EXPIRATION DATE: March 31, 2006

(FOR RENEWAL, SEE 49 CFR § 107.109)

1. GRANTEE: Sacramento Municipal Utility District
   Herald, CA

2. PURPOSE AND LIMITATION:
   a. This exemption authorizes the transportation in commerce
      of four steam generator sections, containing Class 7
      radioactive material, to be classed as surface contaminated
      objects, class II, and transported as non-specification
      packages from the Rancho Seco Nuclear Generating Station to
      the Envirocare disposal facility in Clive, Utah. This
      exemption provides no relief from the Hazardous Materials
      Regulations (HMR) other than as specifically stated herein.
   b. The safety analyses performed in development of this
      exemption only considered the hazards and risks associated
      with transportation in commerce. The safety analyses did
      not consider the hazards and risks associated with consumer
      use, use as a component of a transport vehicle or other
      device, or other uses not associated with transportation in
      commerce.

4. REGULATIONS FROM WHICH EXEMPTED:

a. 49 CFR § 173.403 in so far as the fixed and non-fixed contamination levels for surface contaminated objects, class II, (SCO-II) are waived for the components specified in the exemption application.

b. 49 CFR § 173.427(a) in so far as the requirement that SCO-II, must be transported in authorized packaging is waived.

c. 49 CFR § 173.465(c) and (d) in that modified mechanical testing is acceptable.

5. BASIS: This exemption is based on the application of Sacramento Municipal Utility District dated November 10, 2003 and the technical information submitted March 4, 2004 in accordance with § 107.105, and additional information dated September 21, 2004.

6. HAZARDOUS MATERIALS (49 CFR § 172.101):

<table>
<thead>
<tr>
<th>Proper Shipping Name</th>
<th>Hazard Class/ Division</th>
<th>Identification Number</th>
<th>Packing Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radioactive material, surface contaminated objects (SCO-II) non fissile or fissile excepted</td>
<td>Class 7</td>
<td>UN 2913</td>
<td>N/A</td>
</tr>
</tbody>
</table>

7. SAFETY CONTROL MEASURES:

   a. PACKAGING -

   (1) The steam generator sections must be as described in the November 10, 2003 and March 4, 2004 Sacramento Municipal Utility District (SMUD) application for exemption on file with the Office of Hazardous Materials Exemptions and Approvals (OHMEA).

   (2) The contamination levels and radionuclides present on each component must be consistent with the levels identified in SMUD application.
(3) To maximize radiation protection, each steam generator section must be prepared for shipment by welding or bolting shut all nozzles, instrument penetrations and mechanical enclosures using closure plates. Prior to shipment, the external surface of the steam generator section will be treated with fixative and/or paint.

b. OPERATIONAL CONTROLS –

(1) The steam generator sections shall be consigned as exclusive under the provisions of 49 CFR 173.427(a)(6)(i)-(v), including placarding.

(2) All controls, provisions and routes specified in the Rancho Seco Transportation and Emergency Response Plan attached to application for exemption must be followed.

c. COMMUNICATIONS –

(1) The Office of Hazardous Materials Exemptions and Approvals shall be notified prior to commencement of transportation and upon completion of transit.

(2) The outside of the steam generator sections shall be plainly and durably marked “DOT-E 13338”. Letters and numerals shall be at least 0.25 inches wide and 4.0 inches high.

(3) The outside of the steam generator sections shall be marked and labeled according to the applicable provisions of 49 CFR 172 for bulk packaging.

8. SPECIAL PROVISION: A current copy of this exemption must be maintained at each facility where the package is offered for transportation.

9. MODES OF TRANSPORTATION AUTHORIZED: Rail freight.

10. MODAL REQUIREMENTS: None, other than required by the HMR.

11. COMPLIANCE: Failure by a person to comply with any of the following may result in suspension or revocation of this exemption and penalties prescribed by the Federal hazardous materials transportation law, 49 U.S.C. 5101 et seq:
Continuation of DOT-E 13338 (1st Rev.)

- All terms and conditions prescribed in this exemption and the Hazardous Materials Regulations, 49 CFR Parts 171-180.

- Persons operating under the terms of this exemption must comply with the security plan requirement in Subpart I of Part 172 of the HMR, when applicable.

- Registration required by § 107.601 et seq., when applicable.

Each "Hazmat employee", as defined in § 171.8, who performs a function subject to this exemption must receive training on the requirements and conditions of this exemption in addition to the training required by §§ 172.700 through 172.704.

No person may use or apply this exemption, including display of its number, when this exemption has expired or is otherwise no longer in effect.

12. REPORTING REQUIREMENTS: The carrier is required to report any incident involving loss of packaging contents or packaging failure to the Associate Administrator for Hazardous Materials Safety (AAHMS) as soon as practicable. (Sections 171.15 and 171.16 apply to any activity undertaken under the authority of this exemption.) In addition, the holder(s) of this exemption must inform the AAHMS, in writing, of any incident involving the package and shipments made under the terms of this exemption.

Issued in Washington, D.C.:

Robert A. McGuire
Associate Administrator for Hazardous Materials Safety

Address all inquiries to: Associate Administrator for Hazardous Materials Safety, Research and Special Programs Administration, Department of Transportation, Washington, D.C. 20590.
Attention: DHM-31.
Copies of this exemption may be obtained by accessing the Hazardous Materials Safety Homepage at http://hazmat.dot.gov/exemptions Photo reproductions and legible reductions of this exemption are permitted. Any alteration of this exemption is prohibited.

PO: JW/AM