

September 17, 2013

Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

RE: File Number S7-03-13

Dear Secretary Murphy,

The Large Public Power Council (the "LPPC") is pleased to comment on the SEC's Proposed Changes to Rule 2a-7, S7-03-13 (the "Proposal"). The LPPC is also a signatory to a letter submitted by a coalition of state and local issuers led by the Government Finance Officers Association, and the LPPC reemphasizes the very important points raised in that letter. In addition, the LPPC is submitting this letter to provide some additional emphasis on the damage that the LPPC believes that the Proposal will cause to the issuers and investors of municipal bonds.

The LPPC is comprised of 26 of the nation's largest public power systems, serving major cities across the country including Los Angeles, Seattle, Omaha, Phoenix, Sacramento, Jacksonville, San Antonio, Orlando, and Austin. LPPC customers include tens of thousands of large and small businesses in some of the fastest-growing urban and rural residential and commercial markets in America. LPPC members are locally-owned and controlled not-for-profit electric utilities that invest significantly in infrastructure in order to provide the communities they serve with reliable electric service at affordable rates.

The LPPC is concerned that any change from a fixed net asset value ("NAV") to a floating NAV would likely lead to significant and permanent disruption in the market for municipal bonds including the bonds issued by the LPPC's members. Municipal money market funds ("MMMFs") are significant purchasers of municipal bonds in two forms. First, MMMFs are the principal purchasers of short-term debt of municipal issuers. Second, MMMFs are the principal purchasers of interests in tender option bond trusts ("TOBs"), in which long term debt of municipal issuers is held by a trust and short-term debt is then sold to MMMFs. If MMMFs are forced to record their NAV on a floating basis, it could reduce the investor base for MMMFs which could substantially affect the demand for short-term municipal bonds and TOBs and destabilize and harm the both the short-term and long-term debt market of municipal issuers.

We also think that changing the NAV of MMMFs to a floating NAV is unnecessary because the vast majority of the market consists of securities in which the interest rates reset periodically, mostly weekly. These regularly resetting interest rates allow for the value of the MMMF to remain stable and secure.

We are concerned that even the mere inclusion of MMMFs into the floating NAV proposal would lead to large-scale divestments of MMMF investments that would harm municipal issuers and investor alike. We believe that MMMFs should be treated like other governmental money market funds and be exempted from the Proposal so that this harm does not occur.

Thank you for the opportunity to comment on the Proposal.

Sincerely,



Noreen Roche-Carter  
Chair, Tax & Finance Task Force  
Large Public Power Council