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May 10, 2011

P.2785

Ms. Kimberly Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, DC 20426

Re: *Boyce Hydro Power LLC*
Quarterly Status Report Property Rights Issues For Project P-285 (Sanford)

Dear Ms. Bose:

Please be advised that I am Corporation counsel for the County of Midland, Michigan. I write to advise of the perception of Midland County as pertains to the statements made in Boyce Hydro Power LLC's correspondence addressed to you dated 20 April, 2011. In the second paragraph of that correspondence, Boyce infers that the County has rejected all discussion with Boyce to allow it sufficient interest in the flowage area of the Sanford Dam to comply with its Federal Energy Regulatory Commission license requirements.

While the statements made by Mr. Mueller with regard to the County's rejection of an overture for sale of the property over which flowage occurs to a third party is correct, there was no indication to the County in the brief exchange between the third party and the County, that either the main or any incidental purpose of the transfer requested would have resulted in Boyce obtaining flowage rights. Further, the County has engaged and will continue to engage Boyce Hydro Power in discussions seeking to reach an agreement which will provide Boyce Hydro Power with flowage rights over what is commonly referred to as Sanford Lake. The County has taken the position that the value to Boyce is essentially the cost the County has incurred for tax liability and administrative expenses.

I trust this information clarifies, at least the County's view of the circumstances described in Boyce Hydro's 20 April, 2011 letter. Should you have any questions or comments, or

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wish to discuss the County's position for any reason, I would be happy to discuss same with you.

Thank you for your consideration in this matter.

Yours very truly,

A handwritten signature in black ink, appearing to read "L. William Smith". The signature is stylized and cursive, with a large, prominent "S" at the end.

L. William Smith

LWS\slh

cc: Mark C. Bone, Chairman
Bridgette Gransden
Lee W. Mueller