

BOYCE HYDRO POWER LLC

A W.D. Boyce Trusts Legacy Enterprise

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8 October, 2018

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

**RE: Project No. 2785- 014, 016, 077, 081, 082
Sanford Hydroelectric Project, Sanford, MI**

Subject: Response to Non-Compliance letter dated August 29, 2018

Secretary Bose:

This letter is Boyce Hydro Power, LLC's (BHP) response to the above-referenced correspondence signed by CarLisa Linton.

Article 406 – Erosion Control Monitoring (Sub Docket -014)

Annual Tailwater Erosion Monitoring: The 2017 annual tailwater erosion monitoring report was not filed due to an oversight when the former operations manager retired and did not inform BHP management that the data had not been collected and the report had not been drafted or filed. The 2017 report cannot be produced retroactively and so cannot be filed. It is also not possible to retroactively produce the 2014 and 2015 tailwater erosion monitoring reports. The licensee intends to complete and file the 2018 report on schedule.

Five-Year Impoundment Shoreline Erosion Inventory: While it is true that a five-year impoundment shoreline study was not done in 2009, BHP respectfully disagrees with the Commission's inference that the five-year inventory has not been filed since then. On April 4, 2014, BHP submitted its 2013 Erosion Survey and Reports for all four of its then-licensed projects¹, which was accepted by FERC in a letter dated May 27, 2014². According to the five-year schedule, the next report/survey will be due in 2019. BHP intends to complete and file this report with the Commission by December 31, 2019.

Article 408 – Bald Eagle Monitoring (Sub Docket -077)

Data for the 2017 and 2018 Bald Eagle Monitoring Reports was not collected because the former operations manager concluded the report was no longer required and so informed the operations staff. Reports for previous years cannot be created and filed without observation data. While the bald eagle was removed from the list of threatened and endangered species in 2007, BHP now understands that the monitoring is a license requirement and cannot be removed as such without a license amendment. Therefore, BHP will prepare a license amendment to remove this requirement from its license. In the meantime, BHP will instruct its operations staff to resume data collection of bald eagle sightings and submit a report in April 2019 for a partial year. Absent an order modifying BHP's license, observations will continue.

¹ Accession No. 20140404-5180, Sub Docket change from -028 to -088

² Accession No. 20140527-3005, Sub Docket -088

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Article 409 – Invasive Species Monitoring (Sub Docket -016)

BHP did indeed file a 2012 Eurasian Water Milfoil and Purple Loosestrife Survey Report³ on 24 January 2013, which was acknowledged and accepted by FERC on 13 March 2013⁴. We respectfully request that FERC withdraw the statement in the 29 August 2018 letter to the contrary.

The report that was due to be filed for 2014 has not been found and efforts are being made to obtain data collected by the weed treatment companies that service the impoundments for that year. A report will be filed when and if this data can be obtained. BHP will prepare and file the next scheduled report with the MDNR and FERC by 31 October 2019.

Annual Charges (Sub Docket -081)

The 9 September 2013 Order Amending License and Revising Annual Charges was issued based on the understanding and belief that the Unit #3 turbine-generator set were to be replaced, resulting in a capacity increase of 0.3 MW. In late 2014, the decision was made to replace the turbine Unit #1 instead, because it was determined to be in worse condition than #3. The generator for Unit #1 was to be rewound, not replaced. This work was performed with the full knowledge of the Chicago Regional Office of FERC⁵. It was commenced in August 2015 and completed in August 2016. The result was an increase in efficiency of 23.5% which was acknowledged by FERC in its Order Certifying Incremental Hydropower Generation for Production Tax Credit dated 5 August 2016.⁶

It is understood that BHP did not submit photographs of the new turbine at the time of completion, however, photographs were taken of the turbine components prior to installation and can be filed with the Commission if necessary. The generator was not replaced, only rewound, and therefore the nameplate and its capacity have not changed, therefore we are not aware of a requirement to rewrite Exhibit A of the license.

Exhibit G Drawings (Sub Docket -082)

BHP is currently preparing a revised Exhibit G which will encompass the areas that fulfill the license requirement for recreation facilities, as directed by the Commission's letter. BHP expects to complete and submit this drawing for approval by 15 November 2018.

Outstanding Regional Engineer Directives

BHP is currently reviewing in detail all outstanding Part 12D recommendations and is preparing a comprehensive response and plans and schedules where appropriate. This response will be forthcoming in separate correspondence by 15 November 2018.

Very truly yours,



Lee W. Mueller, Co-Member Manager
Boyce Hydro Power, LLC

cc: Stephen B. Hultberg
John Clements, VNF

³ Accession No. 20130124-5013, Sub Docket -016

⁴ Accession No. 20130313-3013, Sub Docket -016

⁵ December 29, 2014 letter from Chicago Regional Office RE: No. 1 Generator Turbine Replacement – Quality Control and Inspection Plan, Sanford Hydroelectric Project – FERC No. 2785 (Accession No. 20141231-5163, Sub Docket -000)

⁶ Accession No. 20160805-3034, Sub Docket -91

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