

BOYCE HYDRO POWER LLC

A W.D. Boyce Trusts Legacy Enterprise

Lee W. Mueller & Stephen B. Hultberg, Co-Member Managers
6000 S. M-30 (P.O.Box 15)
Edenville, MI 48620
tel: (989) 689-3161 / fax: (989) 689-3155
lwmueller@boycehydrollc.com

20 April, 2011

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

Subject: Quarterly Status Report On
Property Rights Issues For Project
P-2785 (Sanford)

Secretary Bose:

As requested by the Commission staff during a January 5, 2011, conference call concerning property rights for the above-referenced project, Boyce Hydro Power, LLC ("Boyce"), licensee for the referenced project, hereby submits this status report concerning Boyce's efforts to ensure compliance with standard Article 5 of the licenses.

Boyce and a nonprofit corporation have been engaged in discussions with the Midland County Commissioners regarding restoration of property rights for the Sanford Project. However, in March the Commissioners rejected an offer from the nonprofit corporation to purchase the forfeited tax parcels on behalf of Boyce. Under the rejected transaction Boyce would have obtained flowage rights from the nonprofit corporation which would have resolved the Article 5 non-compliance issues that now exist. Given the County's rejection of the purchase offer, it is believed that condemnation proceedings will have to be initiated by Boyce in the next few months in order to secure the property rights required under Article 5 of the license.

Boyce remains concerned about the many inaccuracies in the property ownership records of the Edenville and Jerome Township Assessors and the Midland County Treasurer. Because these ownership issues bear on potential encroachments within the project boundaries, Boyce is continuing its efforts to clearly identify the numerous encroachments and resolve them to the Commission's satisfaction prior to commencing with a condemnation action.

Sincerely yours,



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

LWM/wp

Cc: Edward Abrams
William Guey-Lee
Kirk Cover
Keith Brooks
John Clements
Jay Brown