



December 19, 2008

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Ms. Anne McLay
Project Officer
Uranium Mines and Lands Evaluation Division
Directorate of Nuclear Cycle and Facilities Regulation
Canadian Nuclear Safety Commission
280 Slater Street
Ottawa, ON K1P 5S9

Dear Ms. McLay:

CNSC Request Pursuant to Subsection 12(2) of the *General Nuclear Safety and Control Regulations*: Effluent Discharge Releases at the Welcome Waste Management Facility

Further to your letter dated December 9, 2008 regarding Cameco Corporation's response to the subsection 12(2) request, Cameco would like to advise as follows.

Cameco will deliver a preliminary draft Conceptual Site Model (CSM) diagram early in 2009 as part of the Characterization Report.

Cameco has reviewed the expectation outlined in the letter that Cameco have a plan in place to minimize the likelihood of an emergency pond discharge and to be ready to implement this plan before spring 2009.

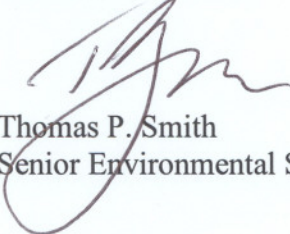
In 2008, a new record for precipitation was set for this area and as a result the levels in the east and west collection ponds at the Welcome Waste Management Facility (WWMF) are at a record high for this time of year. The levels in these ponds and the operational performance of the treatment system are being monitored very closely; however, a pond discharge of treated effluent in accordance with the WWMF's licence is currently in progress. Cameco sees the discharge of treated effluent from the pond as a safe, effective way to reduce the levels in these ponds rather than have an uncontrolled release of untreated effluent to the environment. Cameco is undertaking an enhanced monitoring of both Brand Creek and Clark's ditch for the duration of this discharge.

With respect to developing a plan to be ready to be implemented before spring 2009, Cameco would like to state that redirecting "clean" surface runoff away from the collection ponds may be possible to some limited extent and this option will be reviewed early in 2009. Cameco would also like to offer the following response to other suggested options set out in the December 9 letter:

- The WWMF treatment system runs continuously (24 hours a day, 7 days a week) if there is water to treat and is only shutdown for mandatory maintenance (e.g., a pump replacement). Cameco is monitoring this treatment system daily and there has been no interruption of treatment operations since the maintenance shutdown conducted in September 2008. The treatment system is currently discharging approximately 10,000 m³/month.
- With respect to structural upgrades, Cameco has put forward a plan to replace the pipeline for its full length in 2009. This project will be conducted in harmony with the Port Hope Area Initiative (PHAI). The existing pipeline will be removed and the proposed project would call for twinning the line with two 4" pipes. One pipe would service the site as it exists today and the other would be utilized in the future during the remediation stage of the project. This proposed project cannot be implemented until after the spring of 2009. Increasing pumping capacity is not an option with the existing pipeline, but can be considered when the new lines are in place. Adding an additional collection pond or modifying the existing berm design is not practical during the winter months. These will be evaluated as part of the "Adequacy of Design" assessment, but could not possibly be implemented prior to the spring of 2009.

In closing, with the onset of winter, physical modifications are not practical to implement. Cameco has committed to assess the adequacy of design for the WWMF and will provide the CNSC with this information in 2009. If this study suggests modifications are warranted for the WWMF, Cameco will work with the PHAI to plan for the implementation of these modifications.

Yours truly,



Thomas P. Smith
Senior Environmental Specialist