

June 8, 2004

Sean Quinn, General Counsel
Cameco Corporation
2121 - 11th Street West
Saskatoon, Saskatchewan
Canada S7M 1J3

SUBJECT: CAMECO CORPORATION, REQUEST FOR WITHHOLDING INFORMATION
FROM PUBLIC DISCLOSURE FOR SOUTH TEXAS PROJECT, UNITS 1 AND 2
(TAC NOS. MC2880 AND MC2881)

Dear Mr. Quinn:

By letter dated April 26, 2004, Cameco Corporation submitted an affidavit dated April 21, 2004, executed by you, in which you requested that the information contained in the following document be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Part 2, Section 2.390:

Enclosures 5 and 10 of Application for Consent to Transfer Non-Operating Ownership Interest and Conforming License Amendments, submitted by STP Nuclear Operating Company on behalf of AEP Texas Central Company (TCC), and Cameco South Texas Project LP (CSTP).

A nonproprietary copy of this document has been placed in the Nuclear Regulatory Commission's (NRC's) Public Document Room and added to the Agencywide Documents Access and Management System Public Electronic Reading Room.

The affidavit stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- (i) This information is and has been held in confidence by CSTP and by CSTP's ultimate parent company, Cameco Corporation.
- (ii) This information is of a type that is customarily held in confidence, and there is a rational basis for doing so because: Enclosure 5 contains sensitive financial information concerning projected revenues and operating expenses of CSTP and its successors and affiliates; and Enclosure 10 includes commercial terms and conditions related to the purchase and sale of a nuclear asset -- TCC's interest in South Texas Project, Units 1 and 2.

We have reviewed your application and the material, in accordance with the requirements of 10 CFR 2.390 and, on the basis of your statements, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure.

Therefore, the version of the submitted information marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.390(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

Therefore, Enclosures 5 and 10 of the Application for Consent to Transfer Non-Operating Ownership Interest and Conforming License Amendments, marked as proprietary, will be withheld from public disclosure pursuant to 10 CFR 2.390(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

Withholding from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the documents. If the need arises, we may send copies of this information to our consultants working in this area. We will, of course, ensure that the consultants have signed the appropriate agreements for handling proprietary information.

If the basis for withholding this information from public inspection should change in the future such that the information could then be made available for public inspection, you should promptly notify the NRC. You also should understand that the NRC may have cause to review this determination in the future, for example, if the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC makes a determination adverse to the above, you will be notified in advance of any public disclosure.

If you have any questions regarding this matter, I may be reached at 301-415-1347.

Sincerely,

/RA/

Michael Webb, Senior Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

Therefore, Enclosures 5 and 10 of the Application for Consent to Transfer Non-Operating Ownership Interest and Conforming License Amendments, marked as proprietary, will be withheld from public disclosure pursuant to 10 CFR 2.390(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

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Sincerely,

/RA/

Michael Webb, Senior Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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South Texas Project, Units 1 & 2

cc:

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May 2003

South Texas Project, Units 1 & 2

-2-

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