

BOYCE HYDRO POWER LLC

A W.D. Boyce Trusts Legacy Enterprise

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19 January, 2012

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

Subject: Quarterly Status Report to FERC
Re: Property Rights Issues For Project:
P-2785-078 (Sanford)

Secretary Bose:

In a letter dated 10 January, 2012, the Commission's staff stated that it had not received a quarterly report from Boyce Hydro Power, LLC, the licensee for the above-referenced project, regarding progress with the Midland County officials pursuant to resolving License Article 5 property ownership and property rights associated with the originally declared Project Boundary. This letter and progress report are filed in response to the January 10th correspondence.

Boyce understands that it must reacquire FERC Project Boundary property that it voluntarily relinquished to Midland County in 2010 in a property tax foreclosure proceeding, and that this must be accomplished before the end of April, 2012. Boyce fully intends to accomplish this requirement by virtue of a condemnation filing in order to reacquire title to the tax parcels that were forfeited to Midland County. However, before the condemnation suit is filed, Boyce must first correctly ascertain the ownership interests of all parties that are to be named in the action. Consequently, Boyce has been researching its internal real estate transaction records dating back to 1923, and has also been gradually obtaining copies of the appropriate recorded deeds evidencing the actual property ownership of tax parcels that were incorrectly listed by the Midland County Treasurer as being the tax liability of Boyce at the time of the Midland County tax foreclosure. It is believed that there are more than eight hundred tax parcels involved in this undertaking.

The records collection effort and research has been time consuming because there are extensive inaccuracies in the property ownership records of two Midland County Township Assessors and the Midland County Treasurer. Recently, acting through a group of interested intermediaries, Boyce requested the cooperation of Midland County officials with respect to making Midland County records available on a no-charge basis. This request was made in order to facilitate Boyce's preparation of a definitive database regarding actual property transfers that have taken place during the past sixty or more years. When completed, this task will confirm the correct ownership of lands and residential structures that are now known, by visual inspection of topographic mapping, to be located within the confines of the Exhibit G Project Boundary for Boyce's Midland County FERC project.

Midland County officials have declined to make their records available without charge. Consequently, Boyce must proceed at a slower pace in collecting the necessary data as it must budget funds for acquiring copies of the information from County records. However, Boyce has now added an additional employee to its staff for this particular task and therefore now has two employees dedicated to the project of creating an accurate property ownership database that will eventually allow Boyce to identify the encroachments into the Project Boundary that will be the subject of the condemnation filing. At this point Boyce expects to have a Project Boundary Encroachment Report filed with the Commission by 16 April, 2012 and will file the required condemnation litigation shortly thereafter.

Sincerely yours,



Lee W. Mueller, Architect
Co-Member Manager
[Boyce Hydro Power, LLC](http://BoyceHydroPower.com)

LWM/wp

Cc: Charles K. Cover
John Clements