June 15, 2009

Director Rebecca Humphries Michigan Department of Natural Resources P.O. Box 30028 Lansing, MI 48909-7528

Letter of Appreciation, Relicensing Elk Rapids Dam Hydroelectric, FERC Project #P-3030

We, the undersigned, express our appreciation to the Michigan Department of Natural Resources, for their encouragement to develop a Settlement Agreement for providing a prerequisite package of information for the agencies to review an application to re-license the hydroelectric operation at Elk Rapids Dam. Thank you for your willingness to consider Mark Stone's recently proposed approaches. Mark Stone chairs an ad hoc Elk Rapids Hydro Committee, appointed by the Antrim County Board of Commissioners, that is preparing the application on behalf of Antrim County residents. The Federal Energy Regulatory Commission is the final authority for this license.

The undersigned environmental organizations represent an informal conservation network of non-profit, nongovernmental stakeholders that have a long history of active involvement in protecting the Elk River Chain of Lakes. While the Elk Rapids Dam hydroelectric operation is a very small facility by national standards, the Dam is highly valued by the local community. We regard the structure as an essential line of defense against invasive species, especially those abundant species in the Great Lakes with a very real potential to significantly degrade the pristine water quality of the Elk River Chain of Lakes.

The lake water levels that depend on the dam's continued operation have become an integral part of the aquatic biology of the lakes and are relied upon for recreational boating. Since the Elk Rapids Dam is located on a preexisting lake ecosystem with the Great Lakes as its immediate tailwaters, the customary ecological damage associated with dams do not apply in this case.

Two of the organizations listed below, The Watershed Center and the Northern Michigan Environmental Action Council, participated in the recently concluded Boardman River Dams Committee. The Elk Rapids Dam is similar to the Union Street Dam on the Boardman River as it provides a valuable barrier to invasive species. And the two river systems are very different because, as stated above, the Elk River Chain of Lakes is primarily a natural lakes system whereas the Boardman River is primarily a natural river system. The Elk Rapids Dam is also different from the Union Street dam in that it has an active hydropower facility that is currently economically viable.

In our view, the continued operation of the hydroelectric facility at the Elk Rapids Dam will assure that the structure will receive the daily care and routine maintenance necessary to keep the dam in good condition. The Elk Rapids Dam hydroelectric facility generates clean electricity without carbon emissions and with minimal impact on the local aquatic ecosystem. Everything possible should be done to preserve this facility, as long as it continues to be managed in a sustainable way according to relevant rules and regulations, such as Run-of-the-River flows.

Several of the undersigned organizations have expressed an interest in reviewing drafts of a Settlement Agreement, and some may wish to be a party to the agreement. Please keep the signatories on your mailing list for future settlement discussions.

If you or any of your staff have any questions about our communities' support for the Elk Rapids Dam Hydroelectric Operation, please do not hesitate to contact us at your convenience.

Sincerely,

The undersigning organizations represent about 28,000 residents within the Elk River Chain of Lake Watershed, including about 10,000 riparians:

Cc: Kyle Kruger, M-DNR, Fisheries Mark Stone, Elk Rapids Hydro Committee Burr Fisher, U.S. Fish & Wildlife Services Chairman Jack White, Antrim County Commissioners MI-Representative Kevin Elsenheimer Governor Jennifer Granholm Senator Carl Levin Senator Debbie Stabenow Rep. Bart Stupak MI-Senator Jason Allen





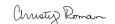
Andy Knott Executive Director The Watershed Center Traverse City, Michigan



Sail Arvenwald

Gail Gruenwald Executive Director Tip of the Mitt Watershed Council Petosky, Michigan





Christy Roman Antrim County Conservation District Bellaire, Michigan



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Norton Bretz Executive Director Three Lakes Association Bellaire, Michigan



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Paul Sak President Friends of Clam Lake Alden, Michigan



Greg Reisig Chairman Northern Michigan Env. Action Council Traverse City, Michigan



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Ray Ludwa Executive Director Torch Lake Protective Alliance Alden, Michigan



David Hauser

Chairman Skegemog Wilderness Area Stewardship Committee Williamsburg, Michigan



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Scott Zimmerman President Intermediate Lake Association Central Lake, Michigan



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Pete DiMercurio President, Elk-Skegemog Lakes Association Elk Rapids, Michigan



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Michele Nerone President Six Mile Lake Association Central Lake, Michigan