



Canadian Nuclear
Safety Commission

Commission canadienne
de sûreté nucléaire

Record of Proceedings, Including Reasons for Decision

In the Matter of

Applicant Cameco Corporation

Subject Application for an amendment to the operating
licence to allow uranium production flexibility for
the McArthur River Operation

Hearing
Date May 5, 2010

RECORD OF PROCEEDINGS

Applicant: Cameco Corporation

Address/Location: 2121 11th Street West, Saskatoon, Saskatchewan S7M 1J3

Purpose: Application for an amendment to the operating licence to allow uranium production flexibility for the McArthur River Operation

Application received: December 23, 2009

Date of hearing: May 5, 2010

Location: Canadian Nuclear Safety Commission (CNSC)
280 Slater St., Ottawa, Ontario

Members present: M. Binder, Chair

Secretary: K. McGee
Recording Secretary: S. Gingras

Licence: Amended

Table of Contents

Introduction	1
Decision	1
Issues and Commission Findings	2
<i>Qualifications and Protection Measures</i>	2
Application of the <i>Canadian Environmental Assessment Act</i>	3

Introduction

1. Cameco Corporation (Cameco) has applied to the Canadian Nuclear Safety Commission¹ (CNSC) for an amendment to the operating licence for its McArthur River Operation located in northern Saskatchewan. The current licence, UMOL-MINE-McARTHUR.00/2013, expires on October 31, 2013.
2. Cameco has applied to amend the McArthur River uranium mine operating licence to provide a level of uranium production flexibility to manage operational and maintenance issues related to mid-winter shutdowns. The amendment would also allow Cameco to recoup production shortfalls that have accumulated since 2003.

Issue

3. In considering the application, the Commission was required to decide, pursuant to subsection 24(4) of the *Nuclear Safety and Control Act*² (NSCA):
 - a) if Cameco is qualified to carry on the activity that the amended licences would authorize; and
 - b) if in carrying on that activity, Cameco would make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.

Hearing

4. The Commission, in making its decision, considered information presented for a hearing held on May 5, 2010 in Ottawa, Ontario. During the hearing, the Commission considered written submissions from CNSC staff (CMD 10-H107) and Cameco (CMD 10-H107.1).

Decision

5. Based on its consideration of the matter, as described in more detail in the following sections of this *Record of Proceedings*, the Commission concludes that Cameco has met the conditions of subsection 24(4) of the NSCA. Therefore,

the Commission, pursuant to section 24 of the *Nuclear Safety and Control Act*, amends the Uranium Mine Operating Licence UMOL-MINE-McARTHUR.00/2013 issued to Cameco Corporation for its McArthur River Operation located in northern Saskatchewan. The amended licence, UMOL-MINE-McARTHUR.01/2013, remains valid until October 31, 2013.

¹ The *Canadian Nuclear Safety Commission* is referred to as the “CNSC” when referring to the organization and its staff in general, and as the “Commission” when referring to the tribunal component.

² S.C. 1997, c. 9.

6. The Commission includes in the licence the conditions as recommended by CNSC staff in CMD 10-H107.

Issues and Commission Findings

Qualifications and Protection Measures

7. CNSC staff assessed Cameco's production flexibility application and concluded that, in general, the implementation of the production flexibility concept provides no net cumulative increase in impacts to the environment, the health and safety of workers or the public. CNSC staff further noted that it provided the Saskatchewan Ministry of the Environment with a copy of Cameco's application, who determined that no approval was required at the provincial level.
8. CNSC staff reported that the current operating licence requires Cameco to cease the ore mining operations if the annual production limit is reached, resulting in the mill facility being shut down and put into a care and maintenance mode. This forced activity increases risks to the environment and the health and safety of workers and the public. CNSC staff added that extreme weather conditions such as those found in northern Saskatchewan winter conditions significantly increase these risks. CNSC staff concludes that the flexibility proposal would allow Cameco to plan more favourable shutdown and maintenance schedules. CNSC staff stated that this flexibility would allow potential impacts to the environment to be reduced through the optimisation of operational controls, improved production planning and maintenance scheduling.
9. CNSC staff explained that Cameco's proposed amendment is only for production deficiencies retroactive to 2003 totalling 1.9 million kilograms, provides increased levels of production flexibility to offset those deficiencies and is not a sustained increase in the production rate. CNSC staff added that, therefore, no significant changes to the cumulative environmental loadings or impacts assessed in the 1995 *Environmental Impact Statement* are anticipated.
10. The Commission notes that a similar licence amendment was approved for the Key Lake milling operation in June 2009.
11. CNSC staff concludes that, in carrying on the activities as requested, Cameco will continue to make adequate provision for the protection of the environment, the health and safety of persons and the maintenance of national security and measures required to implement international obligations to which Canada has agreed.

Application of the *Canadian Environmental Assessment Act*

12. Before making a licensing decision, the Commission must be satisfied that all applicable requirements of the *Canadian Environmental Assessment Act*³ (CEAA) have been fulfilled.
13. CNSC staff reported that it had completed an Environmental Assessment (EA) determination. CNSC staff stated that there was no requirement for an EA pursuant to subsection 5(1) of the CEAA for this proposal.
14. The Commission is satisfied that all applicable requirements of the CEAA have been fulfilled.



Michael Binder
President,
Canadian Nuclear Safety Commission

MAY 05 2010

Date

³ S.C. 1992, c. 37.