escrows had not yet been reversed; therefore the apparent balance in the PPA escrow was \$100,000 greater than the correct amount.

3. Reach agreement with IRI to eliminate the escrow requirements and flow all payments through the Operating Fund on customary WECC timelines.

The advantages and disadvantages of each of these solutions are discussed below.

1. Perpetuation of Existing Escrow Accounts and Payment Timelines

The future adequacy of the balances in the escrow accounts was reviewed by estimating the maximum credible monthly amounts due under two scenarios: the highest production level previously achieved in any month and a 95% confidence interval based on historic monthly production. For either case, the maximum credible Firming and Shaping invoice would be \$947,558 as limited by the 110% maximum contract delivery rate under that agreement. Therefore, the firming and shaping escrow account with a current balance of \$1,042,481 is sufficient to meet this requirement³. The maximum credible Power Purchase Agreement invoice, including VERBS services, would range between \$3,607,971 and \$3,731,808⁴. The current balance in the power purchase escrow account of \$3,628,541 is not sufficient to meet the higher value of this estimated range.⁵

The escrow accounts are funded at Operating Fund participation levels (50% - 35% - 15%) and do not reflect Big Horn I participation levels (12.5% - 52.5% - 15%). If earnings on the escrow accounts and the Operating Fund were equivalent (which they were for several years) the differing participation levels would not impact member earnings or equity. However, for the past three years interest earnings on the escrow funds have essentially been zero while the Operating Fund has earned a pooled return of about 2.105% as of April 30, 2011⁶. This has represented an annual opportunity cost to MID of about \$37,000 and an annual opportunity benefit to Santa Clara and Redding of \$17,000 and \$20,000 respectively.

2. Modification of Participant Payment Timelines and Minimization of Escrow Account Balances

Pursuant to the Pacific Northwest Power Sales Agreements (PNW-PSA), payments for invoices rendered by M-S-R PPA are due twenty-five days after the date of the invoice. Invoices rendered by IRI under both the Power Sales Agreement and Firming and Shaping Agreement are to be rendered on the tenth day of the month and are due and payable on the twentieth day of the month from funds available in the escrow accounts. If M-S-R PPA were able to render invoices the same day that invoices were received electronically from IRI, the soonest the member

³ The highest Firming and Shaping invoice received to date was \$825,851.

⁴ The highest Purchase Power invoice received to date was \$3,552,851. The range for the maximum credible Purchase Power invoice includes spans a 95% confidence value based on historic monthly average energy production and a value based on the maximum recorded on and off-peak capacity factors.

⁵ As the option of maintaining use of the existing escrow structure is not the primary recommended alternative, we will not request an additional deposit into the escrow account at this time. However it should be noted the \$500,000 transfer from the Operating Fund on May 13, 2011, was only intended as a temporary measure to allow payment of current invoices.

⁶ Investment earnings (yield to maturity) range from LAIF at 0.588% to Medium Term Corporate Notes at 4.517%.

payments would be received pursuant to the PNW-PSA timelines would be the fifth day of the following month (assuming a 31 day month), placing M-S-R PPA in default of its obligations to IRI. To make funds available on a timely basis for drawing from the escrow account on the twentieth day of the month, member payments would need to be due on the nineteenth of each month. This structure would allow the reduction of the escrow account balances from their current combined \$4,671,023 level to a nominal amount (say \$5,000⁷ each) sufficient to cover regular escrow fees.

The Big Horn II Wind Energy Project agreements do not require escrow accounts and M-S-R PPA makes its payments to IRI directly from the Operating Fund on the twentieth day of each month. Pursuant to the formal operating procedures adopted as Service Schedule K to the M-S-R Operating Agreement, invoices rendered by M-S-R PPA to the members for Big Horn II services are payable on the twentieth day of each month, the same day they in turn are payable to IRI. However, due to the existence of the independent third party escrow, a similar structure for Big Horn I would require a one-day shorter payment cycle unless M-S-R PPA were to continue to maintain a float in the escrow accounts equivalent to the largest credible monthly invoice as described above.

Reducing the escrow funds to a nominal amount and shortening the payment cycle would allow the return of significant funds to the members, or the placement of those amounts in the either the Operating Fund or for the re-establishment of funding of the MCCRA. Historically the MCCRA was used to fund environmental improvements at the San Juan Project, fuel contract buy-downs, redeem bonds, or reduce debt-service payment requirements. Reduction of the escrow balances would also reduce the opportunity costs to the members as described above. Meeting the shorter payment cycle could however increase the administrative burdens on the agency and the members. An informal poll of the Members accounting and power settlements staff has indicated that the shorter payment timelines can be met although expedited processing may be required.

3. Elimination of Escrow Requirement and Modification of Payment Timelines

Elimination of the escrow requirements and adoption of payment terms and similar operating procedures to those used for the Big Horn II Wind Energy Project would harmonize requirements between the projects (and also be the same as the timelines required under MID's Star Point Project agreements with IRI). Through-out WECC, settlement of energy contracts on the twentieth day of the month is a customary operating practice and thus would not impose any unusual burdens on the members. Funds would flow through the Operating Fund. Even without consideration of the escrow account balances, the Operating Fund currently exceeds the sixty-day cash requirement adopted by the M-S-R Commission.⁸ Funds formerly held in the escrow accounts could be returned to the members, placed in the Operating Fund or placed in the MCCRA as described above.

To eliminate the escrow accounts would require amendments to the Big Horn I Power Purchase Agreement and Big Horn I Firming and Shaping Agreement. IRI has not yet agreed to such

⁷ Annual fees associated with the escrow accounts are about \$3,400.

⁸ The 60-day requirement is based on the total M-S-R PPA Budget and thus already encompasses the Big Horn I payments.

amendments and depending on their arrangements with the Big Horn I investors, additional or substitute security may be required. Discussions with IRI are on-going.

Recommendation:

The M-S-R PPA Technical Committee recommends maintaining current escrow funding levels while attempting to reach agreement with IRI to eliminate the escrow requirements.

1. If IRI agrees to eliminate the escrow requirements, we recommend placing the released escrow funds (about \$4,670,000) in the MCCRA and adopting an amendment to Service Schedule A to the M-S-R Operating Agreement to utilize the same payment timelines as specified in Service Schedule K to the M-S-R Operating Agreement for the Big Horn II Wind Energy Project.
2. If IRI does not agree to eliminate the escrow requirements, we recommend reducing the funds held in the escrow accounts to nominal levels of \$5,000 each, placing released funds (about \$4,660,000) in the MCCRA, and adopting an amendment to Service Schedule A to the M-S-R Operating Agreement to utilize payment timelines one day shorter than those specified in Service Schedule K to the M-S-R Operating Agreement for the Big Horn II Wind Energy Project.