

**FEDERAL ENERGY REGULATORY COMMISSION
TELECONFERENCE RECORD**

DATE: January 10, 2013

FROM: B. Peter Yarrington *BPY*
Fisheries Biologist
Office of Energy Projects, DHAC

TO: Commission files for Sanford Project, No. 2785 -- Michigan
Boyce Hydro Power LLC, licensee

SUBJECT: January 10, 2013 teleconference between Commission staff and
representatives from Boyce Hydro Power LLC and state and federal
resource agencies regarding Boyce's Application for Non-Capacity
Amendment of License, filed September 11, 2012.

FEDERAL ENERGY
REGULATORY COMMISSION
2013 JUN 24 A 11:51
FILED
SECRETARY OF THE
COMMISSION

On January 10, 2013, Commission staff held a teleconference with representatives of Boyce Hydro Power LLC (Boyce), Michigan Department of Natural Resources (Michigan DNR), and U.S. Fish and Wildlife Service (FWS). The purposes of the call were to clarify certain information contained in Boyce's application and to provide the resource agencies an opportunity to provide comments on the application.

Participants:

Steve Hocking, FERC	Frank Christie, General Manager for Boyce
Steve Sachs, FERC	Lee W. Mueller, Co-Member Manager for Boyce
Pete Yarrington, FERC	Stephen B. Hultberg, Co-Member Manager for Boyce
Kyle Kruger, Michigan DNR	Stephen C. Doret, Consulting Engineer for Boyce
Burr Fisher, FWS	John Clements, Counsel for Boyce

Background:

During some periods, required minimum flow releases at the project must be made through a gate, because the existing generation equipment cannot operate at low flows. Installation of the new turbine proposed by Boyce in its amendment application would allow Boyce to make all required releases through generation, thereby increasing generation of electricity. Boyce did not consult with the resource agencies before filing its September 11, 2012 application because it believes the interests of the agencies would

not be affected by approval of the application. The FWS and Michigan DNR disagree, believing that their interests would be affected, and have each filed letters explaining their positions. Both agencies argue that the current mode of project operation and required flow releases were established by the Commission based on balancing of economic and natural resource values that would be invalidated by operation using the new turbine.

Summary:

In the teleconference, Commission staff summarized Boyce's September 11, 2012 amendment application, the current requirements for project operation and flow releases, and the Commission analyses and orders that established those requirements. Boyce representatives and Mr. Clements discussed that installation of the new turbine would increase the efficiency of the project's use of water, and should not be used to "reopen" the requirements of the license. The FWS and Michigan DNR representatives responded that project operation with the new turbine would invalidate the balancing of economic and natural resource values on which current operation and flow release requirements are based. Mr. Clements discussed that there were significant economic reasons to approve the amendment application as soon as possible, because certain tax incentives are available until the end of the year, and equipment would need to be ordered and work completed in a timely manner. Commission staff asked whether Boyce or the resource agencies would like to file additional information for Commission consideration based on the teleconference. Mr. Clements indicated that Boyce would file a short response. The FWS and Michigan DNR representatives indicated that they believed their positions are adequately explained in their letters filed in response to the amendment application.