

**FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426**

OFFICE OF ENERGY PROJECTS

Project No. 2785--Michigan
Sanford Project
Boyce Hydro Power, LLC

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

FEB 08 2011

Mr. Lee Mueller
Boyce Hydro Power, LLC
4132 S. Rainbow Blvd. #247
Las Vegas, Nevada 89103

Re: 2011 Toe Drain Construction Schedule
Sanford Hydroelectric Project (P-2785)

Dear Mr. Mueller:

Our December 14, 2011 letter from Peggy A. Harding, Regional Engineer, Division of Dam Safety and Inspections, Chicago Regional Office notified you that your plan to delay the initiation of the remaining portion of the seepage repair at Sanford dam until April 2011, was not acceptable. Further, we do not agree with your impression, as stated in your January 18, 2011 letter, that the unfinished seepage repair represents minimal risk. Finally, your proposed mitigation of the risk which, as described in your January 4, 2011 letter, is the continuation of the reservoir drawdown for an undefined period of time, will be a violation of the operating requirements of your federal license as of April, 2011. Article 411 requires that the reservoir be restored to normal summer operating pool of 630.8 feet prior to the surface water temperature reaching 39 degrees, which normally occurs in April.

We consider an active seepage and piping condition, especially one that you considered a dam safety condition that required emergency remediation, a condition that should be corrected without unnecessary delay. We see no reason or adequate justification to delay the initiation of the completion of the seepage repair until April, 2011. Your January 4, 2011 letter reporting nonexistent funds for the repair is rejected as justification for the delaying the repair.

As the licensee for the Sanford project, you are responsible for the safety of the Sanford project and, subject to Part 12, Subpart A, section 12.4(b)(2)(iv), you are required to carry out repairs that are directed by this office. Your reporting of a lack of funds available for the Sanford project does not relieve you of your responsibility to carry out these safety-related directives.

Pursuant to Part 12, Subpart A, section 12.4(b)(2)(iv) of the Commission's regulations, you are hereby directed to:

- (1) Submit by February 11, 2011, a plan and schedule that will provide for the completion of the seepage repair at Sanford Dam no later than April 29, 2011;
- (2) Stockpile on site all required materials to complete the repairs by March 1, 2011; and,
- (3) Take the necessary actions to undertake and complete the repairs by April 29, 2011.

Your failure to comply with this directive and restore the project reservoir to the required operating elevation will be considered violations of your license and will result in enforcement action being taken by the Commission. This letter constitutes notice under Section 31(a) of the Federal Power Act. Under Section 31, the Commission is authorized to assess you civil penalties up to a maximum of \$11,000 per day, per violation, for failure to comply with the terms and conditions of your license.

If you have questions concerning this letter please contact me at 202-502-8773.

Sincerely,

Handwritten signature of Edward A. Abrams in black ink.

Edward A. Abrams
Director
Division of Hydropower
Compliance and Administration

Cc: Mr. Frank Christie
General Manager
Boyce Hydro Power, LLC
6000 S. M-30, P.O. Box 15
Edenville, MI 48620