

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

Project No. 2785-078
Sanford Project
Boyce Hydropower, LLC

OFFICE OF ENERGY PROJECTS

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

January 10, 2012

Subject: Quarterly Reports Pertaining to Article 5 Compliance

Dear Mr. Muller

This letter is to remind Boyce Hydropower, LLC (Boyce), the licensee for the Sanford Hydroelectric project, FERC Project No. 2785, of their responsibility to file quarterly reports concerning compliance with standard Article 5 of their license. Our records indicate that the last quarter report filed with the Commission was filed on July 20, 2011.

On January 28, 2011, the Commission granted Boyce an extension of time until April 19, 2012 to comply with the requirements of standard Article 5. Boyce requested the extension via letter on January 18, 2011, in that letter, Boyce proposed providing quarterly reports explaining specific actions they have taken and are planning to take to resolve the Commission's Article 5 concerns. The first quarterly report was due on April 19, 2011, and subsequent reports due every three months thereafter.

Your July 20, 2011, quarterly report states that at the time of the filing there were no new developments concerning the Sanford Project Boundary property rights issues. The report also states that Boyce is continuing its research efforts to obtain property ownership and title records from the Midland County Recorders's office; to establish a comprehensive list of land and tax parcels to be identified in its future condemnation suit for acquisition of the property that was designated as being within the Exhibit G Project Boundary when the license was issued by the Commission.

A quarterly report was due October 19, 2011, as of the date on this letter we have not received that report. The next quarterly report is due January 19, 2012, we are expecting this to be filed in a timely manner. This report should include: (1) what actions Boyce has taken to resolve the Article 5 concerns since the July 20, 2011 letter, (2) why you failed to file the October report, (3) what actions Boyce will be taking to ensure that the Article 5 issues are resolved by the April 19, 2012 date, and (4) if Boyce is unable to resolve their Article 5 issues by the April 19, 2012, date, a plan and schedule to be approved by the Commission to continue working thought these issues.

This letter serves as a reminder that the due date, January 19, 2012, for your Article 5 quarterly report is fast approaching. Additionally, this letter is to formally notice Boyce that the previous report is overdue. We expect to receive the January report as well as the April report on time. Failure to file the report by January 19, 2012, may result in additional compliance actions associated with your Article 5 compliance issues.

Failure to comply with the terms and conditions of your license and the Commission's Regulations may subject you to the enforcement and penalty provisions of section 31 of the Federal Power Act, as amended by section 12 of the Electric Consumers Protection Act of 1986. This letter constitutes notice under section 31(a) of the Federal Power Act.

When filing your quarterly report, please indicate P-2785-078 on the first page of your letter. If you have any questions concerning this letter, please contact Krista Sakallaris at (202)502-6302.

Sincerely,



Charles K. Cover, P.E.
Project Review Branch
Division of Hydropower Administration
and Compliance

cc: John H, Clements
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