U.S. NUCLEAR REGULATORY COMMISSION

Amendment No. 03

# MATERIALS LICENSE

Pursuant to the Atomic Energy Act of 1954, as amended, the Energy Reorganization Act of 1974 (Public Law 93-438), and Title 10, Code of Federal Regulations, Chapter I, Parts 30, 31, 32, 33, 34, 35, 36, 39, 40, and 70, and in reliance on statements and representations heretofore made by the licensee, a license is hereby issued authorizing the licensee to receive, acquire, possess, and transfer byproduct, source, and special nuclear material designated below; to use such material for the purpose(s) and at the place(s) designated below; to deliver or transfer such material to persons authorized to receive it in accordance with the regulations of the applicable Part(s). This license shall be deemed to contain the conditions specified in Section 183 of the Atomic Energy Act of 1954, as amended, and is subject to all applicable rules, regulations, and orders of the Nuclear Regulatory Commission now or hereafter in effect and to any conditions specified below.

| Licensee | In accordance with letter dated January 25, 2011 |
|---|---|
| 1. TransCanada | 3. License number 21-29258-01 is amended in its entirety to read as follows: |
| 2. 5250 Corporate Drive<br>Troy, Michigan 48098 | 4. Expiration date October 31, 2017 |
| | 5. Docket No. 030-37442<br>Reference No. |

| 6. Byproduct, source, and/or special nuclear material | 7. Chemical and/or physical form | 8. Maximum amount that licensee may possess at any one time under this license |
|---|---|---|
| A. Cesium-137 | A. Sealed sources (Nuclear Research Corporation Model S-6) | A. 100 millicuries per source and 200 millicuries total. |

9. Authorized use:

A. For storage in Canberra Industries, Inc. Model SH-302 gauges modified for underwater usage.

CONDITIONS

10. Licensed material shall be stored at the licensee's underwater locations in the Gulf of Mexico (described in application dated March 21, 2007) where the U.S. Nuclear Regulatory Commission maintains jurisdiction for regulating the use of licensed material.

11. A. The Radiation Safety Officer (RSO) for this license is Salvatore J. Delisi.

B. Before assuming the duties and responsibilities as RSO for this license, the individual shall have successfully completed one of the training courses described in Criteria in Section 8.7.1 of NUREG-1556, Volume 4, dated October 1998.

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12. License material shall be stored under the supervision of Salvatore J. Delisi. These devices shall not be serviced, repaired or removed from their respective underwater storage locations on the pipelines without prior written approval from the NRC.

13. Sealed sources containing licensed material shall not be opened or sources removed from source holders by the licensee, except as specifically authorized.

14. The sealed sources specified in Item 7.A., while remaining in underwater storage, require no testing for leakage and/or contamination.

15. The licensee shall conduct a physical inventory every 3 years, or at other intervals approved by the U.S. Nuclear Regulatory Commission, to account for all sealed sources and/or devices received and possessed under the license. The inventory shall consist of documented verbal or written contact with pipeline personnel, who have responsibility for the pipelines and gauges, confirming that both sources remain in their respective underwater storage location. Records of inventories shall be maintained for 5 years from the date of each inventory, and shall include the radionuclides, quantities, manufacturer's name and model numbers, and the date of the inventory. In addition, a form such as “Inventory of Nuclear Pig Signals at Eugene Island 188” can be used to document the inventory.

16. The following services shall not be performed by the licensee: installation, initial radiation surveys, relocation, removal from service, dismantling, alignment, replacement, disposal of the sealed source and non-routine maintenance or repair of components related to the radiological safety of the gauge (i.e., the sealed source, the source holder, source drive mechanism, on-off mechanism (shutter), shutter control, shielding). These services shall be performed only by persons specifically licensed by the U.S. Nuclear Regulatory Commission or an Agreement State to perform such services.

17. Prior to initial use and after installation, relocation, dismantling, alignment, or any other activity involving the source or removal of the shielding, the licensee shall assure that a radiological survey is performed to determine radiation levels in accessible areas around, above, and below the gauge with the shutter open. This survey shall be performed only by persons authorized to perform such services by the U.S. Nuclear Regulatory Commission or an Agreement State.

18. Except for maintaining labeling as required by 10 CFR Part 20, or 71, the licensee shall obtain authorization from the U.S. Nuclear Regulatory Commission before making any changes in the sealed source, device or source-device combination that would alter the description or specifications as indicated in the respective certificate of registration issued either by the Commission pursuant to 10 CFR 32.210 or by an Agreement State.

19. The licensee is authorized to transport licensed material in accordance with the provisions of 10 CFR Part 71, "Packaging and Transportation of Radioactive Material."

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20. The licensee is required to seek NRC approval before the licensee can be permitted to either:

    A. Convey or otherwise transfer title or other property interest in the gauges and/or pipeline segment(s) to which the gauges are attached;

    B. Abandon (relinquish possession and control of) the gauges and/or the pipeline segment(s) to which the gauges are attached; or

    C. Remove the gauges from their current site.

21. Except as specifically provided otherwise in this license, the licensee shall conduct its program in accordance with the statements, representations, and procedures contained in the documents, including any enclosures, listed below. The U.S. Nuclear Regulatory Commission's regulations shall govern unless the statements, representations, and procedures in the licensee's application and correspondence are more restrictive than the regulations.

    A. Application dated March 22, 2007 (ML071790584)
    B. Letters dated June 11, 2007 (ML072500376 & ML072500392)
    C. Letter dated June 27, 2007 (ML072070634)
    D. Letter dated September 7, 2007 (ML072540839)
    E. Letter dated April 1, 2008 (ML081910515)
    F. Letter dated January 25, 2011 (ML110450360)

FOR THE U.S. NUCLEAR REGULATORY COMMISSION

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Date April 16, 2011

By _____
Jacqueline D. Cook, Senior Health Physicist
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Region IV
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