



March 26, 2010

Peter Elder
 Director-General
 Directorate of Nuclear Cycle and Facilities Regulation
 Canadian Nuclear Safety Commission
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4.05.022

FILE NO.	37-8-1-0
REFERRED TO	Elder, P.

Dear Mr. Elder:

Request for information pursuant to Subsection 12(2) of the *General Nuclear Safety and Control Regulations*: Effluent Discharge Releases at the Port Granby Waste Management Facility

Further to your correspondence dated March 4, 2010 with respect to the above-captioned (the Request), Cameco Corporation (Cameco) provides the following in response.

Cameco has structured this response to first provide a status update on the Port Granby Waste Management Facility (PGWMF) followed by a response to the six actions identified by the Canadian Nuclear Safety Commission (CNSC).

Current Status

The PGWMF is in the queue to be remediated by the federal government under the auspices of the Port Hope Area Initiative (PHAI). The licensing process by Atomic Energy of Canada Limited (AECL) has been delayed until approximately 2012. It is anticipated that the required land transfer will occur sometime in 2012 or 2013 and AECL will become the licensee and operator at that time.

Cameco will enter into an agreement with the federal government to provide Transition Management Services for the PGWMF. Cameco is committed to provide the advice and agreed support services so that AECL can manage the site safely and in accordance with all regulatory requirements during the transition period.

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Response to the Request

Cameco provides the following response to the actions set out in the Request:

- ***By the end of May 2010, develop and submit to the CNSC an action plan addressing the feasibility of extending the discharge pipeline from the end point of discharge into Lake Ontario.***

The detailed engineering for this project is well advanced. Subject to receiving the necessary regulatory approvals, Cameco plans to install a new discharge pipeline into Lake Ontario coupled to a diffuser. The details on this project as currently envisioned will be forwarded to the CNSC for acceptance prior to the end of May 2010.

- ***By the end of May 2010, assess the accumulation of precipitate in treatment lagoons and if needed to relocate the precipitate to ensure the material remains submerged.***

Cameco will assess the existing accumulation and rate of deposition and provide this information along with recommendations to the CNSC prior to the end of May 2010.

- ***By the end of May 2010, develop an action plan for CNSC review and approval on the design of the overflow system to cease discharging untreated inflow into Lake Ontario.***

Cameco assumes that this reference applies to the East and West Reservoirs located at the PGWMF. Cameco will undertake a feasibility study to determine available options to minimize the potential for an overflow of leachate from the reservoirs. However, this undertaking will require more than two months for completion. Cameco proposes to present the results of the feasibility study to the CNSC by the end of June 2010.

- ***Submit the results of acute toxicity testing performed during 2009 to CNSC. It is expected that this will include results from 12 consecutive months of toxicity testing. The licensee is required to perform monthly toxicity tests for the remaining operating life of the current Port Granby WMF.***

Cameco undertook acute and chronic toxicity testing in 2008, as part of the response to the initial section 12(2) request made in your letter dated October 17, 2008, Attachment 1, Section A1. Cameco initiated monthly acute toxicity testing on a voluntary basis in May 2009. The data for both test species indicates a pass for every month that samples were collected in 2009 and is reported in the 2009 Annual Report.

The monthly acute toxicity testing will be continued throughout 2010. Cameco is of the view that monthly testing may not be required beyond 2010, provided pass results continue to be obtained. Accordingly, Cameco will continue to monitor the toxicity data obtained and may recommend a frequency change to the CNSC for 2011.

- ***By the end of March 2010, add Total Suspended Solids to the existing discharge effluent monitoring program.***

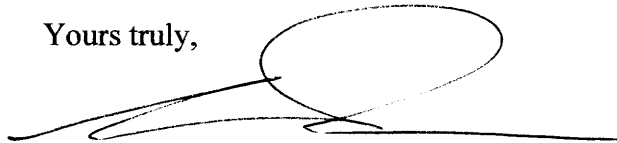
Total Suspended Solids will be added to the effluent monitoring program and will be reported annually.

- ***By the end of March 2010, include the bluff seepage sampling in their monitoring program.***

Cameco believes that bluff seepage monitoring has limited value. However, Cameco agrees to collect a series of samples from seepage points along the bluff once during the year.

We trust that the above and the attached is satisfactory, and we would be pleased to discuss further.

Yours truly,

A handwritten signature in black ink, appearing to read 'Andy Thorne', with a large, stylized loop at the end.

Andy Thorne
Vice-President, Fuel Services