

M-S-R Public Power Agency

MEETING OF THE COMMISSION

Wednesday, November 28, 2012, 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	Ed Oborn
John Roukema ¹ (Alt)	Jan Pepper
Redding:	Pete Scanlon
Francie Sullivan	Margie Walker ¹
Barry Tippin (Alt)	Cindy Worley
	file/er/msr
	Rin Helzerman ¹

¹ Please post agenda.

M-S-R Public Power Agency

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Navigant Consulting, Inc.
3100 Zinfandel Drive, Suite 600, Sierra Room
Sacramento, California

AGENDA

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.

1. Call to Order
2. Roll Call
3. *Approve meeting minutes of September 26 and October 17, 2012* (attached)
4. Report on summary of invoices paid totaling \$14,893,464.86 (summary attached)
5. Finance (Lou Hampel)
 - a. Oct 2012 Account Status Report (provided at meeting)
 - b. Oct 2012 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 PPA General Manager's Report (attached, Martin Hopper)
8. *Discussion and Possible Action Regarding Resolution 2012 – 04, Making Certain Findings with Respect to Compliance With Greenhouse Gases Emission Performance Standards Related To San Juan Project Unit 4 2013-2014 Capital Budget Items* (attached, Martin Hopper)
9. *Discussion and Possible Action Regarding Big Horn Payment Deadlines: Resolution 2012 – 05 Big Horn I Wind Energy Project Operating Procedures* (attached, Martin Hopper)

10. ***Discussion and Possible Action Regarding 2013 Meeting Schedules*** (attached, Martin Hopper)
11. ***Discussion and Possible Action Regarding Resolution Honoring Allen Short*** (to be distributed at meeting)
12. Closed Session
 - a. Closed Session Pursuant to Government Code Section 54956.9(a) - Conference with Legal Counsel – Existing Litigation (ER11-3697 - SCE, EL11-44 - BPA, 12-OIR-1 - NRDC, OS-14-E-BPA, and BP-14-E-BPA), Five cases
 - b. Closed Session Pursuant to Government Code Section 54956.9(b) – Conference with Legal Counsel - Anticipated Litigation, Significant Exposure to Litigation, Two cases
 - c. Closed Session Pursuant to Government Code Section 54957(c) – Public Employee Performance Evaluation, General Manager
13. Announcement from Closed Session
14. ***Discussion and Possible Action Regarding Extension of Agreement For Professional Services With Martin Hopper Energy Consulting (Steve Gross)***
15. Public Comment
16. ***Confirm date and time of next meeting***
17. 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
SEPTEMBER 26, 2012**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met September 26, 2012, at the offices of Navigant Consulting, Inc. (NCI), 3100 Zinfandel Drive, Sacramento, CA. Present from Modesto Irrigation District (MID) were Roger van Hoy, and Greg Salyer; present from Santa Clara was John Roukema; present from Redding was Barry Tippin. Also present were General Counsel Steven C. Gross; General Manager Martin R. Hopper; and Consultant Alan Hockenson. Mr. Hampel, M-S-R PPA Treasurer participated by telephone.

Acting Chair Roukema called the meeting to order at 12:10 PM. A quorum was attained with the voting representatives being Mr. Salyer, Mr. Roukema, and Mr. Tippin.

The Commission then reviewed the minutes of its August 22, 2012, meeting. It was moved by Alternate Commissioner Salyer and seconded by Alternate Commissioner Tippin 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. Hampel, M-S-R PPA Treasurer, then reviewed the August 2012 Unaudited Financial Statements, Treasurer's and Account Status Reports for the Commission. He explained the entry on the Balance Sheet for "San Juan Depository Account" represents the San Juan Coal Reclamation Escrow. He also noted that the Senior Lien debt matures in July and has thus been moved to Current Portion of Long Term Debt. He also stated that the value of the AGF Medium Term notes is currently about par, with a coupon of 5.5%, and recommended continuing to hold these notes to maturity in December.

Mr. Hockenson then briefly addressed the Commission regarding the San Juan Project, Southwest Transmission Project and Big Horn Project Status Reports and entertained questions thereon.

Mr. Hopper provided a brief oral report to the Commission and informed them that Iberdrola Renewables, LLC. executed an amendment to the Big Horn 1 Purchase and Sales Agreement which will allow our payment deadlines to be coordinated with those for the Big Horn II Wind Energy Project and also executed a letter agreement implementing the day-ahead scheduling procedures informally agreed among our respective power scheduling staffs earlier this year.

The Commission then retired into Closed Session pursuant to Government Code Section 54956.9 (a) - Existing Litigation – Three Cases; Government Code Section 54956.9 (b) - Anticipated Litigation, Significant Exposure to Litigation - Six Cases; Government Code Section 54956.9 (c) - Anticipated Litigation, and Decision on Whether to Initiate Litigation - One Case at 12:30 P.M. Upon the conclusion of the Closed Session at 2:00 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 Commission then considered the proposed 2013 Strategic Plan. It was moved by Alternate Commissioner Salyer and seconded by Alternate Commissioner Tippin to table consideration of the 2013 Strategic Plan until the next meeting of the Commission. The motion carried unanimously.

The Chair then called for Public Comment and there being none, the Chair announced that next regular meeting of the Commission will be Wednesday, October 17, 2012, at 12:00 Noon, at NCI's offices in Sacramento. The meeting was then adjourned by the Chair at 2:00 P.M.

Martin R. Hopper
Assistant Secretary

**M-S-R PUBLIC POWER AGENCY
DRAFT MINUTES
MEETING OF THE COMMISSION
OCTEBER 17, 2012**

The Commission of the M-S-R Public Power Agency (M-S-R PPA) met September 26, 2012, at the offices of Navigant Consulting, Inc. (NCI), 3100 Zinfandel Drive, Sacramento, CA. Present from Modesto Irrigation District (MID) were Allen Short, and Greg Salyer; present from Santa Clara were Pat Kolstad, and John Roukema; present from Redding wre Barry Tippin, and Daniel Beans. Also present were General Counsel Steven C. Gross; General Manager Martin R. Hopper; and Consultant Alan Hockenson.

Chair Short called the meeting to order at 12:06 PM. A quorum was attained with the voting representatives being Mr. Short, Mr. Kolstad, and Mr. Tippin.

The Commission then retired into Closed Session pursuant to Government Code Section 54956.9 (a) - Existing Litigation – Three Cases; Government Code Section 54956.9 (b) - Anticipated Litigation, Significant Exposure to Litigation - Two Cases; Government Code Section 54956.9 (c) - Anticipated Litigation, and Decision on Whether to Initiate Litigation - One Case at 12:07 P.M. Upon the conclusion of the Closed Session at 1:50 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 Commission then considered the proposed 2013 Strategic Plan tabled at the September 26, 2012, meeting. It was moved by Commissioner Kolstad and seconded by Alternate Commissioner Tippin to continue to table consideration of the 2013 Strategic Plan until the next meeting of the Commission. The motion carried unanimously.

The Chair then called for Public Comment and there being none, the Chair announced that next regular meeting of the Commission will be Wednesday, November 28, 2012, at 12:00 Noon, at NCI's offices in Sacramento. The meeting was then adjourned by the Chair at 1:53 P.M.

Martin R. Hopper
Assistant Secretary

M-S-R Public Power Agency
Invoices Paid Summary: September - November 2012

Payee	Description	Period Covered	Amount
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Sep 2012	165,000.00
Dept of Water & Power, LA	Transmission Service Adelanto-Victorville	Aug 2012	61,595.00
Maricopa County Treasurer	Property Taxes (First Half) 2012-2013 Tax Year	1st of 2 pymts	48,455.68
U.S. Bank	MSR / San Juan Reclamation Trust Admin Fees	Aug 2012 - Jul 2013	4,600.00
Modesto Irrigation District	Remiburse MID for MSR Expenses	Apr - May 2012	191.42
WREGIS	Transfer Volume Fee	Sep 2012	1,617.25
Nevada Dept of Taxation	2nd of 4 quarterly payments 2012-2013 Tax Year	2nd of 4 pymts	25,350.00
McCarthy & Berlin	Legal Services	Aug 2012	16,253.35
Mohave County Treasurer	2012 Property Taxes (First Half)	2012	13,044.77
Yavapai County Treasurer	2012 Property Taxes (First Half)	2012	4,341.98
PNM	Weekly Advance	Sep 2012	311,000.00
Void Check	Void Check		0.00
Void Check	Void Check		0.00
PNM	Weekly Advance	Oct 2012	21,000.00
Modesto Irrigation District	Reimburse MID for MSR Expenses	Jul 2012	258.60
Dept of Water & Power, LA	Mead-Adelanto Operations Costs	Jul 2012	18,098.87
PNM	Monthly Net Due for San Juan Construction	Aug 2012	412,168.33
Martin Hopper Energy Consulting	General Manager services	Sep 2012	22,016.73
PNM	Weekly Advance	Oct 2012	235,000.00
US DOE	Mead-Phoenix Firm Energy Losses	Aug 2012	43,956.62
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Oct 2012	165,000.00
Duncan Weinberg et al	Legal Services	Aug 2012	71,644.85
Porter Simon	Legal Services	Sep 2012	5,585.62
Government Affairs Consulting	State Legislative Advocacy and Consulting Services	Sep 2012	2,000.00
AF Legal & Consulting Services	Legal Services	Sep 2012	14,100.00
PNM	Weekly Advance	Oct 2012	43,000.00
PNM	Estimated Coal	Sep 2012	2,498,752.91
Dept of Water & Power, LA	Transmission Service Adelanto-Victorville	Sep 2012	61,595.00
Big Horn Wind Project	Firm Energy from Big Horn facility	Sep 2012	1,194,718.25
Iberdrola Renewables	Big Horn Shaping Fee	Sep 2012	410,917.00
Iberdrola Renewables	Big Horn 2 Contract Power Delivery	Sep 2012	626,536.17
PNM	Monthly Net Due for San Juan Construction	Sep 2012	316,688.61
PNM	Weekly Advance	Oct 2012	318,000.00
Navigant	Special Assistance	Aug & Sep 2012	19,465.44
Modesto Irrigation District	Accounting and coordination services	Sep 2012	56,817.07
Dept of Water & Power, LA	Mead-Adelanto Operations Costs	Aug 2012	29,402.82

M-S-R Public Power Agency
Invoices Paid Summary: September - November 2012

Payee	Description	Period Covered	Amount
Salt River Project	Mead-Phoenix O&M Costs	Nov Est	20,151.57
PNM	Weekly Advance	Oct 2012	147,000.00
Modesto Irrigation District	Reimburse MID for MSR Expenses	Oct 2012	702.00
McCarthy & Berlin	Legal Services	Sep 2012	15,181.43
Montague DeRose & Assoc.	Financial Advisory Services	Jun-Aug 2012	3,761.25
KBT, LLC	Consulting Services	Aug 2012	37,017.21
KBT, LLC	Consulting Services	Sep 2012	28,730.12
PNM	Weekly Advance	Nov 2012	181,000.00
San Juan County Treasurer	2012 Property Taxes (First Half)	Nov 2012	368,650.53
Martin Hopper Energy Consulting	General Manager services	Oct 2012	24,850.25
AF Legal & Consulting Services	Legal Services	Oct 2012	6,720.00
Government Affairs Consulting	State Legislative Advocacy and Consulting Services	Oct 2012	2,000.00
Duncan Weinberg et al	Legal Services	Sep 2012	69,617.73
US DOE	Mead-Phoenix Firm Energy Losses	Sep 2012	40,453.16
Big Horn Wind Project	Firm Energy from Big Horn facility	Oct 2012	2,254,221.63
Iberdrola Renewables	Big Horn Shaping Fee	Oct 2012	343,746.00
PNM	Weekly Advance	Nov 2012	38,000.00
PNM	Estimated Coal	Oct 2012	2,295,565.88
California Municipal Utilities Assoc.	Registration for Legislative Briefing	Jan 2013	125.00
McCarthy & Berlin	Legal Services	Oct 2012	18,896.87
Navigant	Special Assistance	Oct 2012	4,886.60
Porter Simon	Legal Services	Oct 2012	15,335.24
Dept of Water & Power, LA	Transmission Service Adelanto-Victorville	Oct 2012	61,595.00
Southern California Edison	Firm Transmission between Victorville-Lugo and Midway	Nov 2012	165,000.00
Modesto Irrigation District	Accounting and coordination services	Oct 2012	57,551.88
Iberdrola Renewables	Big Horn 2 Contract Power Delivery	Oct 2012	1,192,827.17
Baker Tilly Virchow Krause	Audit of 2012 Financials	Oct 2012	706.00
PNM	Weekly Advance	Nov 2012	261,000.00
TOTAL			\$ 14,893,464.86



Treasurer's Report

October 2012



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

Treasurer's Report for the Month of October 2012

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 Purchases Report

**MSR PUBLIC POWER AGENCY
TREASURER'S REPORT
FOR THE MONTH OF OCTOBER 2012**

FUND BALANCES

<u>UNRESTRICTED FUNDS</u>	09/30/12			10/31/12	10/31/12	Unrealized Gain/Loss
	Cost Value	Receipts	Disbursements	Cost Value	Mkt. Value	
General Fund	22,970,470	12,620,452	12,865,466	22,725,456	22,757,304	31,848
 <u>RESTRICTED FUNDS</u>						
MSR MASTER RESERVE	0	0	0	0	0	0
MSR Series F	1,215,838	404,959	(2)	1,620,799	1,621,106	307
MSR Series I	0	0	0	0	0	0
MSR 2004 Series J	0	0	0	0	0	0
MSR 2007 Series K	6,885,982	1,268,949	(1)	8,154,932	8,232,527	77,596
MSR 2008 Series L	8,671,022	547,451	(1)	9,218,474	9,250,896	32,422
MSR 2008 Series M	3,092,647	45,093	45,093	3,092,647	3,107,885	15,238
MSR 2008 Series N	1,120,973	15,695	15,695	1,120,973	1,126,495	5,522
MSR 2011 Series O	3,254,502	552,114	(1)	3,806,617	3,947,235	140,618
MSR Series 97D	895,014	220,946	(1)	1,115,960	1,116,128	168
MSR Big Horn Wind Collat Acct.	3,628,860	1,194,718	1,194,670	3,628,908	3,628,908	0
MSR Big Horn Shaping Acct.	1,042,573	410,917	410,903	1,042,587	1,042,587	0
MSR SJ Coal Reclamation Trust	1,032,015	33	(1)	1,032,049	1,032,049	0
	30,839,425	4,660,875	1,666,354	33,833,946	34,105,816	271,870
TOTAL FUNDS	53,809,896	17,281,327	14,531,820	56,559,402	56,863,120	303,718

CASH & INVESTMENTS

DEMAND ACCOUNTS

Union Bank - General Fund 253,907

<u>INVESTMENTS (See Attached)</u>	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%	12.7%	7,158,462
Federal Agencies	No Limit	44.8%	25,225,010
Local Agency Investment Fund	\$50,000,000	27.2%	15,332,732
Money Market Accounts	No Limit	12.7%	7,129,021
Repurchase Agreements	No Limit	0.0%	0
U.S. Treasury Instruments	No Limit	2.6%	1,479,916
TOTAL INVESTMENTS		<u>100.0%</u>	<u>56,325,140</u>

Add: Deposits in transit 0
Less: Outstanding checks (19,645)

TOTAL CASH & INVESTMENTS 56,559,402

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
October 2012**

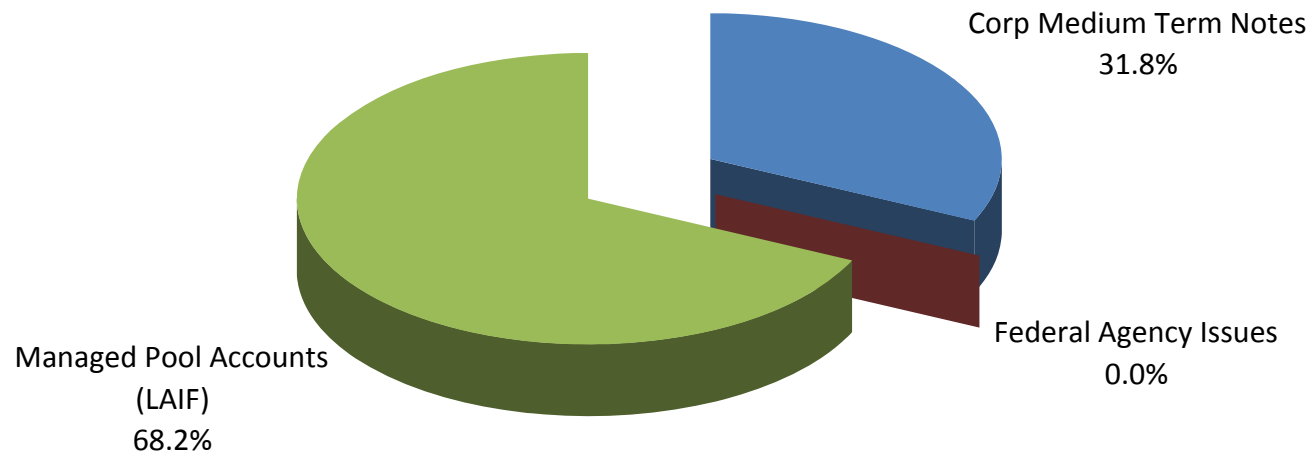
Portfolio	Beginning Balance (Cost)	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance (Cost)	Market Value*
MSR	\$22,970,470	\$4,112,775	\$4,357,789	\$22,725,456	\$22,757,304
MSR Trusts	\$30,839,425	\$7,655,443	\$4,660,923	\$33,833,946	\$34,105,816
	<u>\$53,809,896</u>	<u>\$11,768,218</u>	<u>\$9,018,712</u>	<u>\$56,559,402</u>	<u>\$56,863,120</u>

**General Fund Investment Portfolio Guideline Compliance
October 2012**

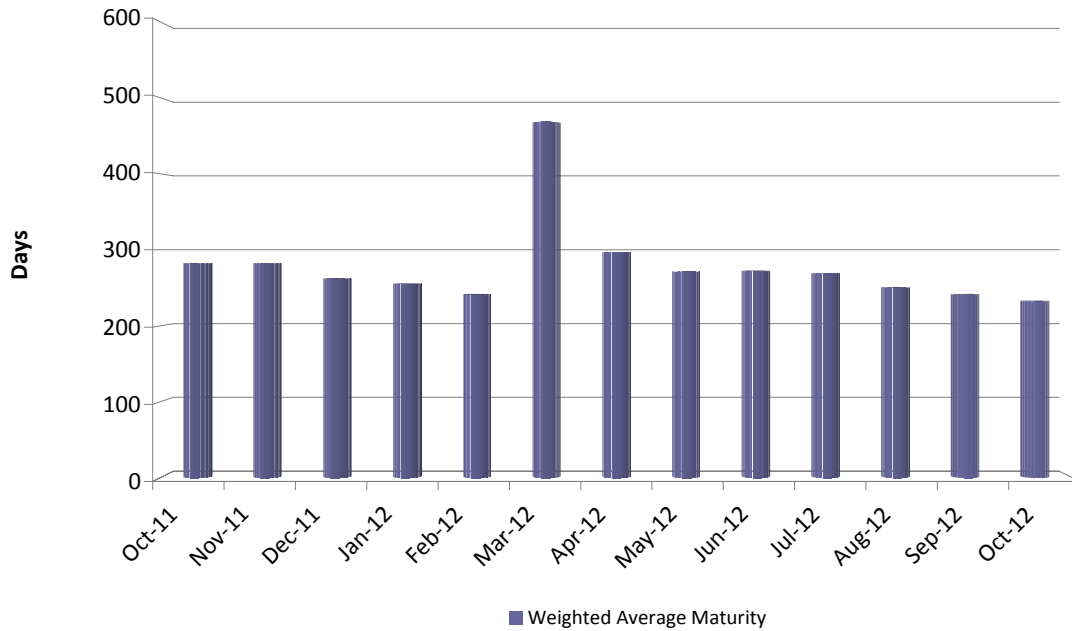
	Standard	Actual	Cost	Market Value*
Corp Medium Term Notes	30%	31.8%	\$7,158,462	\$7,190,310
Federal Agency Issues	No Limit	0.0%	\$0	\$0
Managed Pool Accounts (LAIF)	50M	68.2%	\$15,332,732	\$15,332,732
Treasury Securities	No Limit	0.0%	\$0	\$0
Municipal Bonds	No Limit	0.0%	\$0	\$0
		<u>100.0%</u>	<u>\$22,491,194</u>	<u>\$22,523,042</u>
Demand Account Balance	No Limit		<u>\$234,262</u>	<u>\$234,262</u>
Total			<u>\$22,725,456</u>	<u>\$22,757,304</u>

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

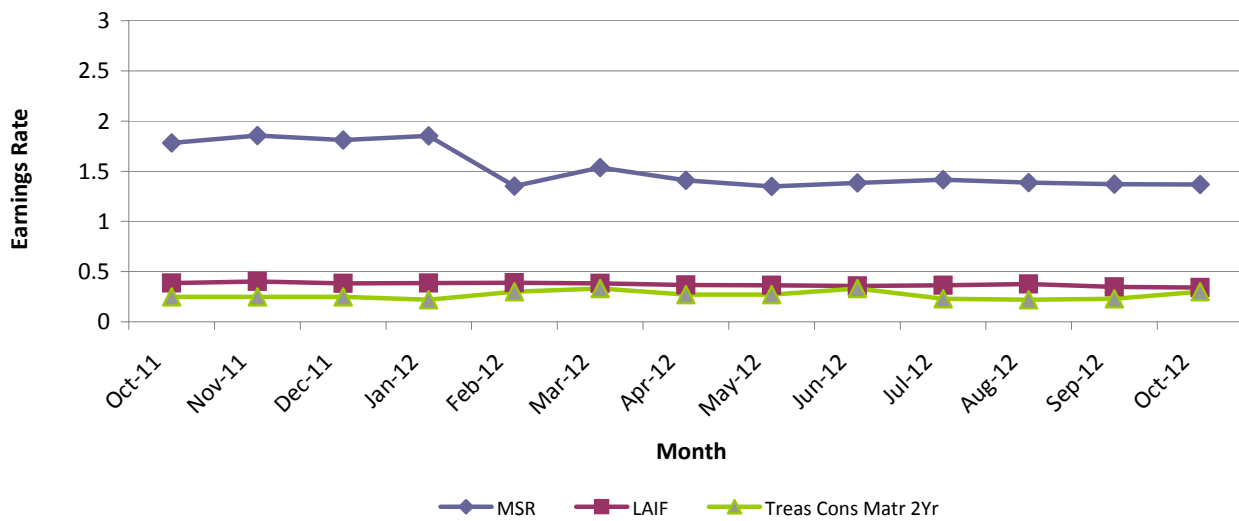
M-S-R Public Power Agency Investment Portfolio October 2012



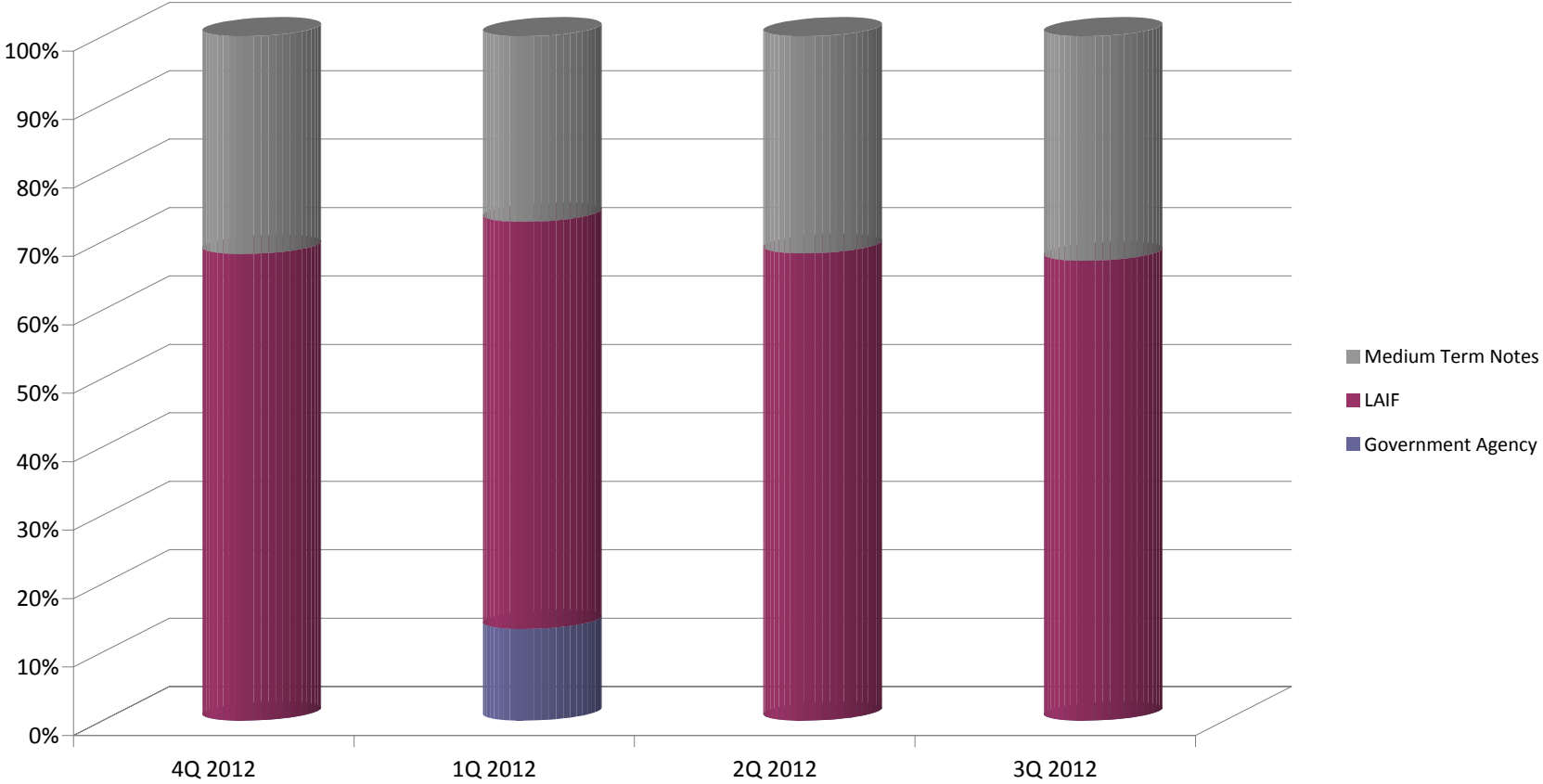
General Fund Portfolio Average Maturity Report



MSR / LAIF / US Treasury 2-Year



M-S-R Public Power Agency Investment Portfolio Quarterly Comparison Fourth Quarter 2012





**MSR Public Power Agency
Portfolio Management
Portfolio Summary
October 31, 2012**

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	15,332,731.80	15,332,731.80	15,332,731.80	68.17	1	1	0.340
Corporate Medium Term Notes	7,000,000.00	7,190,310.00	7,158,462.08	31.83	1,798	726	3.572
Investments	22,332,731.80	22,523,041.80	22,491,193.88	100.00%	573	232	1.369
Cash							
Passbook/Checking (not included in yield calculations)	234,262.07	234,262.07	234,262.07		1	1	0.000
Total Cash and Investments	22,566,993.87	22,757,303.87	22,725,455.95		573	232	1.369
Total Earnings	October 31 Month Ending	Fiscal Year To Date					
Current Year	27,988.62	290,285.73					
Average Daily Balance	21,646,579.59						
Effective Rate of Return	1.52%						

Lou Hampel, Treasurer

**MSR Public Power Agency
Portfolio Management
Portfolio Details - Investments
October 31, 2012**

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			15,332,731.80	15,332,731.80	15,332,731.80	0.340		0.340	1	
Subtotal and Average			14,101,156.04		15,332,731.80	15,332,731.80	15,332,731.80			0.340	1	
Corporate Medium Term Notes												
02639ENF7	13575	American General Finance		12/06/2007	2,000,000.00	1,979,420.00	2,000,000.00	5.500		5.500	44	12/15/2012
06406HBJ7	13699	Bank of New York Mellon		04/08/2008	2,000,000.00	2,034,580.00	2,016,832.08	4.500		4.310	151	04/01/2013
36952G5N0	16340	General Electric Capital Corp		03/15/2012	3,000,000.00	3,176,310.00	3,141,630.00	2.900		1.870	1,530	01/09/2017
Subtotal and Average			7,158,462.08		7,000,000.00	7,190,310.00	7,158,462.08			3.572	726	
Total Investments and Average			21,646,579.59		22,332,731.80	22,523,041.80	22,491,193.88			1.369	232	

**MSR Public Power Agency
Portfolio Management
Portfolio Details - Cash
October 31, 2012**

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	234,262.07	234,262.07	234,262.07			0.000	1
		Average Balance	0.00								1
Total Cash and Investments			21,646,579.59		22,566,993.87	22,757,303.87	22,725,455.95			1.369	232

**MSR Public Power Agency
Portfolio Management
Investment Status Report - Investments
October 31, 2012**

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	15,332,731.80	0.340			0.335	0.340	01/15 - Quarterly		15,332,731.80	15,332,731.80
Managed Pool Accounts Totals			15,332,731.80				0.335	0.340		0.00	15,332,731.80	15,332,731.80
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
36962G5N0	16340	GEC	3,000,000.00	2.900	01/09/2017	03/15/2012	1.845	1.870	07/09 - 01/09	Received	3,141,630.00	3,141,630.00
Corporate Medium Term Notes Totals			7,000,000.00				3.523	3.572		0.00	7,158,462.08	7,158,462.08
Investment Totals			22,332,731.80				1.350	1.369		0.00	22,491,193.88	22,491,193.88

**MSR Public Power Agency
Portfolio Management
Investment Status Report - Cash
October 31, 2012**

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	234,262.07			01/01/1999	0.000	0.000	/ - Monthly		234,262.07	234,262.07
Cash Totals			234,262.07							0.00	234,262.07	234,262.07
Totals for Cash and Investments			22,566,993.87				1.350	1.369		0.00	22,725,455.95	22,725,455.95

**MSR Public Power Agency
Portfolio Management
Investment Activity By Type
October 1, 2012 through October 31, 2012**

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		0.340		4,112,774.90	4,200,000.00	
		Subtotal	15,419,956.90			4,112,774.90	4,200,000.00	15,332,731.80
Passbook/Checking Accounts (Monthly Summary)								
SYSGENERAL FUND	GENERAL FUND	Union Bank of California				0.00	157,789.38	
		Subtotal	392,051.45			0.00	157,789.38	234,262.07
Corporate Medium Term Notes								
		Subtotal	7,158,462.08					7,158,462.08
		Total	22,970,470.43			4,112,774.90	4,367,789.38	22,725,455.95



MSR Public Power Agency
Received Interest
Sorted by Date Received
Received October 1, 2012 - October 31, 2012

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	
October 2012	06406HBJ7	13699	MTN	2,000,000.00	4.500	10/01/2012	10/01/2012	45,000.00	45,000.00	-
							Subtotal	45,000.00	45,000.00	
							Total	45,000.00	45,000.00	
							Total Cash Overpayment	0.00		
							Total Cash Shortfall	0.00		

**MSR Public Power Agency
Received Interest
Received October 1, 2012 - October 31, 2012**

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate	Date Received	Interest Amount Received
Cash Accounts							
October 2012	SYSLAIF	LAIF	LA1	15,332,731.80	0.340	10/15/2012	12,774.90
						Subtotal	12,774.90
						Total	12,774.90



MSR Public Power Agency
Activity Report
Issuer: Local Agency Investment Fund
October 1, 2012 - October 31, 2012

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

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Sales/Calls/Maturities or Withdrawals	Ending Balance
Issuer: Local Agency Investment Fund									
Managed Pool Accounts									
SYSLAIF	LAIF	Local Agency Investment Fund			0.340		4,112,774.90	4,200,000.00	
		Subtotal and Balance		15,419,956.90			4,112,774.90	4,200,000.00	15,332,731.80
		Issuer Subtotal	67.943%	15,419,956.90			4,112,774.90	4,200,000.00	15,332,731.80
		Total		15,419,956.90			4,112,774.90	4,200,000.00	15,332,731.80



**MSR Public Power Agency Trust
Portfolio Management
Portfolio Summary
October 31, 2012**

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	13,217,000.00	13,374,448.07	13,245,049.47	49.60	1,254	651	1.351
Federal Agency Issues - Discount	11,984,000.00	11,982,232.35	11,979,960.05	44.86	112	59	0.106
Treasury Securities - Coupon	1,390,000.00	1,620,114.50	1,479,915.63	5.54	2,576	2,021	2.856
Investments	26,591,000.00	26,976,794.92	26,704,925.15	100.00%	815	461	0.876
Cash							
Passbook/Checking (not included in yield calculations)	7,129,021.12	7,129,021.12	7,129,021.12		1	1	0.010
Total Cash and Investments	33,720,021.12	34,105,816.04	33,833,946.27		815	461	0.876
Total Earnings	October 31 Month Ending	Fiscal Year To Date					
Current Year	21,347.02	212,067.83					
Average Daily Balance	31,671,068.61						
Effective Rate of Return	0.79%						

Lou Hampel, Treasurer

**MSR Public Power Agency Trust
Portfolio Management
Portfolio Details - Investments
October 31, 2012**

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	13818	Federal Home Loan Bank		06/11/2008	2,600,000.00	2,664,974.00	2,588,341.89	4.250		4.351	225	06/14/2013
3137EACY3	16188	Federal Home Loan Mortgage Corp		11/07/2011	6,440,000.00	6,496,092.40	6,464,085.60	0.750		0.616	754	11/25/2014
3137EACY3	16189	Federal Home Loan Mortgage Corp		11/07/2011	3,066,000.00	3,092,704.86	3,077,466.84	0.750		0.631	754	11/25/2014
3137EACY3	16190	Federal Home Loan Mortgage Corp		11/07/2011	1,111,000.00	1,120,676.81	1,115,155.14	0.750		0.631	754	11/25/2014
Subtotal and Average			13,245,049.47		13,217,000.00	13,374,448.07	13,245,049.47			1.351	651	
Federal Agency Issues - Discount												
313384V48	16572	FHLB Discount Note		09/26/2012	221,000.00	220,966.85	220,946.96			0.091	60	12/31/2012
313384V48	16573	FHLB Discount Note		09/26/2012	24,000.00	23,996.40	23,994.24			0.091	60	12/31/2012
313384V48	16574	FHLB Discount Note		09/26/2012	382,000.00	381,942.70	381,908.32			0.091	60	12/31/2012
313384V48	16575	FHLB Discount Note		09/26/2012	82,000.00	81,987.70	81,980.32			0.091	60	12/31/2012
313384V48	16576	FHLB Discount Note		09/26/2012	1,188,000.00	1,187,821.80	1,187,714.88			0.091	60	12/31/2012
313384V48	16577	FHLB Discount Note		09/26/2012	483,000.00	482,927.55	482,884.08			0.091	60	12/31/2012
313384V48	16578	FHLB Discount Note		09/26/2012	64,000.00	63,990.40	63,984.64			0.091	60	12/31/2012
313384V48	16579	FHLB Discount Note		09/26/2012	103,000.00	102,984.55	102,975.28			0.091	60	12/31/2012
313384V48	16580	FHLB Discount Note		09/26/2012	449,000.00	448,932.65	448,892.24			0.091	60	12/31/2012
313384V48	16623	FHLB Discount Note		10/25/2012	221,000.00	220,966.85	220,962.98			0.091	60	12/31/2012
313384V48	16624	FHLB Discount Note		10/25/2012	23,000.00	22,996.55	22,996.15			0.091	60	12/31/2012
313384V48	16625	FHLB Discount Note		10/25/2012	381,000.00	380,942.85	380,936.18			0.091	60	12/31/2012
313384V48	16626	FHLB Discount Note		10/25/2012	81,000.00	80,987.85	80,986.43			0.091	60	12/31/2012
313384V48	16627	FHLB Discount Note		10/25/2012	1,188,000.00	1,187,821.80	1,187,801.01			0.091	60	12/31/2012
313384V48	16628	FHLB Discount Note		10/25/2012	483,000.00	482,927.55	482,919.10			0.091	60	12/31/2012
313384V48	16629	FHLB Discount Note		10/25/2012	65,000.00	64,990.25	64,989.11			0.091	60	12/31/2012
313384V48	16630	FHLB Discount Note		10/25/2012	103,000.00	102,984.55	102,982.75			0.091	60	12/31/2012
313384V48	16631	FHLB Discount Note		10/25/2012	450,000.00	449,932.50	449,924.83			0.091	60	12/31/2012
313588V44	16505	FNMA Discount Note		07/25/2012	221,000.00	220,966.85	220,892.63			0.112	60	12/31/2012
313588V44	16506	FNMA Discount Note		07/25/2012	23,000.00	22,996.55	22,988.83			0.112	60	12/31/2012
313588V44	16507	FNMA Discount Note		07/25/2012	382,000.00	381,942.70	381,814.41			0.112	60	12/31/2012
313588V44	16508	FNMA Discount Note		07/25/2012	81,000.00	80,987.85	80,960.65			0.112	60	12/31/2012
313588V44	16509	FNMA Discount Note		07/25/2012	1,191,000.00	1,190,821.35	1,190,421.37			0.112	60	12/31/2012
313588V44	16510	FNMA Discount Note		07/25/2012	483,000.00	482,927.55	482,765.34			0.112	60	12/31/2012
313588V44	16511	FNMA Discount Note		07/25/2012	64,000.00	63,990.40	63,968.91			0.112	60	12/31/2012
313588V44	16512	FNMA Discount Note		07/25/2012	103,000.00	102,984.55	102,949.96			0.112	60	12/31/2012
313588V44	16513	FNMA Discount Note		07/25/2012	450,000.00	449,932.50	449,781.37			0.112	60	12/31/2012
313396U92	16534	Freddie Mac Discount Note		08/24/2012	221,000.00	220,969.06	220,899.42			0.132	57	12/28/2012
313396U92	16535	Freddie Mac Discount Note		08/24/2012	23,000.00	22,996.78	22,989.54			0.132	57	12/28/2012

Portfolio MSRT
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**MSR Public Power Agency Trust
Portfolio Management
Portfolio Details - Investments
October 31, 2012**

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 - Discount												
313396U92	16536	Freddie Mac Discount Note		08/24/2012	382,000.00	381,946.52	381,826.19			0.132	57	12/28/2012
313396U92	16537	Freddie Mac Discount Note		08/24/2012	81,000.00	80,988.66	80,983.15			0.132	57	12/28/2012
313396U92	16538	Freddie Mac Discount Note		08/24/2012	1,188,000.00	1,187,833.88	1,187,459.46			0.132	57	12/28/2012
313396U92	16539	Freddie Mac Discount Note		08/24/2012	483,000.00	482,932.38	482,780.24			0.132	57	12/28/2012
313396U92	16540	Freddie Mac Discount Note		08/24/2012	65,000.00	64,990.90	64,970.43			0.132	57	12/28/2012
313396U92	16541	Freddie Mac Discount Note		08/24/2012	103,000.00	102,985.58	102,953.14			0.132	57	12/28/2012
313396U92	16542	Freddie Mac Discount Note		08/24/2012	449,000.00	448,937.14	448,795.71			0.132	57	12/28/2012
Subtotal and Average			9,661,638.75		11,984,000.00	11,982,232.35	11,979,960.05			0.106	59	
Treasury Securities - Coupon												
912828HZ6	15842	U.S. Treasury		04/26/2011	1,390,000.00	1,620,114.50	1,479,915.63	3.875		2.856	2,021	05/15/2018
Subtotal and Average			1,479,915.63		1,390,000.00	1,620,114.50	1,479,915.63			2.856	2,021	
Total Investments and Average			31,671,068.61		26,591,000.00	26,976,794.92	26,704,925.15			0.876	461	

**MSR Public Power Agency Trust
Portfolio Management
Portfolio Details - Cash
October 31, 2012**

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			0.00	0.00	0.00	0.010		0.010	1
SYS0744 MONEY	0744 MONEY	U S BANK			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			0.00	0.00	0.00	1.510		1.510	1
SYS2401 MONEY	2401 MONEY	U S BANK			0.00	0.00	0.00	1.510		1.510	1
SYS2402 MONEY	2402 MONEY	U S BANK		01/01/2012	0.00	0.00	0.00	0.570		0.570	1
SYS2404 MONEY	2404 MONEY	U S BANK			0.00	0.00	0.00	0.510		0.510	1
SYS30000 MONEY	30000 MONEY	U S BANK			559,059.56	559,059.56	559,059.56	0.010		0.010	1
SYS30001 MONEY	30001 MONEY	U S BANK			638.29	638.29	638.29	0.010		0.010	1
SYS30002 MONEY	30002 MONEY	U S BANK			524.10	524.10	524.10	0.010		0.010	1
SYS30003 MONEY	30003 MONEY	U S BANK			4,904.40	4,904.40	4,904.40	0.010		0.010	1
SYS30004 MONEY	30004 MONEY	U S BANK			0.00	0.00	0.00	0.010		0.010	1
SYS30005 MONEY	30005 MONEY	U S BANK			0.00	0.00	0.00	0.010		0.010	1
SYS31000 MONEY	31000 MONEY	U S BANK			12,647.24	12,647.24	12,647.24	0.010		0.010	1
SYS31003 MONEY	31003 MONEY	U S BANK			2,533.12	2,533.12	2,533.12	0.010		0.010	1
SYS31006 MONEY	31006 MONEY	U S BANK			0.00	0.00	0.00	0.010		0.010	1
SYS32000 MONEY	32000 MONEY	U S BANK			4,582.88	4,582.88	4,582.88	0.010		0.010	1
SYS32003 MONEY	32003 MONEY	U S BANK			1,234.86	1,234.86	1,234.86	0.010		0.010	1
SYS32006 MONEY	32006 MONEY	U S BANK			0.00	0.00	0.00	0.010		0.010	1
SYS33000MONEY	33000MONEY	U S BANK		08/29/2012	1,032,048.97	1,032,048.97	1,032,048.97	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			305.31	305.31	305.31	0.010		0.010	1
SYS5591 MONEY	5591 MONEY	U S BANK			231,953.05	231,953.05	231,953.05	0.010		0.010	1
SYS5592 MONEY	5592 MONEY	U S BANK			0.00	0.00	0.00	1.840		1.840	1
SYS5593 MONEY	5593 MONEY	U S BANK		01/01/2012	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

**MSR Public Power Agency Trust
Portfolio Management
Portfolio Details - Cash
October 31, 2012**

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											
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
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			470,482.92	470,482.92	470,482.92	0.010		0.010	1
SYS69001 MONEY	69001 MONEY	U S BANK			319.75	319.75	319.75	0.010		0.010	1
SYS69002 MONEY	69002 MONEY	U S BANK			162.01	162.01	162.01	0.010		0.010	1
SYS69003 MONEY	69003 MONEY	U S BANK			17,338.11	17,338.11	17,338.11	0.010		0.010	1
SYS69004 MONEY	69004 MONEY	U S BANK		01/01/2012	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
SYS7000 MONEY	7000 MONEY	U S BANK			3,628,908.47	3,628,908.47	3,628,908.47	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			554.26	554.26	554.26	0.010		0.010	1
SYS7262 MONEY	7262 MONEY	U S BANK			790.43	790.43	790.43	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		01/01/2012	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
SYS785000 MONEY	785000 MONEY	U S BANK		03/28/2012	56,689.54	56,689.54	56,689.54	0.010		0.010	1
SYS785001 MONEY	785001 MONEY	U S BANK			408.34	408.34	408.34	0.010		0.010	1
SYS785002 MONEY	785002 MONEY	U S BANK			6.22	6.22	6.22	0.010		0.010	1
SYS785003 MONEY	785003 MONEY	U S BANK			25,104.37	25,104.37	25,104.37	0.010		0.010	1
SYS785004 MONEY	785004 MONEY	U S BANK			35,238.01	35,238.01	35,238.01	0.010		0.010	1
SYS8000 MONEY	8000 MONEY	U S BANK			1,042,586.80	1,042,586.80	1,042,586.80	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		01/01/2012	0.00	0.00	0.00	0.970		0.970	1
SYS8940 MONEY	8940 MONEY	U S BANK			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

**MSR Public Power Agency Trust
Portfolio Management
Portfolio Details - Cash
October 31, 2012**

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											
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			0.00	0.00	0.00	0.010		0.010	1
SYS9001 MONEY	9001 MONEY	U S BANK			0.00	0.00	0.00	0.010		0.010	1
SYS9002 MONEY	9002 MONEY	U S BANK			0.00	0.00	0.00	0.010		0.010	1
SYS9004 MONEY	9004 MONEY	U S BANK		01/01/2012	0.00	0.00	0.00	0.510		0.510	1
	Average Balance		0.00								1
Total Cash and Investments			31,671,068.61		33,720,021.12	34,105,816.04	33,833,946.27			0.876	461

MSR Public Power Agency Trust
Portfolio Management
Investment Status Report - Investments
October 31, 2012

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	08/11/2008	4.291	4.351	12/14 - 06/14	Received	2,588,341.89	2,588,341.89
3137EACY3	16188	FHLMC	6,440,000.00	0.750	11/25/2014	11/07/2011	0.608	0.616	11/25 - 05/25	Received	6,464,085.60	6,464,085.60
3137EACY3	16189	FHLMC	3,066,000.00	0.750	11/25/2014	11/07/2011	0.622	0.631	11/25 - 05/25	Received	3,077,466.84	3,077,466.84
3137EACY3	16190	FHLMC	1,111,000.00	0.750	11/25/2014	11/07/2011	0.622	0.631	11/25 - 05/25	Received	1,115,155.14	1,115,155.14
Federal Agency Issues - Coupon Totals			13,217,000.00				1.332	1.351		0.00	13,245,049.47	13,245,049.47
Federal Agency Issues - Discount												
313384V48	16572	FHLBDN	221,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		220,946.96	220,946.96
313384V48	16573	FHLBDN	24,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		23,994.24	23,994.24
313384V48	16574	FHLBDN	382,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		381,908.32	381,908.32
313384V48	16575	FHLBDN	82,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		81,980.32	81,980.32
313384V48	16576	FHLBDN	1,188,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		1,187,714.88	1,187,714.88
313384V48	16577	FHLBDN	483,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		482,884.08	482,884.08
313384V48	16578	FHLBDN	64,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		63,984.64	63,984.64
313384V48	16579	FHLBDN	103,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		102,975.28	102,975.28
313384V48	16580	FHLBDN	449,000.00		12/31/2012	09/26/2012	0.090	0.091	12/31 - At Maturity		448,892.24	448,892.24
313384V48	16623	FHLBDN	221,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		220,962.98	220,962.98
313384V48	16624	FHLBDN	23,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		22,996.15	22,996.15
313384V48	16625	FHLBDN	381,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		380,936.18	380,936.18
313384V48	16626	FHLBDN	81,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		80,986.43	80,986.43
313384V48	16627	FHLBDN	1,188,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		1,187,801.01	1,187,801.01
313384V48	16628	FHLBDN	483,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		482,919.10	482,919.10
313384V48	16629	FHLBDN	65,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		64,989.11	64,989.11
313384V48	16630	FHLBDN	103,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		102,982.75	102,982.75
313384V48	16631	FHLBDN	450,000.00		12/31/2012	10/25/2012	0.090	0.091	12/31 - At Maturity		449,924.63	449,924.63
313588V44	16505	FNMDN	221,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		220,892.63	220,892.63
313588V44	16506	FNMDN	23,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		22,988.83	22,988.83
313588V44	16507	FNMDN	382,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		381,814.41	381,814.41
313588V44	16508	FNMDN	81,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		80,960.65	80,960.65
313588V44	16509	FNMDN	1,191,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		1,190,421.37	1,190,421.37
313588V44	16510	FNMDN	483,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		482,765.34	482,765.34
313588V44	16511	FNMDN	64,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		63,968.91	63,968.91
313588V44	16512	FNMDN	103,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		102,949.96	102,949.96
313588V44	16513	FNMDN	450,000.00		12/31/2012	07/25/2012	0.110	0.112	12/31 - At Maturity		449,781.37	449,781.37
313396U92	16534	FRE	221,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		220,899.42	220,899.42

Portfolio MSRT

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**MSR Public Power Agency Trust
Portfolio Management
Investment Status Report - Investments
October 31, 2012**

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 - Discount												
313396U92	16535	FRE	23,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		22,989.54	22,989.54
313396U92	16536	FRE	382,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		381,826.19	381,826.19
313396U92	16537	FRE	81,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		80,963.15	80,963.15
313396U92	16538	FRE	1,188,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		1,187,459.46	1,187,459.46
313396U92	16539	FRE	483,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		482,780.24	482,780.24
313396U92	16540	FRE	65,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		64,970.43	64,970.43
313396U92	16541	FRE	103,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		102,953.14	102,953.14
313396U92	16542	FRE	449,000.00		12/28/2012	08/24/2012	0.130	0.132	12/28 - At Maturity		448,795.71	448,795.71
Federal Agency Issues - Discount Totals			11,984,000.00				0.105	0.106		0.00	11,979,960.05	11,979,960.05
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			26,591,000.00				0.864	0.876		0.00	26,704,925.15	26,704,925.15

**MSR Public Power Agency Trust
Portfolio Management
Investment Status Report - Cash
October 31, 2012**

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	0.00	0.010			0.010	0.010	09/26 - Monthly		0.00	0.00
SYS0744 MONEY	0744 MONEY	USBANK	0.00	0.010			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			1.489	1.510	07/01 - Monthly		0.00	0.00
SYS2401 MONEY	2401 MONEY	USBANK	0.00	1.510			1.489	1.510	07/01 - Monthly		0.00	0.00
SYS2402 MONEY	2402 MONEY	USBANK	0.00	0.570		01/01/2012	0.562	0.570	07/01 - Monthly		0.00	0.00
SYS2404 MONEY	2404 MONEY	USBANK	0.00	0.510			0.503	0.510	06/01 - Monthly		0.00	0.00
SYS30000 MONEY	30000 MONEY	USBANK	559,059.56	0.010			0.010	0.010	05/01 - Monthly		559,059.56	559,059.56
SYS30001 MONEY	30001 MONEY	USBANK	638.29	0.010			0.010	0.010	01/01 - Monthly		638.29	638.29
SYS30002 MONEY	30002 MONEY	USBANK	524.10	0.010			0.010	0.010	01/26 - Monthly		524.10	524.10
SYS30003 MONEY	30003 MONEY	USBANK	4,904.40	0.010			0.010	0.010	08/01 - Monthly		4,904.40	4,904.40
SYS30004 MONEY	30004 MONEY	USBANK	0.00	0.010			0.010	0.010	08/01 - Monthly		0.00	0.00
SYS30005 MONEY	30005 MONEY	USBANK	0.00	0.010			0.010	0.010	08/01 - Monthly		0.00	0.00
SYS31000 MONEY	31000 MONEY	USBANK	12,647.24	0.010			0.010	0.010	05/01 - Monthly		12,647.24	12,647.24
SYS31003 MONEY	31003 MONEY	USBANK	2,533.12	0.010			0.010	0.010	08/01 - Monthly		2,533.12	2,533.12
SYS31006 MONEY	31006 MONEY	USBANK	0.00	0.010			0.010	0.010	08/01 - Monthly		0.00	0.00
SYS32000 MONEY	32000 MONEY	USBANK	4,582.88	0.010			0.010	0.010	05/01 - Monthly		4,582.88	4,582.88
SYS32003 MONEY	32003 MONEY	USBANK	1,234.86	0.010			0.010	0.010	08/01 - Monthly		1,234.86	1,234.86
SYS32006 MONEY	32006 MONEY	USBANK	0.00	0.010			0.010	0.010	08/01 - Monthly		0.00	0.00
SYS33000MONEY	33000MONEY	USBANK	1,032,048.97	0.010		08/29/2012	0.010	0.010	09/01 - Monthly		1,032,048.97	1,032,048.97
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	305.31	0.010			0.010	0.010	01/01 - Monthly		305.31	305.31
SYS5591 MONEY	5591 MONEY	USBANK	231,953.05	0.010			0.010	0.010	01/01 - Monthly		231,953.05	231,953.05
SYS5592 MONEY	5592 MONEY	USBANK	0.00	1.640			1.618	1.640	04/30 - Monthly		0.00	0.00
SYS5593 MONEY	5593 MONEY	USBANK	0.00	0.470		01/01/2012	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

**MSR Public Power Agency Trust
Portfolio Management
Investment Status Report - Cash
October 31, 2012**

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												
SYS6602 MONEY	6602 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
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	470,482.92	0.010			0.010	0.010	05/01 - Monthly		470,482.92	470,482.92
SYS69001 MONEY	69001 MONEY	USBANK	319.75	0.010			0.010	0.010	01/01 - Monthly		319.75	319.75
SYS69002 MONEY	69002 MONEY	USBANK	162.01	0.010			0.010	0.010	01/25 - Monthly		162.01	162.01
SYS69003 MONEY	69003 MONEY	USBANK	17,338.11	0.010			0.010	0.010	01/01 - Monthly		17,338.11	17,338.11
SYS69004 MONEY	69004 MONEY	USBANK	0.00	0.035		01/01/2012	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
SYS7000 MONEY	7000 MONEY	USBANK	3,628,908.47	0.010			0.010	0.010	01/01 - Monthly		3,628,908.47	3,628,908.47
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	554.26	0.010			0.010	0.010	01/02 - Monthly		554.26	554.26
SYS7262 MONEY	7262 MONEY	USBANK	790.43	0.010			0.010	0.010	01/02 - Monthly		790.43	790.43
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		01/01/2012	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
SYS785000 MONEY	785000 MONEY	USBANK	56,689.54	0.010		03/28/2012	0.010	0.010	04/01 - Monthly		56,689.54	56,689.54
SYS785001 MONEY	785001 MONEY	USBANK	408.34	0.010			0.010	0.010	06/01 - Monthly		408.34	408.34
SYS785002 MONEY	785002 MONEY	USBANK	6.22	0.010			0.010	0.010	08/01 - Monthly		6.22	6.22
SYS785003 MONEY	785003 MONEY	USBANK	25,104.37	0.010			0.010	0.010	05/01 - Monthly		25,104.37	25,104.37
SYS785004 MONEY	785004 MONEY	USBANK	35,238.01	0.010			0.010	0.010	05/01 - Monthly		35,238.01	35,238.01
SYS8000 MONEY	8000 MONEY	USBANK	1,042,586.80	0.010			0.010	0.010	01/01 - Monthly		1,042,586.80	1,042,586.80
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		01/01/2012	0.957	0.970	/ - Monthly		0.00	0.00

**MSR Public Power Agency Trust
Portfolio Management
Investment Status Report - Cash
October 31, 2012**

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												
SYS8940 MONEY	8940 MONEY	USBANK	0.00	0.035			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	0.00	0.010			0.010	0.010	06/25 - Monthly		0.00	0.00
SYS9001 MONEY	9001 MONEY	USBANK	0.00	0.010			0.010	0.010	05/25 - Monthly		0.00	0.00
SYS9002 MONEY	9002 MONEY	USBANK	0.00	0.010			0.010	0.010	05/25 - Monthly		0.00	0.00
SYS9004 MONEY	9004 MONEY	USBANK	0.00	0.510		01/01/2012	0.503	0.510	05/03 - Monthly		0.00	0.00
Cash Totals			7,129,021.12							0.00	7,129,021.12	7,129,021.12
Totals for Cash and Investments			33,720,021.12				0.864	0.876		0.00	33,833,946.27	33,833,946.27

**MSR Public Power Agency Trust
Portfolio Management
Investment Activity By Type
October 1, 2012 through October 31, 2012**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Ending Balance
Passbook/Checking Accounts (Monthly Summary)								
SYS30001 MONEY	30001 MONEY	U S BANK		0.010		482,881.49	482,919.10	
SYS30002 MONEY	30002 MONEY	U S BANK		0.010		64,570.36	64,989.11	
SYS31000 MONEY	31000 MONEY	U S BANK		0.010		45,093.75	45,093.75	
SYS32000 MONEY	32000 MONEY	U S BANK		0.010		15,695.25	15,695.25	
SYS33000MONEY	33000MONEY	U S BANK		0.010		33.84	0.00	
SYS5590 MONEY	5590 MONEY	U S BANK		0.010		220,943.68	220,962.98	
SYS5591 MONEY	5591 MONEY	U S BANK		0.010		3.05	0.00	
SYS69001MONEY	69001 MONEY	U S BANK		0.010		81,269.87	80,986.43	
SYS69002 MONEY	69002 MONEY	U S BANK		0.010		1,187,680.16	1,187,801.01	
SYS7000MONEY	7000MONEY	U S BANK		0.010		1,194,766.58	1,194,718.25	
SYS7261 MONEY	7261 MONEY	U S BANK		0.010		23,369.85	22,996.15	
SYS7262 MONEY	7262 MONEY	U S BANK		0.010		381,591.00	380,936.18	
SYS785001 MONEY	785001 MONEY	U S BANK		0.010		103,040.29	102,982.75	
SYS785002 MONEY	785002 MONEY	U S BANK		0.010		449,074.98	449,924.63	
SYS8000MONEY	8000MONEY	U S BANK		0.010		410,930.91	410,917.00	
	Subtotal		7,128,998.65			4,660,945.06	4,660,922.59	7,129,021.12
Federal Agency Issues - Coupon								
	Subtotal		13,245,049.47					13,245,049.47
Federal Agency Issues - Discount								
313384V48	16623	FHLB Discount Note			10/25/2012	220,962.98	0.00	
313384V48	16624	FHLB Discount Note			10/25/2012	22,996.15	0.00	
313384V48	16625	FHLB Discount Note			10/25/2012	380,936.18	0.00	
313384V48	16626	FHLB Discount Note			10/25/2012	80,986.43	0.00	
313384V48	16627	FHLB Discount Note			10/25/2012	1,187,801.01	0.00	
313384V48	16628	FHLB Discount Note			10/25/2012	482,919.10	0.00	
313384V48	16629	FHLB Discount Note			10/25/2012	64,989.11	0.00	
313384V48	16630	FHLB Discount Note			10/25/2012	102,982.75	0.00	
313384V48	16631	FHLB Discount Note			10/25/2012	449,924.63	0.00	
	Subtotal		8,985,461.71			2,994,498.34	0.00	11,979,960.05
Treasury Securities - Coupon								
	Subtotal		1,479,915.83					1,479,915.83
	Total		30,839,425.46			7,655,443.40	4,660,922.59	33,833,946.27



MSR Public Power Agency Trust
Received Interest
Sorted by Date Received
Received October 1, 2012 - October 31, 2012

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

Date Received	CUSIP	Investment #	Investment Type	Par Value	Current Rate	Date Received	Interest Amount Received
Cash Accounts							
October 2012	SYS33000MONEY	33000MONEY	PA1	1,032,048.97	0.010	10/01/2012	33.84
	SYS5590 MONEY	5590 MONEY	PA1	305.31	0.010	10/01/2012	0.10
	SYS5591 MONEY	5591 MONEY	PA1	231,953.05	0.010	10/01/2012	3.05
	SYS7000MONEY	7000MONEY	PA1	3,628,908.47	0.010	10/01/2012	48.33
	SYS7261 MONEY	7261 MONEY	PA1	554.26	0.010	10/01/2012	0.02
	SYS7262 MONEY	7262 MONEY	PA1	790.43	0.010	10/01/2012	0.17
	SYS8000MONEY	8000MONEY	PA1	1,042,586.80	0.010	10/01/2012	13.91
						Subtotal	99.42
						Total	99.42



MSR Public Power Agency Trust
Investment Purchases Report
Sorted by Purchase Date
October 1, 2012 - October 31, 2012

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

CUSIP	Investment #	Fund	Inv. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 365	Ending Book Value
313384V48	16623	5590	FAD	FHLBDN	221,000.00	10/25/2012	12/31 - At Maturity	220,962.98			12/31/2012	0.091	220,962.98
313384V48	16624	7261	FAD	FHLBDN	23,000.00	10/25/2012	12/31 - At Maturity	22,996.15			12/31/2012	0.091	22,996.15
313384V48	16625	7262	FAD	FHLBDN	381,000.00	10/25/2012	12/31 - At Maturity	380,936.18			12/31/2012	0.091	380,936.18
313384V48	16626	69001	FAD	FHLBDN	81,000.00	10/25/2012	12/31 - At Maturity	80,986.43			12/31/2012	0.091	80,986.43
313384V48	16627	69002	FAD	FHLBDN	1,188,000.00	10/25/2012	12/31 - At Maturity	1,187,801.01			12/31/2012	0.091	1,187,801.01
313384V48	16628	30001	FAD	FHLBDN	483,000.00	10/25/2012	12/31 - At Maturity	482,919.10			12/31/2012	0.091	482,919.10
313384V48	16629	30002	FAD	FHLBDN	65,000.00	10/25/2012	12/31 - At Maturity	64,989.11			12/31/2012	0.091	64,989.11
313384V48	16630	5001	FAD	FHLBDN	103,000.00	10/25/2012	12/31 - At Maturity	102,982.75			12/31/2012	0.091	102,982.75
313384V48	16631	5002	FAD	FHLBDN	450,000.00	10/25/2012	12/31 - At Maturity	449,924.63			12/31/2012	0.091	449,924.63
Total Purchases					2,995,000.00			2,994,498.34	0.00				2,994,498.34

**M-S-R PUBLIC POWER AGENCY
SAN JUAN PROJECT
STATUS REPORT
NOVEMBER 2012**

SAN JUAN UNIT 4 OPERATIONS

September 2012	
Net Generation (MWh)	348,665.7
Net Capacity Factor (%)	95.5

San Juan Generation Station (San Juan) Unit 4 was not forced from service during September 2012.

SAN JUAN ANNUAL BUDGET MEETING

The San Juan Engineering and Operating (E&O) Committee met on October 25, 2012 at San Juan. M-S-R Public Power Agency representatives were asked to approve 31 Capital Budget Items (CBIs); however, M-S-R approval was only given to 10 CBIs. An additional 15 CBIs were approved based upon sufficient support from other San Juan Owners. Of the remaining 6 CBIs, 4 didn't receive enough support by any owners to be approved and 2 others were withdrawn by the Public Service Company of New Mexico (PNM) for later resubmission with additional supporting information.

San Juan Unit is scheduled for a maintenance outage in Spring 2013. PNM projects an outage length of 51 days. This is an increase from 44 days estimated in 2011, and 37 days estimated in 2010. As a result, the maintenance schedule was not approved and is pending resolution.

FEDERAL AND STATE IMPLEMENTATION PLANS

On July 2, 2012, the United States Environmental Protection Agency (EPA) notified the Governor of New Mexico it had issued a 90-day stay in the Federal Implementation Plan (FIP) and encouraged work to develop an alternative State Implementation Plan (SIP). During this period the State of New Mexico has announced a revised SIP. Since there are differences between the FIP and revised SIP, the EPA has issued an additional 45-day stay in the FIP.

**M-S-R PUBLIC POWER AGENCY
SOUTHWEST TRANSMISSION PROJECTS
STATUS REPORT
NOVEMBER 2012**

TRANSMISSION PROJECT RECONFIGURATION

Startrans IO continues to pursue its request to have the Mead-Adelanto Transmission Projects converted from AC to DC configuration. Conference calls have been held by the Coordination Committee, including representation from Owners in the Mead-Phoenix Transmission Project as the jointly owned Marketplace Substation is affected by the Startrans IO proposal. Further discussion was held at the Mead-Adelanto Engineering and Operations (E&O) and an ad hoc Technical Committee has been formed. The ad hoc Technical is now developing the technical studies to support a determination on what facilities will need to be added to the Startrans IO proposal, if any, to secure reliable operation of the system after the project is constructed.

The Coordination Committee has determined that if all the Mead-Adelanto Owners agree that the proposal can be approved as a Capital Budget Item, the process is fairly straightforward pursuant to the project agreements. However, if the Mead-Adelanto Owners cannot agree, there is an alternative path for the project, however, it is much more complex.

TRANSMISSION E&O COMMITTEE MEETINGS

The semi-annual meetings of the Mead-Adelanto and Mead-Phoenix E&O Committees were held on September 18, 2012 at the new SCPPA offices in Glendora, California. Both projects were under budget for fiscal year 2011-2012. Both Project Managers anticipate the annual operation and maintenance budgets to remain at a steady state level of expenditures until further notice.

EFFICIENT DISPATCH TOOLKIT (EDT)

The Efficient Dispatch Toolkit (EDT) continues to be developed but progress has not been highly publicized. The development of an Enhanced Curtailment Calculator (ECC) is concentrated on the development of a technical specification by the ECC Task Force of the Western Electricity Coordinating Council (WECC.) The results of the ECCTF work will be presented to WECC Membership during the next annual budget cycle. The development of an Energy Imbalance Market (EIM) was being pursued by the Western Governors' Association (WGA) through its technical arm, the Western Interstate Energy Board (WIEB); however, that process has stalled, primarily over the issue of compensation to transmission owners. The lead in this effort is now held by Columbia Grid, a group of utilities in the Pacific Northwest.

**M-S-R PUBLIC POWER AGENCY
PACIFIC NORTHWEST PROJECT
STATUS REPORT
NOVEMBER 2012**

BIG HORN I OPERATION

	<u>MWH</u>	<u>% of 5-Year Average</u>
October 2012	40,703	100.8
2012 (through October)	446,219	93.6
Project Life (since October 2006)	3,218,795	92.1

BIG HORN II OPERATION

	<u>MWH</u>	<u>% of 5-Year Average</u>
October 2012	10,392	95.5
2012 (through October)	90,197	93.0
Project Life (since November 2010)	232,087	91.1

Energy output from Big Horn I was substantially under projection during the third quarter of 2013 (70.3% average) including the two lowest months of the year. Although monthly curtailments fell off during the third quarter, they spiked again in October. Energy output from Big Horn II has not met monthly expectations since the beginning of April 2012 (78.8% average). Values from October may be subject to modification as there may be another metering issue to be resolved.

FORCE MAJEURE EVENT

IBR notified M-S-R PPA by notice dated June 27, 2012 that it has encountered a situation that has led to a forced reduction of certain wind turbines, both at Big Horn and Big Horn II Projects. M-S-R PPA has not received notification that this force majeure event has been remedied though such notice should be imminent.

RECENT MEETINGS

Staff successfully completed the negotiation of the modification to the proper agreements to ease M-S-R PPA's internal timing of invoices issue.

M-S-R Public Power Agency Staff Report

Date: November 16, 2012
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: November 2012 General Manager's Report

M-S-R PPA 2013 BUDGET:

A workshop was held November 15, 2012, in conjunction with the M-S-R PPA Technical Committee meeting to review the proposed M-S-R PPA 2013 Budget. Member Staff requested a number of updates to the format and content of the budget and a revised proposed budget will be prepared. To allow sufficient time for further review and correction, if needed, approval of the M-S-R PPA 2013 Budget will be deferred until the December 19, 2012, M-S-R PPA Commission meeting.

SAN JUAN PROJECT:

Coal Consumption And Year-End Status

In February Staff developed a coal rationing plan designed to ensure M-S-R PPA Members had sufficient fuel on hand to meet summer 2012 operations if the post mine-fire restart of the longwall miner was delayed. The Members successfully followed the plan and the longwall miner was restarted within two-weeks of the San Juan Coal Company's original schedule. About 2 ½ months of coal inventory is now on hand and the coal company has projected a return to the optimal 10-month inventory over the next 36 months. M-S-R PPA's minimum or base coal consumption requirement on the year is 487,000 tons and as of October 31 had consumed 393,497 tons. Assuming good unit operations in November and December, M-S-R PPA should meet its take or pay obligation. For dispatch purposes, any coal consumed below the take-or-pay minimum should be considered to be priced at zero as its cost should be considered sunk. Coal consumed above the take-or-pay minimum would continue to be priced at its normal incremental price (which would be about \$9 per MWh for M-S-R PPA).

Year-end fuels cost estimates have been incorporated into the draft 2013 M-S-R PPA Budget document and include an allowance for the expected year-end true-ups with San Juan Coal Company. Part of the year-end true has already been collected from the Members pursuant to Resolution No. 2012-01 adopted earlier this year. Another portion of the expected true-up relates to costs related to the mine-fire and subsequent recovery costs paid by SJCC. An insurance claim for

This report and the proposed resolution were reviewed by the M-S-R PPA Technical Committee at its November 15, 2012, meeting and the committee recommended the M-S-R PPA Commission approve these documents.

I recommend the Commission adopt Resolution No. 2012 – 04 “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 2013 San Juan Project Capital Budget Items.”

M-S-R Public Power Agency Staff Report

Date: November 16, 2012

From: Martin R. Hopper, General Manager

To: M-S-R Commission

Subject: Resolution 2012 – 04 Regarding San Juan Project 2013 Capital Budget Items

The San Juan Project Operating Agent, the Public Service Company of New Mexico (PNM), has recommended approval of thirty-one projects to be primarily accomplished during 2013 related to the M-S-R Public Power Agency (PPA) Ownership interest in San Juan Unit No. 4 (12 projects), Common to San Juan Units 3&4 (3 projects), and Plant Common to all San Juan Units (16 projects.)

The projects are: Unit 4 Permanent Gas Grid Installation; Unit 4 Mercury Monitoring; Unit 4 Coal Piping Replacement -2013; Unit 4 Main Transformer Fire Protection; Unit 4 Turbine Underlagging Fire Protection; Unit 4 Dewatering Bin Stiffening; Unit 4 Paddle Mixer; Unit 4 Arc Flash Mitigation; Unit 4 Main & Auxiliary Transformer Relays; Unit 4 Cooling Tower Riser Coating; Unit 4 Evaporative Coolers; Unit 3&4 Common 5C Tripper Belt Replacement – 2013; and Unit 3&4 Common 5D Tripper Belt Replacement; Plant Common Storage Tank Coating – 2013; Plant Common Limestone Area Instrumentation; Plant Common MMC Cubicle Buckets Replacement – 2013; Plant Common Physical Security Enhancements; Plant Common Protection Relay Replacement; Plant Common Replace Piping Containing Asbestos at NSWW – 2013; Plant Common Replace Underground Cables – 2013; Plant Common Spare BC-4 Recirculation Pump; Plant Common Warehouse MCS Software; Plant Common Conveyer Spare Motor; Plant Common Limestone handling DCS Self Documentation; Plant Common NERC-CIP Foxboro I/A 8.6 4&1 Upgrades - 2013; Plant Common NERC-CIP SIEM Installation; and Plant Common Remote Racking North-Side Wastewater – 2013, are intended to address reliability or safety problems or regulatory requirements and reduce operating costs and are neither intended to extend the life of the San Juan Project nor increase its capacity and are clearly permitted as “Routine Maintenance” under the regulations promulgated by the California Energy Commission in Docket 06-OIR-1 pursuant to SB 1368.

The proposed resolution “Making Certain Findings With Respect To Compliance With Greenhouse Gases Emission Performance Standards Related to San Juan Project 2013 Capital Budget Items” sets forth the rationale for making the determinations that these projects are routine maintenance and has the M-S-R Commission make findings to that effect. Unless challenged as an arbitrary or capricious act, this determination by the M-S-R Commission satisfies our obligations under the regulations.

RESOLUTION NO. 2012-04

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 2013 SAN JUAN PROJECT CAPITAL BUDGET ITEMS

WHEREAS, the California Energy Commission has adopted regulations under Docket 06-OIR-1, pursuant to Senate Bill 1368 (Stats. 2006, Ch. 598) (Regulations), implementing a greenhouse gases emission performance standard for local publicly owned electric utilities; and

WHEREAS, M-S-R as a local publicly owned electric utility wishes to demonstrate compliance with the greenhouse gases emission performance standard as it may be applicable to the San Juan Project; and

WHEREAS, the San Juan Project is M-S-R's 28.8 percent ownership interest in San Juan Unit No. 4, a coal fired steam electric generating unit with a current net generating capacity of 507 MW, and appurtenant common facilities, located in Waterflow, New Mexico, and acquired from the Public Service Company of New Mexico (PNM) in 1983; and

WHEREAS, the San Juan Project is "baseload generation" as defined in Section 2901(b) of the Regulations; and

WHEREAS, the San Juan Project's expected annual average carbon dioxide emission rate is about 2,100 pounds of carbon dioxide per megawatt hour of electricity produced and the emission performance standard defined in Section 2902 of the Regulations for baseload generation is 1,100 pounds of carbon dioxide per megawatt hour of electricity produced which classifies the San Juan Project as an existing non-deemed compliant powerplant; and

WHEREAS, "Covered Procurements" as defined in Section 2901(d) of the Regulations include new investments in existing non-deemed compliant powerplants, but exclude "routine maintenance" pursuant to Section 2901(j) of the Regulations; and

WHEREAS, the California Energy Commission Electricity Committee's "Explanation of Changes to Regulations Establishing and Implementing a Greenhouse Gases Emission Performance Standard for Local Publicly Owned Utilities in Response to the Office of Administrative Law's Disapproval Decision" notes "[r]outine maintenance may include replacing parts when they wear out. New parts are sometimes made better than previous iterations and improvements in some parts (e.g., turbine blades) can lead to an increase in efficiency and capacity," and "[t]he Energy Commission determined that it is necessary to ensure that [publicly owned utilities] are not prohibited from maintaining the operation of their power plants simply because there might be an

incidental increase in capacity resulting from such maintenance”; and

WHEREAS, the routine preventive maintenance program instituted by PNM, the San Juan Project Operating Agent, is designed to minimize any chance of asset failure occurring at the San Juan Generating Station (SJGS) and includes proactive maintenance involving the repair or replacement of vintage or worn components, parts and systems; and

WHEREAS, PNM has prepared for the review and approval of the San Juan Project Participants the following San Juan Project Capital Budget Items, as applicable to the M-S-R Public Power Agency; and

WHEREAS, Project Unit 4 Permanent Gas Grid Installation is required to demonstrate compliance with regulations of the State of New Mexico Environmental Department; and

WHEREAS, Project Unit 4 Mercury Monitoring is required pursuant to a court ordered settlement regarding to demonstrated reduced mercury emissions; and

WHEREAS, Project Unit 4 Coal Piping Replacement – 2013 is part of an ongoing maintenance process to maintain a reliable delivery path for coal throughout the unit; and

WHEREAS, Project Unit 4 Transformer Fire Protection is intended to improve the current fire protection system to assure safety in case of a fire in this area; and

WHEREAS, Project Unit 4 Underlagging Fire Protection is intended to improve the current fire protection system to assure safety in case of a fire in this area; and

WHEREAS, Project Unit 4 Dewatering Bin Stiffening is intended to improve the durability of the dewatering bin; and

WHEREAS, Project Unit 4 Paddle Mixer is intended to improve the efficiency of ash mixing; and

WHEREAS, Project Unit 4 Arc Flash Mitigation is intended to incrementally improve employee safety; and

WHEREAS, Project Unit 4 Main & Auxiliary Transformer Relays are items that are wearing out and will eventually need to be replaced; and

WHEREAS, Project Unit 4 Cooling Tower Riser Coating is intended reduce the wear and tear on the equipment surfaces; and

WHEREAS, Project Unit 4 Evaporative Coolers is intended to improve the efficiency of the cooling system supporting the unit’s operating and control systems; and

WHEREAS, Projects Unit 3&4 Common 5C Tripper Belt Replacement – 2013 and Unit 3&4 Common 5D Belt Replacement are intended to replace coal conveyor belts that routinely wear out on a five year cycle; and

WHEREAS, Project Plant Common Storage Tank Coating – 2013 is another phase of a project to recoat a tank that is experiencing wear and tear; and

WHEREAS, Project Plant Common Limestone Area Instrumentation is intended to improve the control systems in the Limestone Area; and

WHEREAS, Project Plant Common MMC Cubicle Buckets Replacement – 2013 is another phase of a project to replace equipment that is experiencing wear and tear; and

WHEREAS, Project Plant Common Physical Security Enhancements is a project to improve security around cyber assets; and

WHEREAS, Project Plant Common Protection Relay Replacement is another phase of a project to improve employee safety; and

WHEREAS, Project Plant Common Replace Piping Containing Asbestos at NSW – 2013 is another phase of a project to remove asbestos from the plant site; and

WHEREAS, Project Plant Common Replace Underground Cables – 2013 is another phase of a project to replace cables that are experiencing wear and tear; and

WHEREAS, Project Plant Common Spare BC-4 Recirculation Pump is intended to reduce system outage duration due to a failure of this piece of equipment; and

WHEREAS, Project Plant Common Warehouse MCS Software is intended to replace a spare parts inventory and retrieval system that is become obsolete; and

WHEREAS, Project Plant Common Conveyer Spare Motor provides a spare item of equipment which could prevent a long duration outage for all of the San Juan Units if the item of equipment is not available; and

WHEREAS, Projects Plant Common Limestone – Coal Handling DCS Self Documentation, Plant Common NERC-CIP Foxboro I/A 8.6 4&1 Upgrades – 2013, and Plant Common NERC-CIP SIEM Installation are all intended to upgrade cyber assets to meet specific North American Electric Reliability Corporation (NERC) standards, primarily for cyber security and/or to provide required supporting documentation; and

WHEREAS, Projects Plant Common Remote Racking North-Side Wastewater – 2013 is intended to provide necessary employee safety; and

WHEREAS, none of the projects enumerated above are intended to extend the life or increase the capacity of the San Juan Project; and

WHEREAS, M-S-R has covenanted to its Bondholders and its Members to operate and maintain the San Juan Project at all times in the most efficient and economical manner consistent with prudent utility practice as long as it retains its ownership of the San Juan Project; and

WHEREAS, the implementation of the projects enumerated above is consistent with prudent

utility practice.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION of the M-S-R PUBLIC POWER AGENCY that:

1. The San Juan Project Capital Budget Items enumerated above are consistent with prudent utility practice, constitute routine maintenance, and are not “Covered Procurements” pursuant to the regulations promulgated by the California Energy Commission in Docket 06-OIR-1, pursuant to Senate Bill 1368 (Stats. 2006, Ch. 598).

PASSED AND ADOPTED this 28th day of November 2012 upon the following vote of the Members:

Modesto Irrigation District

City of Santa Clara

City of Redding

ATTEST:

PRESIDENT

SECRETARY

these costs has been made by SJCC, however, the timing and amount of any such recovery is unknown.

Refined Coal

A special purpose entity, San Juan Fuels LLP, has been in discussions with the San Juan Project Operating Agent, the Public Service Company of New Mexico (PNM) regarding a potential refined coal program at the San Juan Generating Station. Refined coal, as defined in Federal Regulation, is coal that has been treated so as to lower the formation of NO_x, SO_x and Hg by specified amounts during combustion. The threshold criteria for NO_x is a minimum reduction of 20% at which point a \$6.48 per ton tax credit is generated. Test burns on San Juan Coal have achieved NO_x reductions consistently greater than the threshold and offered notable reductions in SO_x and Hg emissions. San Juan Fuels LLP is proposing to treat all incoming San Juan coal at no risk to the utilities and the payment of a substantial royalty. It should be noted that such treatment, if successful, would reduce costs and increase the efficacy of Regional Haze compliance retrofits at the SJGS. PNM is working expeditiously to formal arrangements and present agreements to the San Juan Fuels Committee for approval.

LEGISLATIVE AND REGULATORY ACTIVITIES:

M-S-R PPA has actively participated in State and Federal legislative and regulatory advocacy covering areas such as EPA Regional Haze Regulation, California Greenhouse Gas reduction programs, emission performance standards, and renewable portfolio standards. In conjunction with Member legislative and regulatory staff, we have commenced a review of M-S-R PPA's legislative and regulatory programs and will, if appropriate, recommend any changes or updates in personnel and contractors for the new M-S-R fiscal year at the December 2012 M-S-R PPA Commission meeting.

M-S-R Public Power Agency Staff Report

Date: November 17, 2012
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: Big Horn Payment Deadlines and Resolution 2012 – 05 Big Horn I Wind Energy Project Operating 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. At its July 20, 2011, meeting the M-S-R PPA Commission directed the maintenance of current escrow funding levels (about \$4,670,000) while Staff attempted to reach agreement with IRI regarding escrow requirements. At its September 28, 2011, meeting the M-S-R PPA Commission approved an Amended and Restated Service Schedule A to the Amended and Restated M-S-R Public Power Agency Operating Agreement to implement temporary payment procedures pending successful negotiations with IRI.

Agreement has been reached with IRI, as memorialized in Amendment No.3 to the Amended and Restated Wholesale Purchase and Sale Agreement For Wind Energy Between M-S-R Public Power Agency And Big Horn Wind Project LLC, whereby has agreed to modify payment due dates to conform to those in the Firming and Shaping Agreement and which would allow sufficient float such that M-S-R Member payments can be made to the lock-box on the 20th day of the month, as is typical for power purchase contracts settlements and is consistent with the Big horn 2 Agreements. As previously reported to the Commission, although the lock-box requirements could not be eliminated, IRI's concession allows M-S-R to forego carrying balances in the escrows sufficient to clear the highest annual payments due and to reduce the balances to nominal amounts.

The proposed resolution and amendment to Service Schedule A, as shown in clean and red-line form, have been reviewed by the M-S-R PPA Technical Committee who concur with these actions.

I recommend the following action:

Adopt Resolution No. 2012 – 05 approving an amendment to Service Schedule A to the M-S-R Operating Agreement to conform the billing and payment timelines to those specified in Service Schedule K to the M-S-R Operating Agreement for the Big Horn II Wind Energy Project.

RESOLUTION No. 2012 – 05
RESOLUTION OF THE COMMISSION OF THE
M-S-R PUBLIC POWER AGENCY
REGARDING BIG HORN OPERATING PROCEDURES

WHEREAS, deliveries of energy from the Big Horn Wind Energy Project commenced on October 1, 2006; and

WHEREAS, this Commission previously adopted Service Schedule A to the Amended and Restated M-S-R Public Power Agency Operating Agreement Regarding Big Horn Operating Procedures, on December 15, 2006, to allow for the timely payment of amounts due under the Big Horn II agreements; and

WHEREAS, this Commission previously amended Service Schedule A to the Amended and Restated M-S-R Public Power Agency Operating Agreement Regarding Big Horn Operating Procedures, on September 28, 2011, to provide a temporary mechanism for collecting Member payments pending the development of a permanent adjustment to the payment timing provisions in agreements with Iberdrola Renewables, Inc. (IRI) and its subsidiaries; and

WHEREAS, M-S-R PPA has successfully completed a contract amendment with IRI such that the timing for payments by the M-S-R Members can revert to industry standards and be consistent with those applicable to the Big Horn 2 Wind Energy Project; and

WHEREAS, Member operating and accounting staff have prepared updated accounting and operating procedures for the Big Horn Project to be implemented by means of the attached Amended and Restated Service Schedule A to the Amended and Restated M-S-R Public Power Agency Operating Agreement.

THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE M-S-R PUBLIC POWER AGENCY that

1. The attached Amended and Restated Service Schedule A to the Amended and Restated M-S-R Public Power Agency Operating Agreement is hereby adopted pursuant to Section 25.2 of that agreement.

PASSED AND ADOPTED this 28th day of November 2012 upon the following vote of the Members:

Modesto Irrigation District

City of Santa Clara

City of Redding

ATTEST:

PRESIDENT

SECRETARY

**M-S-R PUBLIC POWER AGENCY (M-S-R)
OPERATING AGREEMENT
SERVICE SCHEDULE A**

**AMENDED AND RESTATED
ACCOUNTING AND OPERATING PROCEDURES
FOR BIG HORN WIND ENERGY PROJECT**

Adopted by M-S-R Commission November 28, 2012

RESOURCES AVAILABLE/REQUIRED

1. Firm Power – Shaped and Delivered. Installed capacity 199.5 MW, with Scheduled Energy Delivered On-Peak Hours and Off-Peak Hours at an annual capacity factor of 34.5%.
2. Facility Location: 1 Big Horn Road, Bickleton, WA 99322

POINTS OF DELIVERY

1. California-Oregon Border at 500 kV.

PROCEDURES:

The following procedures provide guidance for the implementation of the agreements¹ with PPM Energy, Inc., its successors and assigns, regarding deliveries of energy from the Big Horn Wind Energy Project.

Scheduling and Delivery:

Responsible Party: M-S-R Coordinator

1. **Monthly Pre-Schedules:**
 - a. No later than the 10th day of the Month preceding each Delivery Month PPM shall notify M-S-R of the amount of Scheduled Energy to be delivered during On-Peak Hours and Off-Peak Hours for the upcoming Delivery Month at the COB Delivery Point rounded to the nearest whole number of MW per delivery hour.
 - b. Within two (2) Business Days of receiving the above notification from PPM, M-S-R shall notify each Participant of its share of the amount of Scheduled Energy to be delivered during On-Peak Hours and Off-Peak Hours for the

¹ These agreements are: Amended and Restated Agreement For Wind Energy Facility Designation effective as of October 31, 2005, and the Amended and Restated Wholesale Purchase and Sale Agreement for Wind Energy, and Amended and Restated Shaping and Firming Agreement both effective February 1, 2006.

upcoming Delivery Month at the COB Delivery Point rounded to the nearest whole number of MW per delivery hour pursuant to Appendix “A” of this Service Schedule.

2. Daily Pre-Schedules:

- a. No later than 9:00 A.M. PPT (but no later than 6:30 A.M. PPT if expected hourly deliveries of Scheduled Energy deviate from those schedules provided pursuant to Paragraph 1.a. above) of the immediately preceding Business Day, M-S-R shall be supplied by PPM with a Day ahead pre-schedule setting forth the expected hourly deliveries of Scheduled Energy to be delivered during following Day or Days at the COB Delivery Point rounded to the nearest whole number of MW per delivery.
- b. No later than 9:30A.M. PPT (but no later than 7:00 A.M. PPT if expected hourly deliveries of Scheduled Energy deviate from those schedules provided pursuant to Paragraph 1.a. above) of the immediately preceding Business Day, M-S-R shall supply each Participant a Day ahead pre-schedule setting forth the expected hourly deliveries of Scheduled Energy to be delivered during following Day or Days at the COB Delivery Point rounded to the nearest whole number of MW per delivery hour pursuant to Appendix “A” of this Service Schedule.

Billing and Accounting:
Responsible Party: M-S-R Controller

1. Big Horn Wind Energy Project Funds:
 - a. Big Horn Wind Energy Project Wholesale Purchase and Sale Fund
 - i. M-S-R Member Prices
The price each M-S-R Member shall pay for Scheduled Energy pursuant to the Wholesale Purchase and Sale Agreement shall be as specified below and as computed in Appendix “B” to this Service Schedule.
 - ii. Monthly Payments:
Each M-S-R Member shall deposit in the Big Horn Wind Energy Project Wholesale Purchase and Sale Fund the amount computed and invoiced pursuant to Appendix “D” to this Service Schedule.
 - b. Big Horn Wind Energy Project Shaping and Firming Fund
 - i. Monthly Payments:
 1. Each M-S-R Member shall deposit in the Big Horn Wind Energy Project Shaping and Firming Fund the amount computed and invoiced pursuant to Appendix “F” to this Service Schedule.
2. If the balances in either the Big Horn Wind Energy Project Wholesale Purchase and Sale Fund or the Big Horn Wind Energy Project Shaping and Firming Fund are insufficient at any time to meet the respective requirements of either the Wholesale Purchase or the Sale Agreement for Wind Energy, and Shaping and Firming Agreement, each M-S-R Member shall deposit its Participation Share of any such short-fall into the respective fund within 20 (twenty) days after receiving notice by M-S-R.

APPENDIX "A"
Tabulation of Participant Shares of Scheduled Energy

Scheduled Energy - MW	Modesto Share - MW	Santa Clara Share - MW	Redding Share - MW
50	6	26	18
51	6	27	18
52	7	27	18
53	7	27	19
54	7	28	19
55	7	29	19
56	7	29	20
57	7	30	20
58	7	31	20
59	7	31	21
60	8	31	21
61	8	32	21
62	8	32	22
63	8	33	22
64	8	34	22
65	8	34	23
66	8	35	23
67	8	36	23
68	9	35	24
69	9	36	24
70	9	36	25
71	9	37	25
72	9	38	25
73	9	38	26
74	9	39	26
75	9	40	26
76	10	39	27
77	10	40	27
78	10	41	27
79	10	41	28
80	10	42	28
81	10	43	28
82	10	43	29
83	10	44	29
84	11	44	29
85	11	44	30
86	11	45	30
87	11	46	30
88	11	46	31
89	11	47	31
90	11	47	32

Appendix “B”
Computation of Member Pricing
Big Horn Wind Energy Project Wholesale Purchase and Sale Fund

Allocation to Original Contract Quantity and Expanded Contract Quantity:

Tranche:	Quantity - MW	Quantity %	Price: \$/MWh
Original Contract Quantity	124.5	62.41%	\$49.00
Expanded Contract Quantity	75.0	37.59%	\$50.33
Total	199.5	100.00%	\$49.50

Member Prices:

Note: Participation Percentages and Applicable Shares pursuant to Appendix “A-2” to the Pacific Northwest Project Powers Sales Agreement

	Modesto	Santa Clara	Redding	
Participation Percentages	12.50%	52.50%	35.00%	(a)
Original Contract Quantity Share	0.00%	60.00%	40.00%	(b)
Original Contract Price	\$ 49.00	\$ 49.00	\$ 49.00	(c)
Original Contract Amount	62.41%	62.41%	62.41%	(d)
Expanded Contract Quantity	33.25%	40.05%	26.70%	(e)
Expanded Contract Price	\$ 50.33	\$ 50.33	\$ 50.33	(f)
Expanded Contract Amount	37.59%	37.59%	37.59%	(g)
Member Price	\$ 50.33	\$ 49.38	\$ 49.38	(b*c*d+e*f*g)/ (b*d+e*g)

**Appendix “C”
Reserved For Future Use**

**Appendix “D”
Monthly Invoices
Big Horn Wind Energy Project Wholesale Purchase and Sale Fund**

The expected amounts of Scheduled Energy to be delivered to each Participant are allocated each month pursuant to Appendix “A” of this Service Schedule. The M-S-R Coordinator shall report the actual amounts of Scheduled Energy delivered each month to each Participant to the M-S-R Controller no later than the 10th day of the succeeding month. Notwithstanding any provision of the Amended and Restated Pacific Northwest Power Sales Agreement to the contrary, the M-S-R Controller shall invoice each Participant on the basis of the actual amount of Scheduled Energy delivered to each Participant for that month multiplied by the Member Price for such Participant computed in Appendix “B” of this Service Schedule, no later than the 13th day of the succeeding month. Invoices rendered pursuant to this procedure shall be due no later than the 20th day of the succeeding month.

**Appendix “E”
Reserved For Future Use**

Appendix “F”
Monthly Invoices
Big Horn Wind Energy Project Shaping and Firming Fund

The expected amounts of Scheduled Energy to be delivered to each Participant are allocated each month pursuant to Appendix “A” of this Service Schedule. The M-S-R Coordinator shall report the actual amounts of Scheduled Energy delivered each month to each Participant to the M-S-R Controller no later than the 10th day of the succeeding month. Notwithstanding any provision of the Amended and Restated Pacific Northwest Power Sales Agreement to the contrary, the M-S-R Controller shall invoice each Participant on the basis of the actual amount of Scheduled Energy delivered to each Participant for that month multiplied by the price pursuant to Section 2.6 of Shaping and Firming Agreement, no later than the 13th day of the succeeding month. Invoices rendered pursuant to this procedure shall be due no later than the 20th day of the succeeding month.

**M-S-R PUBLIC POWER AGENCY (M-S-R)
OPERATING AGREEMENT
SERVICE SCHEDULE A**

**AMENDED AND RESTATED
ACCOUNTING AND OPERATING PROCEDURES
FOR BIG HORN WIND ENERGY PROJECT**

Adopted by M-S-R Commission November 28, 2012

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RESOURCES AVAILABLE/REQUIRED

1. Firm Power – Shaped and Delivered. Installed capacity 199.5 MW, with Scheduled Energy Delivered On-Peak Hours and Off-Peak Hours at an annual capacity factor of 34.5%.
2. Facility Location: 1 Big Horn Road, Bickleton, WA 99322

POINTS OF DELIVERY

1. California-Oregon Border at 500 kV.

PROCEDURES:

The following procedures provide guidance for the implementation of the agreements¹ with PPM Energy, Inc., its successors and assigns, regarding deliveries of energy from the Big Horn Wind Energy Project.

Scheduling and Delivery:

Responsible Party: M-S-R Coordinator

1. **Monthly Pre-Schedules:**
 - a. No later than the 10th day of the Month preceding each Delivery Month PPM shall notify M-S-R of the amount of Scheduled Energy to be delivered during On-Peak Hours and Off-Peak Hours for the upcoming Delivery Month at the COB Delivery Point rounded to the nearest whole number of MW per delivery hour.
 - b. Within two (2) Business Days of receiving the above notification from PPM, M-S-R shall notify each Participant of its share of the amount of Scheduled Energy to be delivered during On-Peak Hours and Off-Peak Hours for the

¹ These agreements are: Amended and Restated Agreement For Wind Energy Facility Designation effective as of October 31, 2005, and the Amended and Restated Wholesale Purchase and Sale Agreement for Wind Energy, and Amended and Restated Shaping and Firming Agreement both effective February 1, 2006.

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Adopted: November 28, 2012

A - 1

upcoming Delivery Month at the COB Delivery Point rounded to the nearest whole number of MW per delivery hour pursuant to Appendix “A” of this Service Schedule.

2. Daily Pre-Schedules:

- a. No later than 9:00 A.M. PPT (but no later than 6:30 A.M. PPT if expected hourly deliveries of Scheduled Energy deviate from those schedules provided pursuant to Paragraph 1.a. above) of the immediately preceding Business Day, M-S-R shall be supplied by PPM with a Day ahead pre-schedule setting forth the expected hourly deliveries of Scheduled Energy to be delivered during following Day or Days at the COB Delivery Point rounded to the nearest whole number of MW per delivery.
- b. No later than 9:30A.M. PPT (but no later than 7:00 A.M. PPT if expected hourly deliveries of Scheduled Energy deviate from those schedules provided pursuant to Paragraph 1.a. above) of the immediately preceding Business Day, M-S-R shall supply each Participant a Day ahead pre-schedule setting forth the expected hourly deliveries of Scheduled Energy to be delivered during following Day or Days at the COB Delivery Point rounded to the nearest whole number of MW per delivery hour pursuant to Appendix “A” of this Service Schedule.

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Billing and Accounting:
Responsible Party: M-S-R Controller

1. Big Horn Wind Energy Project Funds:
 - a. Big Horn Wind Energy Project Wholesale Purchase and Sale Fund
 - i. M-S-R Member Prices
The price each M-S-R Member shall pay for Scheduled Energy pursuant to the Wholesale Purchase and Sale Agreement shall be as specified below and as computed in Appendix “B” to this Service Schedule.
 - ii. Monthly Payments:
Each M-S-R Member shall deposit in the Big Horn Wind Energy Project Wholesale Purchase and Sale Fund the amount computed and invoiced pursuant to Appendix “D” to this Service Schedule.
 - b. Big Horn Wind Energy Project Shaping and Firming Fund
 - i. Monthly Payments:
 1. Each M-S-R Member shall deposit in the Big Horn Wind Energy Project Shaping and Firming Fund the amount computed and invoiced pursuant to Appendix “F” to this Service Schedule.
2. If the balances in either the Big Horn Wind Energy Project Wholesale Purchase and Sale Fund or the Big Horn Wind Energy Project Shaping and Firming Fund are insufficient at any time to meet the respective requirements of either the Wholesale Purchase or the Sale Agreement for Wind Energy, and Shaping and Firming Agreement, each M-S-R Member shall deposit its Participation Share of any such short-fall into the respective fund within 20 (twenty) days after receiving notice by M-S-R.

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APPENDIX “A”
Tabulation of Participant Shares of Scheduled Energy

Scheduled Energy - MW	Modesto Share - MW	Santa Clara Share - MW	Redding Share - MW
50	6	26	18
51	6	27	18
52	7	27	18
53	7	27	19
54	7	28	19
55	7	29	19
56	7	29	20
57	7	30	20
58	7	31	20
59	7	31	21
60	8	31	21
61	8	32	21
62	8	32	22
63	8	33	22
64	8	34	22
65	8	34	23
66	8	35	23
67	8	36	23
68	9	35	24
69	9	36	24
70	9	36	25
71	9	37	25
72	9	38	25
73	9	38	26
74	9	39	26
75	9	40	26
76	10	39	27
77	10	40	27
78	10	41	27
79	10	41	28
80	10	42	28
81	10	43	28
82	10	43	29
83	10	44	29
84	11	44	29
85	11	44	30
86	11	45	30
87	11	46	30
88	11	46	31
89	11	47	31
90	11	47	32

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**Appendix “B”
Computation of Member Pricing
Big Horn Wind Energy Project Wholesale Purchase and Sale Fund**

Allocation to Original Contract Quantity and Expanded Contract Quantity:

Tranche:	Quantity - MW	Quantity %	Price: \$/MWh
Original Contract Quantity	124.5	62.41%	\$49.00
Expanded Contract Quantity	75.0	37.59%	\$50.33
Total	199.5	100.00%	\$49.50

Member Prices:

Note: Participation Percentages and Applicable Shares pursuant to Appendix “A-2” to the Pacific Northwest Project Powers Sales Agreement

	Modesto	Santa Clara	Redding	
Participation Percentages	12.50%	52.50%	35.00%	(a)
Original Contract Quantity Share	0.00%	60.00%	40.00%	(b)
Original Contract Price	\$ 49.00	\$ 49.00	\$ 49.00	(c)
Original Contract Amount	62.41%	62.41%	62.41%	(d)
Expanded Contract Quantity	33.25%	40.05%	26.70%	(e)
Expanded Contract Price	\$ 50.33	\$ 50.33	\$ 50.33	(f)
Expanded Contract Amount	37.59%	37.59%	37.59%	(g)
Member Price	\$ 50.33	\$ 49.38	\$ 49.38	(b*c*d+e*f*g)/ (b*d+e*g)

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**Appendix “C”
Reserved For Future Use**

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| Adopted: [November 28, 2012](#) A - 6

**Appendix “D”
Monthly Invoices
Big Horn Wind Energy Project Wholesale Purchase and Sale Fund**

The expected amounts of Scheduled Energy to be delivered to each Participant are allocated each month pursuant to Appendix “A” of this Service Schedule. The M-S-R Coordinator shall report the actual amounts of Scheduled Energy delivered each month to each Participant to the M-S-R Controller no later than the 10th day of the succeeding month. Notwithstanding any provision of the Amended and Restated Pacific Northwest Power Sales Agreement to the contrary, the M-S-R Controller shall invoice each Participant on the basis of the actual amount of Scheduled Energy delivered to each Participant for that month multiplied by the Member Price for such Participant computed in Appendix “B” of this Service Schedule, no later than the 13th day of the succeeding month. Invoices rendered pursuant to this procedure shall be due no later than the 20th day of the succeeding month.

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Appendix "E"
Reserved For Future Use

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| Adopted: [November 28, 2012](#)

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**Appendix “F”
Monthly Invoices
Big Horn Wind Energy Project Shaping and Firming Fund**

The expected amounts of Scheduled Energy to be delivered to each Participant are allocated each month pursuant to Appendix “A” of this Service Schedule. The M-S-R Coordinator shall report the actual amounts of Scheduled Energy delivered each month to each Participant to the M-S-R Controller no later than the 10th day of the succeeding month. Notwithstanding any provision of the Amended and Restated Pacific Northwest Power Sales Agreement to the contrary, the M-S-R Controller shall invoice each Participant on the basis of the actual amount of Scheduled Energy delivered to each Participant for that month multiplied by the price pursuant to Section 2.6 of Shaping and Firming Agreement, no later than the 13th day of the succeeding month. Invoices rendered pursuant to this procedure shall be due no later than the 20th day of the succeeding month.

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Adopted: November 28, 2012 A - 9

M-S-R Public Power Agency Staff Report

Date: November 17, 2012
From: Martin R. Hopper, General Manager
To: M-S-R PPA Commission
Subject: Approval of 2013 Regular Meeting Dates

The following meeting dates are based on the customary schedule for the M-S-R PPA as adjusted for known conflicts. Commission Meetings are scheduled monthly but meetings in even-numbered months may be cancelled unless required by emergent business.

Month	Technical Committee Date/Time	Technical Committee Location	Commission Date/Time	Commission Location
January 2013	10 10:00 AM	Sacramento	23 12:00 Noon	Sacramento
February 2013	8 10:00 AM	Sacramento	20 12:00 Noon	Sacramento
March 2013	6 10:00 AM	Sacramento	20 12:00 Noon	Sacramento
April 2013	4 10:00 AM	Sacramento	17 12:00 Noon	Sacramento
May 2013	8 10:00 AM	Redding	22 12:00 Noon	Sacramento
June 2013	6 10:00 AM	Sacramento	26 12:00 Noon	Sacramento
July 2013	2 10:00 AM	Sacramento	17 12:00 Noon	Sacramento
August 2013	7 10:00 AM	Sacramento	21 12:00 Noon	Sacramento
September 2013	5 9:00 AM	Truckee	18 12:00 Noon	Sacramento
October 2013	9 10:00 AM	Sacramento	23 12:00 Noon	Sacramento
November 2013	13 10:00 AM	Sacramento	27 12:00 Noon	Sacramento
December 2013	4 10:00 AM	Sacramento	18 12:00 Noon	Sacramento

Financial Management Committee: 1:00 PM, Wednesday, May 8, 2013, in Sacramento, CA

A copy of the master 2013 Northern California JPA Meeting calendar which is based on the above schedule is attached for information.

I recommend the M-S-R PPA adopt the above schedule for its 2013 Regular meetings.

2013 Northern California JPA Meeting Calendar

BANC Commission (Tentative)	CMUA Legislative C'tee	CMUA Regulatory C'tee	M-S-R Technical C'tees	M-S-R PPA & EA Commissions	NCPA Facilities/ Pooling C'tees	NCPA LEC PPC C'tee	NCPA Public Benefits C'tee	NCPA L&R C'tee	NCPA Utility Directors	NCPA Commission Meeting	TANC Commission
Jan 23		Jan 31	Jan 10	Jan 23	Jan 9	Jan 14	Jan 17		Jan 10	Jan 24 <i>Sac'to</i>	Jan 23
Feb 27	Feb 8	Feb 28	Feb 7	Feb 20	Feb 6	Feb 11		Feb 27	Feb 14	Feb 14	Feb 20
Mar 27	Mar 7	Mar 28	Mar 6	Mar 20	Feb 27	Mar 11	Mar 14		Mar 6/7 <i>Pacifica</i>	Mar 21 <i>Ukiah</i>	Mar 20
Apr 24	Apr 10 & 26	Apr 10	Apr 4	Apr 17	Apr 3	Apr 8			Apr 4	Apr 18	Apr 17
May 22	May 23	May 30	May 8 <i>Redding</i>	May 22	May 1	May 13	May 16	May 22 <i>Santa Clara</i>	May 9	May 23 <i>Santa Clara</i>	May 22
Jun 26	Jun 20	Jun 27	Jun 6	Jun 26	Jun 5	Jun 10			Jun 13	Jun 27	Jun 26
July 24		Jul 25	July 2	July 17	Jul 3	Jul 8	Jul 18		July 11	July 25 <i>Murphys</i>	July 17
Aug 28	Aug 8	Aug 29	Aug 7	Aug 21	Jul 31	Aug 12			Aug 8	Aug 22	Aug 21
Sep 18	Sep 5		Sep 5 <i>Truckee</i>	Sep 18	Sep 4	Sep 9	Sep 19	Sep 25 <i>Tahoe</i>	Sep 12	Sep 27 <i>Tahoe</i>	Sep 18
Oct 23		Oct 10	Oct 9	Oct 23	Oct 2	Oct 14			Oct 10	Oct 24 <i>Redding</i>	Oct 23
Nov 27	Nov 7	Nov 7	Nov 13	Nov 27	Nov 6	Nov 4	Nov 21	Nov 21	Nov 14	No meeting	Nov 20
Dec 18			Dec 4	Dec 18	Dec TBA	Dec 9		Dec 4	Dec 12	Dec 5	Dec 18

APPA Joint Action Workshop - Jan 6 - 8, 2013, Sanibel Island, FL
CMUA Capitol Day and Board Meeting - Jan 14 - 15, 2013, Sacramento, CA
NCPA Strategic Issues Conference - Jan 22 - 24, 2012, Sacramento, CA
APPA CEO Roundtable, Phoenix, AZ - Feb 24 - 26, 2013
APPA/ACWA Legislative Rally & Conference - Mar 13 - 13, 2013, Washington, DC

CMUA Annual Meeting - April 9 - 11, 2013, San Diego, CA
NCPA/NWPPA Federal Policy Forum - Apr 21 - 25, 2013, Washington, DC
APPA National Conference - June 15 - 19, 2013, Nashville, TN
NCPA Annual Conference - Sept 25 - 27, 2013, Olympic Valley, CA

AMENDMENT NUMBER 3
TO
AMENDED AND RESTATED MANAGEMENT SERVICES AGREEMENT
BETWEEN
MARTIN HOPPER ENERGY CONSULTING
AND
M-S-R PUBLIC POWER AGENCY

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This Amendment Number 3 to the Amended and Restated Management Services Agreement Between Martin Hopper Energy Consulting and M-S-R Public Power Agency with an effective date of January 1, 2010 (“Agreement”) made by and between Martin R. Hopper, dba, Martin Hopper Energy Consulting (“Contract Executive,” “party” or “parties”) and M-S-R Public Power Agency (“M-S-R PPA,” “party” or “parties”) is made November 30, 2011 (“Effective Date”) as follows:

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RECITALS

A. WHEREAS, the term of the Agreement between the Contract Executive and M-S-R PPA expires December 31, 2012; and

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B. WHEREAS, the parties desire to extend the term of the Agreement for a period of one year beginning on January 1, 2013, and continuing through December 31, 2013, in accordance with Section 2 of the Agreement, and keep all other provisions of the Agreement the same; and

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C. WHEREAS the Contract Executive and M-S-R PPA desire to amend the Agreement to extend its term as desired by the parties.

AGREEMENT

NOW, THEREFORE, the Contract Executive and M-S-R PPA agree as follows:

1. Section 2 of the Agreement is hereby amended to read in its entirety as follows:

“The Agency does hereby appoint the Contract Executive its General Manager to serve for the term of this Agreement. The Contract Executive hereby

accepts such appointment. This Agreement shall have a term which commences on its effective date of January 1, 2013, and terminates on December 31, 2013, unless terminated earlier, as provided in this Agreement. It is the intent of the parties that this Agreement shall be extended for additional periods of one year each. However, such extensions shall be made only at the discretion of the Commission and upon a satisfactory performance review of the Contract Executive by the Commission. Upon termination, the Contract Executive shall make available any office equipment, supplies, and documents in his possession or control which may have been purchased by or for the Agency, except for any equipment or furniture purchased pursuant to Section 4. c, of the Management Services Agreement between M-S-R Public Power Agency and Martin Hopper Energy Consulting effective June 1, 2008.”

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2. Except as specifically amended by this Amendment Number 3, all terms and conditions of the Agreement, including Section 4 regarding Fees and Costs, shall remain unchanged and in full force and effect.

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**MARTIN HOPPER ENERGY
CONSULTING**

By: _____

Name: Martin R. Hopper

M-S-R PUBLIC POWER AGENCY

By: _____

Name: Allen Short

Title: President