

January 6, 2009

AL01-CORR-00531-00008

Mr. Marc Leblanc
Secretary
Canadian Nuclear Safety Commission
P.O. Box 1046
280 Slater Street
Ottawa, Ontario
K1P 5S9

Dear Mr. Leblanc:

Withdrawal of Application for Approval to Prepare a Site for the Future Construction of a Nuclear Power Generating Facility Municipal District of Northern Lights, Alberta

The purpose of this letter is to request the withdrawal of the Bruce Power Alberta Inc. application to prepare a site for the future construction of a nuclear power generating facility in the Municipal District of Northern Lights, Alberta.

As you know, when Bruce Power Alberta Inc. acquired Energy Alberta Corporation in March 2008, we submitted a site preparation license for the construction of up to four new nuclear units in the Peace Country region of Northern Alberta. The filing of this application was a recognition that the acquisition was complete and that Bruce Power Alberta would be the proponent to further develop a nuclear option in the Peace Country.

Since that time, we have been engaged with the local communities throughout the Peace Country and have been conducting evaluations on the Lac Cardinal site identified in the application in preparation for an Environmental Assessment (EA), while exploring other siting options in the region.

In November, Bruce Power Alberta Inc. identified a second site, which we are currently conducting technical and environmental evaluations on. Given the high degree of community engagement and interest in this project we communicated our intent to consider a second site at that time. Our announcement received media coverage at the time because of the interest in the Peace Country and across the province. Attached is a copy of the fact sheet we have been circulating since November (Enclosure 1), which serves as a project update on our site selection process.

We have indicated to the community that we will undertake a decision-making process to determine which of the two sites is the most viable to progress the formal planning process on. We plan to share our decision-making process with the impacted communities through a series of information sessions early in 2009.



It is our expectation that we will be complete our site selection assessment by the middle of 2009 and will be in a position at that point to progress future steps in the process with the identified site. Based on this approach, Bruce Power Alberta Inc. believes it is prudent to withdrawal our site preparation license application until a preferred site is identified, as the application is specific to the site Bruce Power Alberta inherited following the acquisition of Energy Alberta Corporation.

Once we are in a position to select a preferred site it is our expectation that some of the pre-EA consultation and field work will significantly contribute to future steps in our planning process. We plan to provide the CNSC regular updates on our progress throughout 2009

If you require further information or have any questions regarding this submission, please contact me directly at (519) 361-5025.

Yours truly,

For Frank Saunders
Vice President Nuclear Oversight and Regulatory Affairs Division
Bruce Power

cc: G. Schwarz - CNSC Ottawa

Encl.

Reference(s):

1. Letter, D Hawthorne to M. Leblanc, "Application for Approval to Prepare a Site for the Future Construction of a Nuclear Power Generating Facility Municipal District of Northern Lights, Alberta", March 13, 2008.

Enclosure 1

**Subject:
Peace River Nuclear Power Plant Project
Environmental Assessment**

**Fact Sheet #8: Project Update
Peace River Nuclear Power Plant Project**

Peace River Nuclear Power Plant Project Environmental Assessment

Fact Sheet 8: Project Update Peace River Nuclear Power Plant Project

November 2008

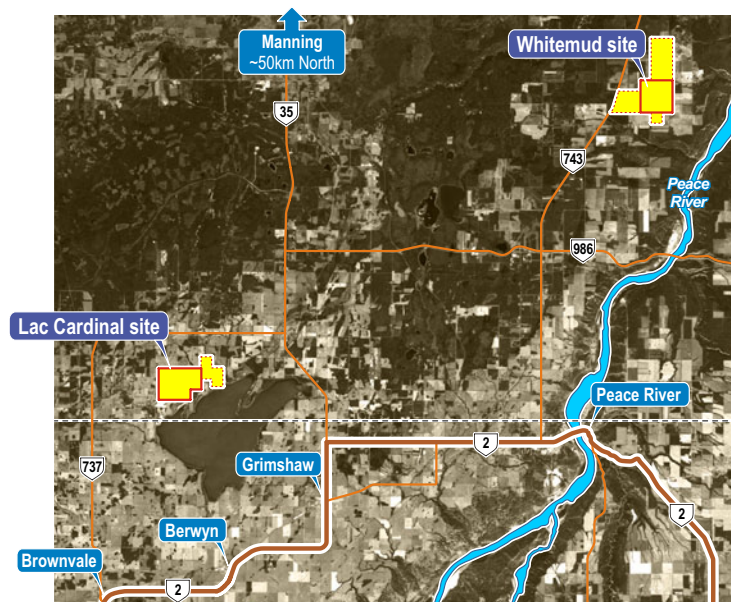
Bruce Power Alberta is assessing the possibility of building a nuclear power plant in the vicinity of the Town of Peace River. We are planning to build and operate one of the world's safest and efficient nuclear power plants. The Peace River Nuclear Power Plant could produce enough electricity to power homes and industry and create over 1,900 jobs for 60 years in the Peace Country. During the construction and commissioning phases, a peak work force of up to 5,000 people is anticipated. In addition, we estimate about 800 indirect positions will be created, for a total employment of 2,700 new full time positions for 60 years as a result of the Project. This Fact Sheet provides a summary description of the Peace River Nuclear Power Plant Project, focusing primarily on recent developments with respect to the Project.

What is the current status of the Lac Cardinal site?

We have been receiving public feedback on the proposed development of the Lac Cardinal site since March 2008. We have listened carefully to your concerns. These concerns have focussed primarily on the close proximity of the Lac Cardinal site to the Grimshaw Gravels Aquifer, and concerns with respect to the environmental protection of Lac Cardinal. While we believe that environmental protection measures may be implemented to mitigate these environmental risks, we have also undertaken a siting study for the purposes of identifying an alternate site. A second site has been identified. At present, we are continuing our evaluation of two sites:

1. The **Lac Cardinal** site is located on the northeast shore of Lac Cardinal, approximately 30 km west of the Town of Peace River. The Lac Cardinal site is 9.71 km² in area or approximately 971 ha. Approximately 712 ha of the site would be fenced to contain the plant and associated facilities.
2. The **Whitemud** site is located on the west bank of the Peace River, approximately 30 km north of the Town of Peace River. The Whitemud site covers 14.2 km² in area or approximately 1424 ha. Approximately 547 ha of the site would be fenced to contain the plant and associated facilities.

We expect to complete our site evaluation, and announce our preferred site in early 2009. Community considerations will play an important part in our decision.



What is the site selection process?

The site evaluation criteria used to identify our preferred site, will focus on a range of environmental, community and economic factors. The two sites will be compared in general accordance with the expectations set out in the Canadian Nuclear Safety Commission (CNSC) Regulatory Document RD-346, entitled "Site Evaluation for New Nuclear Power Plants". The main objective of the site evaluation is to ensure that a nuclear power plant constructed at the site will not create an unacceptable risk to the public or to the environment.

A key issue with respect to the site evaluation will involve the assessment of soil and rock conditions at both sites. The presence/absence of Grimshaw Gravels Aquifer materials, the soil type and the depth to bedrock are all important considerations in the site selection process.

What is the status of the environmental assessment (EA) process?

Along with selecting the preferred site, we plan to continue to collect baseline data in late 2008 and throughout 2009. We are also in the process of carrying out the necessary design studies to support preparing a revised Project Description Report and revised Site Preparation Licence Application to the CNSC. These documents will describe the potential development of a site for construction of a new nuclear power generation plant at either the Lac Cardinal or Whitemud sites. The Project Description will allow CNSC, as the responsible authority (RA), to determine the need for, and its role in, a federal EA of the Project under the Canadian Environmental Assessment Act. The Project Description will also allow the federal regulatory agencies to develop EA Guidelines and work with the Province of Alberta to define their role in the EA process. We expect the EA process to formally get under way in the latter half of 2009.

What level of support is there for a nuclear power plant in the Peace Country?

Bruce Power Alberta has been engaging with community stakeholders since March 2008. In general, we are finding that there is a high degree of interest and support for the Project. The opportunity for local residents and groups to communicate questions to Bruce Power Alberta will continue. Furthermore, the engagement programs will continue throughout the projected 60 year life of the Project. Our approach to engagement will continue to be based on the principles of respect, open communication, and responsiveness. We will assist information sharing on an ongoing basis and will try to identify, understand and resolve concerns and issues.

What are the next steps?

We hope to complete our field programs and have a decision on our preferred site by the first half of 2009. At that point, we plan to focus baseline data collection on the preferred site and proceed with preliminary engineering design of the power plant and associated facilities for the purposes of completing the EA. We are planning to initiate our next Project Information Sessions in late January 2009.

The decision to build a nuclear power plant in the Peace Country is important to the community, and is a serious business decision for Bruce Power Alberta. Before any decision is made, we will be proceeding with the planning process and engaging the community, while completing studies to evaluate the technical, environmental and social aspects of the proposed development. We have been encouraged by the willingness of residents of the Peace Country to "get the facts" before making a decision on nuclear power. Bruce Power Alberta is very pleased with our decision to consider the development of a power project in the Peace Country. We will continue to work hard to earn your trust and support.