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March 26, 2004

Director
Office of Nuclear Reactor Regulation
US Nuclear Regulatory Commission
Washington, DC 20555

**Updated Proposal to
Meet Requirements of
10 CFR 50.64(c)(2)**

Re: University of Florida Training Reactor (UFTR)
Facility License R-56; Docket No. 50-83

Enclosed is an updated proposal intended to meet the requirements of 10 CFR 50.64(c)(2). Except for scheduling, this proposal is essentially unchanged from that originally submitted with a cover letter dated March 26, 1987 and later revised as to its schedule pursuant to a request from NRC Project Manager Theodore Michaels dated April 17, 1987. This revised schedule was submitted with a cover letter dated May 14, 1987. It is also essentially unchanged from the updated proposals submitted in March of subsequent years and April 3 last year except for the revised schedule and the presence of substantive information on progress to date including the final fuel bundle design.

The updated written proposal outlines how the R-56 licensee intends to meet the requirements of 10 CFR 50.64 Paragraph(c)(2) to include certification that funding for conversion had been received through the Department of Energy for the first phase of the project and a tentative schedule for conversion based upon availability of replacement fuel acceptable to the Commission and upon consideration of the availability of additional funding, shipping casks, implementation of arrangements for the available financial support and allowing for commitments of reactor usage. The schedule had slipped significantly in previous years due to delays in work to qualify the SPERT fuel and due to delays in safety analysis as we awaited code implementation and availability of graduate students for the work. The delays in work with the SPERT fuel were most significant in 1988 and 1989 as the SPERT fuel had to be moved, under the SNM-1050 license, and then various license changes approved prior to initiation of the qualification work which was lengthy and subject to several equipment (X-ray machine) failures. The non-destructive testing of the SPERT fuel was completed successfully by April 1989; however, shielding and other structural changes necessitated by use of the SPERT fuel resulted in a decision in August 1989 to utilize plate-type silicide fuel for the conversion. With this decision made, work was then expected to progress more rapidly as the code methodology for safety analyses was being implemented and tested in parallel.

Unfortunately, the decision by the graduate student performing this work to leave the university to pursue his degree elsewhere in August 1989 necessitated essentially restarting the safety analysis when a student began work on it for his thesis in early 1990. Although he spent a week at Argonne National Laboratory working with the RERTR group to receive training in the use of the codes, it still took time for the

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student to become proficient in the use of the codes. Unfortunately several flaws in the implemented codes used for the neutronics analysis also slowed progress though these were cleared up in early 1991.

In April 1991, a student project concluded the benchmarking neutronics analysis on the existing HEU core demonstrating acceptability of the static neutronics methodology to model the existing core. Similarly a thesis project concluded in May 1991 produced the static neutronics analysis for the proposed LEU core with the number of fuel plates per bundle now set at 14. DOE-supplied funding support of this work was extended beyond April 30, 1991 but this was not accomplished until March 1992 resulting in some delays due to administrative problems. Nevertheless, the complementary basic thermal hydraulic analysis and other analysis work required to conclude the HEU to LEU safety analysis was undertaken and had been nearly completed as work had been underway in the 1993-94 year to prepare the safety analysis report package required for the NRC. Delays were then involved because of the inability to get the existing grant support extended to allow project completion up to SAR submittal. The grant support was finally extended in late November 1994, but little work was accomplished as the funding remaining in the grant was for support of a non-permanent employee (student) who had not been identified. In early April 1995, DOE advised they would extend the grant with its remaining support through March 31, 1996. The same situation was repeated in 1996 for continuing the support through March 31, 1997 whereupon we learned the support funding category could be changed to allow completion of work through submittal of SAR changes. This change was to require some time as we again sought to extend the grant with much work completed by a visiting professor through July 1999. Subsequently, a graduate student essentially completed work for the HEU to LEU conversion submittal in December 2000.

We have also been working with the Department of Energy in Idaho to assure fuel availability in a timely manner and to make decisions on utilization of the existing fuel boxes. The final design review on the fuel is essentially complete and questions about holddown devices were cleared up by DOE in early 1995. Essentially all the analysis to support a license submittal for conversion has been completed.

During 1997-99, work continued with a number of verification calculations completed along with alternate methodology being applied to provide reliable analyses. This work was essentially completed with only some control blade worth calculations remaining which were completed as of December 2000. The entire package is being assembled for submission to NRC within two months of DOE indicating LEU fuel will be made available with the project progressing as predicted in the enclosed updated proposal. As noted in the proposal, DOE has indicated there is no money for conversion in the current fiscal year 2002 (Phase II) and they are not sure about 2003 as they had indicated plans to wait until the UFTR confirms intentions to relicense by submitting a timely relicensing package for its R-56 license which was due to expire on August 30, 2002. The relicensing application package was submitted by cover letter dated July 29, 2002 to assure continuation of the UFTR license.

By email dated July 22, 2002, a DOE DDR program manager had transmitted a summary report of fuel assemblies received and projected receipts through 2035 and asked for an update. From the data table, it was not possible to determine if UFTR fuel was included. Therefore, the current UFTR status was communicated indicating that after relicensing submittal, we would hope to do an HEU to LEU conversion sometime in the not too distant future, probably in 2004. She indicated that they were showing the UFTR shipping 24 assemblies in 2004 and asked if this was correct to which the reply was that it probably was correct as far as we can tell subject to relicensing uncertainty and DOE support. Of course this is no longer the case.

Director, NRC Office of Reactor Regulation
Page 3
March 26, 2004

On November 12, 2002, DOE representative Tony Vinnola asked that he be sent a copy of the UFTR letter requesting relicensing so they would have justification to include the UFTR in new fuel manufacturing plans. A copy of the relicensing request was sent to Mr. Vinnola with a cover letter dated December 17, 2002 as he has indicated uncertainty as to when UFTR LEU fuel could be made available. He had thought some of the LEU fuel would be made this year and the rest in the next year but the latest communications with him on February 24, 2004 indicate there may be further delays in getting LEU fuel for our conversion.

The submittal to NRC for converting will be prepared and submitted whenever DOE finally indicates the conversion money will be provided and subsequently the replacement LEU fuel will be made available, although DOE has discussed waiting until late 2005 or even later to make support for fuel and conversion available. Nevertheless, we expect to complete a submission within two months of DOE indicating availability of support.

The effort to ship the unneeded SNM-1050 SPERT fuel is another area that involved considerable time commitments during 1999 and then 2000. DOE finally accepted this fuel for return on August 31, 2000 as we followed through on assuring it was shipped to a secure DOE facility. This facility is now released for other uses.

If further information is needed, please advise. Thank you for your consideration.

Sincerely,



William G. Vernetson
Director of Nuclear Facilities

WGV/dms
Enclosure

cc: Reactor Safety Review Subcommittee

Sworn and subscribed this 26th day of March 2004.


Notary Public



Daniel J. Sanetz
MY COMMISSION # DD061176 EXPIRES
September 30, 2005
BONDED THRU TROY FAH INSURANCE, INC.

UNIVERSITY OF FLORIDA TRAINING REACTOR

FACILITY LICENSE NUMBER: R-56

DOCKET NUMBER: 50-83

**UPDATED PROPOSAL SUBMITTED TO
THE NUCLEAR REGULATORY COMMISSION
TO MEET 10 CFR 50.64 REQUIREMENTS FOR
UPDATING SCHEDULING OF UFTR CONVERSION
FROM HEU TO LEU FUEL**

**Dr. William G. Vernetson
Director of Nuclear Facilities**

March 26, 2004

UNIVERSITY OF FLORIDA TRAINING REACTOR FUEL CONVERSION FROM HIGH ENRICHED TO LOW ENRICHED URANIUM FUEL

INTRODUCTION

This proposal is submitted to the Nuclear Regulatory Commission to meet the requirement that the licensee for the University of Florida Training Reactor (UFTR), as a licensee of a non-power reactor authorized to possess and use high enriched uranium (HEU) fuel shall develop and submit a proposal to replace all HEU fuel possessed under the R-56 license with available low enriched uranium (LEU) fuel acceptable to the Nuclear Regulatory Commission on a schedule determined pursuant to 10 CFR 50.64 Paragraph (c)(2). This proposal addresses the overall process of conversion from initial preparations following receipt of funding to support conversion to final verification, testing, and summary reporting on the converted UFTR. Three primary phases have been identified for control and administration of the overall process of conversion as follows:

- I. Preparation for Conversion
- II. Conversion (assuming NRC order to convert)
- III. Review and Verification of Conversion

Table I contains a listing of key activities involved in each phase of the conversion from receipt of funding for conversion from the Department of Energy (DOE) to final submittal of summary reports to DOE and NRC on the conversion.

PHASE I: PREPARATION FOR CONVERSION

Phase I commenced with receipt of funding for conversion from DOE to cover Phase I only. This funding was considered to be certified per the letter contained in Appendix I of the 1987 proposal; this proposal was submitted to the Department of Energy and official notice of receipt of funding was received with a letter dated November 12, 1987. Because of errors in the contract description provided by DOE, the full approval for receipt of funding was delayed until receipt of the confirming letter dated December 21, 1987. Copies of both letters as well as the 1987 certification letter are enclosed in Appendix I along with documentation showing the extension of the current DOE grant to support Phase I work which has been delayed beyond the original grant period.

Initial efforts in the process to convert the UFTR from use of high enriched to low enriched fuel (HEU-LEU) consisted of preliminary tests and an evaluation to determine whether the SPERT-type fuel available to the R-56 licensee but currently under license SNM-1050 could be qualified for use in the UFTR. Visual and radiographic test results from this work were positive in this regard. Unfortunately, equipment failures and the need to move the SPERT (SNM-1050) fuel storage facility impacted the schedule during the 1988 year so the radiographic tests were not completed until April 1989 along with relicensing the SPERT fuel storage facility. Overall, the results of the radiographic tests of the SPERT fuel were positive showing that the condition of the fuel was such that its integrity was assured. Phase I then continued with activities to justify a fuel selection, either SPERT or silicide, based upon results of prequalification testing of existing SPERT fuel and identifying any modifications in existing reactor systems necessitated by use of the new fuel.

Several previously unconsidered potential complications noted in late 1988 were investigated in 1989. This effort was directed to maintaining and/or improving the UFTR neutronics characteristics while minimizing the overall cost of UFTR conversion. The only two fuels that have been considered are the existing SPERT UO₂, stainless steel clad fuel presently under the SNM-1050 license and the newly developed silicide fuel available through the RERTR program at Argonne National Laboratory.

The first choice had been to use the already existing SPERT fuel for which a number of neutronics and thermal-hydraulics analyses were in existence. This would be the cheaper fuel if acceptable since it is already manufactured. However, even after completion of the prequalification program for the qualification tests used to assure the SPERT fuel can meet UFTR requirements without compromising safety, it was necessary to assure this SPERT fuel could be used without requiring costly modifications which could outweigh the low initial cost of SPERT fuel (no manufacturing costs) and have impact on core neutronics per earlier analyses. The Department of Energy was receptive to this evaluation of the two fuels and work in this area progressed well in 1989. Unfortunately, the complexity and cost of potential structural (the SPERT fuel loading would weigh about 2000 pounds versus the present 50 pound core loading), shielding, fuel arrangement and cooling system changes necessitated by use of the SPERT fuel resulted in a milestone decision in August 1989 not to utilize the SPERT fuel for conversion but rather to utilize the standard plate-type silicide fuel. The anticipated cooling system fuel arrangement and shielding changes potentially necessitated by use of the SPERT fuel were especially strong factors in the decision since space in the UFTR facility is already limited and the facility had been cited for two violations in this area in 1989.

In parallel with selection of the plate-type silicide LEU fuel and identification of necessary reactor systems changes, safety analysis were being performed for the selected LEU fuel conversion and associated system changes. Implementation of the neutronics codes to be used was underway during 1989 and several codes had been implemented and run for test cases. Therefore, UFTR conversion calculations were progressing reasonably well until the loss in August 1989 of the graduate student performing the neutronics calculations as he decided to pursue his advanced degree at another university. Unfortunately, he left with much of his work inadequately undocumented. The unavailability of another qualified student committed to assume this responsibility resulted in further delays. Nevertheless, a student project in Fall 1989 resulted in some progress in assuring neutronics methodology would be adequate though many calculations had to be updated and repeated due to errors in and poor documentation of the previous work. It was hoped that this individual would remain on the project for his thesis work. This retention effort was successful and the neutronics analyses were able to move forward in 1990.

Several errors due to poor documentation necessitated restarting the safety analysis when the student began work on it in early 1990. Although he spent a period at Argonne National Laboratory working with the RERTR group to receive training in the use of the codes, it still required some time for the student to become proficient in use of the codes in-house. Unfortunately several formatting and other flaws in the implemented codes used for the neutronics analysis also slowed progress in 1990. These were cleared up as part of the work on assuring proper code methodology during 1990.

Early in 1991 a student thesis project had resulted in good progress in assuring the neutronics methodology to be adequate and the necessary "benchmark" modeling of the existing

core was nearly complete. Only scoping calculations had been completed for the LEU core with the number of fuel plates per bundle not yet set when the 1991 proposal required by 10 CFR 50.64(c)(2) was submitted. It was expected that DOE-supplied funding support of this work would be extended beyond the April 30, 1991 end date per verbal communications so this work could be concluded along with basic thermal-hydraulic analyses to conclude the required HEU to LEU conversion safety analyses. Unfortunately this grant was not officially extended until March 1992. It was also expected that the individual working on this neutronics analysis would complete his thesis work by mid-1991. The “benchmark” static calculations on the existing UFTR HEU core were completed and an internal report generated in April 1991. The individual working on the neutronics analysis completed his thesis work in May 1991 making his defense on May 10, 1991 but continuing his work until May 23, 1991. After the number of fuel plates per bundle was set at 14 from the neutronics analysis, thermal hydraulics analyses were begun in August 1991. These analyses had to be completed before the entire analysis package could be assembled for submission to NRC. A graduate assistant had nearly concluded working on the thermal hydraulics area as the 14-plate fuel bundle arrangement had been selected for the conversion in March 1992. The lack of official grant extension made the financial support of this effort more difficult but a draft report of this thermal hydraulics work was produced in June 1992 with the final report essentially completed during the 1994–95 fiscal year.

A no-cost extension of the Department of Energy Grant DE-FG05-88ER75387 entitled “Conversion of University of Florida Reactor to Low Enriched Uranium (LEU)” was submitted to Ms. Ann Rydalch via a letter dated April 25, 1991 with a copy supplied to Keith Brown. The extension was agreed to be until April 30, 1992. Unfortunately, no further information had been received on the no-cost extension until March 1992 making some plans and efforts difficult

to implement. In addition, time consuming efforts were also in progress with the Department of Energy representatives in Idaho to investigate the possibility of replacing the UFTR core fuel boxes which make reloading and unloading the core difficult and time consuming. DOE representatives even visited the UFTR facility and observed operations as well as reviewed drawings as several days were spent in discussions of how best to proceed in 1992. This unexpected work effort occupied much time and progressed slowly but a decision not to change the fuel boxes was finally reached in summer 1992. Similarly efforts to review fuel drawings and to evaluate the holddown/spreader pin in use in each fuel box had occupied some considerable facility time in the previous year. This latter effort was then essentially complete with the official fuel drawings in draft form from DOE at the UFTR facility and ready to be reviewed when the grant would be officially extended in April 1995.

During the 1994 year, work to incorporate all the analysis completed to date into a single FSAR update to include the Technical Specifications progressed very slowly with some kinetics calculations still remaining in the neutronics area. During that year it was expected that the DOE supplied funding support for this work would again be extended beyond April 30, 1993 with the DOE project manager checking on this per a telephone request made in June 1993. A letter dated August 9, 1993 requesting such an extension was submitted to DOE. In a letter dated November 5, 1993, DOE indicated that the no-cost extension needed to be submitted to the Oak Ridge office; the resubmittal of the extension request to the Oak Ridge Operations Office was accomplished via a letter dated December 15, 1993. During January 1994, the Oak Ridge office indicated that the proper submission really is to the Idaho Operations Office; when informed of this, the project manager was to check, but the grant was not extended as needed until November 1994. This work was expected to be completed by June 1994. However, little work was

accomplished as the funding remaining in the grant was for support of a non-permanent employee (student) who was not identified.

In April 1995, DOE officially extended the grant with its remaining support to a March 31, 1996 ending date; since little work was accomplished in this period due to personnel unavailability, the grant was again extended with the understanding that remaining funds could be moved among personnel categories as necessary to allow completion of work through submittal of SAR changes. However, DOE also advised in mid-March 1996 that additional funding for the next phase (Phase II) of the conversion would not be available during fiscal year 1996. The entire package of results was then to be assembled as a Revision to the UFTR Safety Analysis Report by October 1996. With the loss of the permanent Reactor Manager in August 1996, no work was accomplished during the 1996-97 year.

During the 1997-98 year, a visiting professor began assisting with neutronics calculations partially supported by the extended DOE grant which was much delayed. Considerable work remained for verification and conclusion of the analyses. As a result, efforts were again undertaken to extend the existing grant money to March 31, 1999 to allow completion of work through submittal of SAR changes. This renewal, however, was not accomplished so all the money was used up as of March 31, 1998. In addition, DOE again advised in early March 1998 that additional funding for the next phase (Phase II) of the conversion would not be available during fiscal year 1998. Nevertheless, analyses continued throughout the year and were nearing completion as the visiting professor concluded the neutronics analysis prior to his departure in July 1999. Subsequently, a graduate student finished a project in December 2000 to complete remaining kinetics and control blade calculations and organized all the results in the proper format for submittal to NRC.

The plan now is that the entire package of results will be assembled as a Revision to the UFTR Safety Analysis Report with the project expected to progress as indicated in the updated Table II, with a dedicated graduate assistant following up on previous work and assembling the package. However, DOE has indicated verbally that there is no money available for conversion this year and they are not sure when we will be able to get the LEU fuel made. DOE had indicated plans to wait until the UFTR confirmed its intentions to relicense by submitting a timely relicensing package for its R-56 license which was due to expire on August 30, 2002. This commitment was met by a relicensing package submitted by cover letter dated July 29, 2002 to assure continuation of the UFTR license. On November 12, 2002, DOE representative Tony Vinnola asked that he be sent a copy of the UFTR letter requesting relicensing so they will have justification to include the UFTR in new fuel manufacturing plans. A copy of the relicensing request was sent to Mr. Vinnola with a cover letter dated December 17, 2002 as he indicated uncertainty as to when UFTR LEU fuel could be made available. In August 2003, Mr. Vinnola seemed optimistic that UFTR LEU could be made in two batches for delivery sometime in late 2004 or 2005. However, recently in February 2004, Mr. Vinnola indicated by telephone that there may be further delays in UFTR HEU to LEU conversion as other facilities may have more pressing needs. As negotiations continue with DOE representatives, plans are to submit the package to NRC within two months of DOE indicating availability of support.

UFTR Facility Director William G. Vernetson participated in a fact-finding teleconference with two Government Accounting Office analysts on December 9, 2003 on

behalf of a request by Senator Pat Roberts, Chair of the Subcommittee on Emerging Threats and Capabilities, Committee on Armed Forces. They were interested in responses to three questions:

- How effective has DOE been at converting domestic and foreign research reactors to fuel that cannot be used in weapons?
- What is the status of DOE efforts to take back and store HEU and what are the challenges to completing the program?
- What is the status of DOE efforts to assist Russia in taking back HEU and what are the challenges to completing the program?

Other issues discussed included HEU to LEU conversion and the status of the UFTR conversion, non-power reactor security issues as well as DOE support of nuclear engineering programs and non-power reactors.

As indicated, previous delays have necessitated several extensions in the initial DOE grant which had been received as documented in Appendix I with another extension requested and verbally agreed to, to pick up from April 1993 as indicated above to assure continuous funding throughout the remainder of the conversion process with a new grant to be required for Phase II. In addition to neutronic and thermal-hydraulic analysis, shielding and effluent analyses will be documented to identify any changes in procedures (few expected), security plan, technical specifications or other license documents that must be considered as part of conversion. These should be minimal. This submittal will also contain documentation detailing the various tests and surveillances planned as part of the conversion. At this point a complete set of licensing documents for the conversion will be submitted along with a conversion application for review and approval. This result is now pending DOE support. Assuming resolution of all questions,

this submittal will conclude the Phase I licensee efforts. Phase I will then conclude with the issuance by the NRC of the specific Order to Convert.

PHASE II: CONVERSION (Assuming NRC Order to Convert)

Phase II (Conversion) will begin with receipt of the NRC Order directing the conversion and any necessary changes to the license, facility and/or procedures per 10 CFR 50.64(c)(3).

This second phase was not yet funded by the existing DOE grant for which an extension has been requested and will include all final tests conducted with the HEU fuel to serve primarily as the basis for later comparison with similar tests with LEU fuel. Phase II will then involve a number of key activities aimed ultimately at having LEU fuel replace HEU fuel at the UFTR facility to include:

1. Shutdown core decay for several weeks followed by core unloading and shipment of irradiated HEU fuel.
2. Verification of qualification of the selected LEU fuel (as applicable).
3. Implementation of required facility changes necessitated for use of LEU fuel; this may involve some changes related to having both HEU and LEU fuel on site simultaneously for a brief time.
4. Receipt of unirradiated LEU fuel.
5. Shipment of irradiated HEU fuel.
6. Documentation of all changes.
7. Completion of all requirements for core loading with LEU fuel followed by loading of the LEU fuel and startup testing to low power.
8. Documentation and record organization for the LEU fuel implementation.

PHASE III: REVIEW AND VERIFICATION OF CONVERSION

Phase III (Review and Verification of Conversion) will consist of a series of activities designed to verify the quality of the conversion process to include both the physical implementation of the LEU fuel and the documentation of the implementation. Activities in Phase III will include:

1. Completion of startup as well as low and full power testing and related surveillances.
2. Verification and evaluation of UFTR operational characteristics.
3. Review of conversion plan and data for consistency.
4. Approval for return of UFTR to normal operations.
5. Return to normal operations.
6. Submission of Final Report to NRC/DOE summarizing HEU operational conditions and comparing these results with the predictions contained in the Safety Analysis submitted to NRC at the end of Phase I and approved as part of the Order to Convert.

SUMMARY CONCLUSIONS

As noted earlier, a relatively detailed list of the various elements that must be obtained, produced or otherwise generated as required throughout the three phases of the UFTR conversion from HEU to LEU fuel is presented in Table I. The current plan continues to be to generate as much of the required safety analysis and design work in-house as possible. Only items such as silicide fuel (now the selected fuel) would be designed and manufactured outside the administrative control of the UFTR licensee. At this point, without having identified all required changes, it is not possible to delineate exactly what other external support may be needed. Neutronics and thermal-hydraulics analyses have been conducted in-house which has

necessitated some external support from the RERTR program at Argonne National Laboratory to assure proper code implementation at the University of Florida to carry out the required safety analysis. Work has progressed slowly with delays due to SPERT fuel inspection delays, graduate student changes and inability to identify qualified graduate students to work on the project for their thesis work up until the previous two years when progress on the use of the neutronics methodology was delayed by several code inconsistencies and lack of documentation which have now been corrected. The effort to complete calculations was over the last two years as a visiting professor and then a graduate student have completed calculations with final efforts to assemble the submittal package awaiting an indication from DOE that they will support the conversion.

The overall flow diagram for HEU to LEU conversion of the UFTR is presented in Figure 1. Key stages in the three phases, as well as key input items at the various stages, are indicated at each stage. Nevertheless, there is still some uncertainty in the exact plan of events in Phase II such as whether LEU fuel will be accepted on site prior to shipping HEU fuel off site. Another concern is the physical fit of the fuel in the fuel boxes which will necessitate some considerable experimental measurement and verification efforts after this year. These items are now under consideration.

With the reactor back up in early April and May 2001, two students, as part of ENU-6937 – Special Topics in Nuclear and Radiological Engineering Sciences, performed a number of experiments measuring parameters needed for the HEU to LEU conversion. During June 2001, an email was sent to DOE summarizing UFTR HEU to LEU conversion considerations. Subsequently, during June there were a number of emails and telephone conversations concerning conversion with DOE representatives as they are trying to determine what to plan in terms of conversion as DOE was looking at the cost of HEU to LEU conversion. They were told

the cost wouldn't be much different but the regulatory agency might have some concerns. On August 6, 2001, an email was sent to the DOE Offsite Fuels Receipt Coordinator (SNM) for Westinghouse Savannah River Company at the Savannah River site, indicating no HEU fuel would be shipped from the UFTR before the end of 2002 at the earliest. Another conversation with a DOE representative confirmed plans to send the fuel around December 2002 assuming submittal of the relicensing package in July 2002 plus plans to have both sets of fuel on-site for a period of time.

By email dated July 22, 2002, a DOE DDR program manager had transmitted a summary report of fuel assemblies received and projected receipts through 2035 and asked for an update. From the data table, it was not possible to determine if UFTR fuel was included. Therefore, the current UFTR status was communicated indicating that after relicensing submittal, we would hope to do an HEU to LEU conversion sometime in the not too distant future, probably in 2004. She indicated that they were showing the UFTR shipping 24 assemblies in 2004 and asked if this was correct to which the reply was that it probably was correct as far as we can tell subject to relicensing uncertainty and DOE support.

DOE had indicated plans to wait until the UFTR confirmed its intentions to relicense by submitting a timely relicensing package for its R-56 license which was due to expire on August 30, 2002. This commitment was met by a relicensing package submitted by cover letter dated July 29, 2002 to assure continuation of the UFTR license. On November 12, 2002, DOE representative Tony Vinnola asked that he be sent a copy of the UFTR letter requesting relicensing so they will have justification to include the UFTR in new fuel manufacturing plans. A copy of the relicensing request was sent to Mr. Vinnola with a cover letter dated December 17, 2002 as he had indicated uncertainty as to when UFTR LEU fuel could be made available.

By summer 2003, he seemed certain fuel could be made over a two-year period, but by February 2004, Mr. Vinnola is again doubtful as to when LEU fuel can be provided for conversion.

As negotiations continue with DOE representatives, plans are to submit the package to NRC within two months of DOE indicating availability of support.

Finally, Table II contains an updated tentative schedule (Revision 18) for the major milestone events in the UFTR conversion process commencing with the notification of receipt of funding effective in November 1987 and concluding with submittal of a final report to NRC and DOE summarizing the results of the conversion by July 2006. It should be noted that this schedule is tentative and, as required by 10 CFR 50.64, will be updated yearly. There has been considerable schedule slippage during the last decade. The schedule is also subject to variations caused by availability of replacement fuel or other items involved in required facility changes as well as variations in the level of DOE funding after the first two-year period (now extended) for which funding was received. Since DOE is not sure if it will provide new conversion money during fiscal year 2003 or even 2004, this may be a problem. Other areas which may impact the schedule are the availability of a shipping cask especially for irradiated HEU fuel (we are currently using our HEU fuel at a rate of about 1–1.5 MW-days energy generation per year so it will almost certainly require a fuel cask versus a 6M container though this may depend on the cooling period) and final usage of the UFTR with HEU fuel to provide a basis for comparison of changes in operating characteristics or to meet education, research and service commitments. Within these constraints and conditions, the schedule in Table II is one which the licensee is committed to meeting and which the licensee considers relatively realistic based upon expected resources and recent progress with neutronics calculations.

Although much of the detail of the conversion process has depended upon the final selection of fuel types, this selection is now finalized; therefore, the information, especially the tentative schedule in Table II provided in this updated proposal, shows that the LEU conversion at the UFTR has progressed up until this past year with significant delays occurring over the years again due to delays in getting the extension to the DOE grant to document completion of the thermal hydraulics calculations and to work with the Department of Energy on fuel review and checks for insertion into the core. As previously indicated, we lost the individual working on the submittal package seven years ago. At this point, reactor staff, including the Director, have essentially completed the package with graduate assistant support and using work produced by visiting professor support and a graduate student during 1998–2000. The key decisions remaining will involve identification and evaluation of system changes required by the conversion, especially concerning utilization of the existing fuel boxes, shipment of used fuel and delivery of new fuel as well as development and implementation of a test program for both the HEU and LEU cores some of this uncertainty is also involved with the possibility of DOE replacement of UFTR fuel boxes. The schedule will likely be most impacted, however, in the near future by the times required for manufacture of the LEU fuel and allocation of DOE support. The schedule presented in Table II is considered to be realistic and should be attainable now that the calculations are complete for both the HEU and LEU core and thermal hydraulics calculations are also complete except for several relatively minor documentation points. All analyses including confirmatory calculations show the 14-plate LEU fuel bundle is acceptable for the conversion. As a result we should be able to conclude in two additional months after DOE indicates they can supply fuel making the proposed schedule for first submittal realistic depending on DOE financial support and availability.

The final drawback may be DOE funding available for the conversion. Appendix I contains the original letters of notification that federal government funding for UFTR conversion was available and had been received from the Department of Energy as well as the extension letter for support through March 1997 plus later letters indicating funding for conversion would not be available during fiscal years 1998 and 1999. It should be noted that DOE subsequently indicated that funding for conversion would also not be available during fiscal years 2001 or 2002; more recently, DOE had indicated they were not sure if they would be able to supply fuel for UFTR conversion in fiscal year 2003 or even 2004 as they were having internal discussions on this matter and wanted to wait to determine whether the UFTR would submit its relicensing package for its R-56 license which was due to run out on August 30, 2002.

As noted earlier, the timely relicensing submittal was made by letter dated July 29, 2002 so the UFTR license will remain effective. On November 12, 2002, DOE representative Tony Vinnola asked that he be sent a copy of the UFTR letter requesting relicensing so they will have justification to include the UFTR in new fuel manufacturing plans. A copy of the relicensing request was sent to Mr. Vinnola with a cover letter dated December 17, 2002 as he had indicated uncertainty as to when UFTR LEU fuel could be made available. By summer 2003, he seemed certain fuel could be made over a two-year period, but by February 2004, Mr. Vinnola is again doubtful as to when LEU fuel can be provided for conversion. As negotiations continue with DOE representatives, plans are to submit the package to NRC within two months of DOE indicating availability of support.

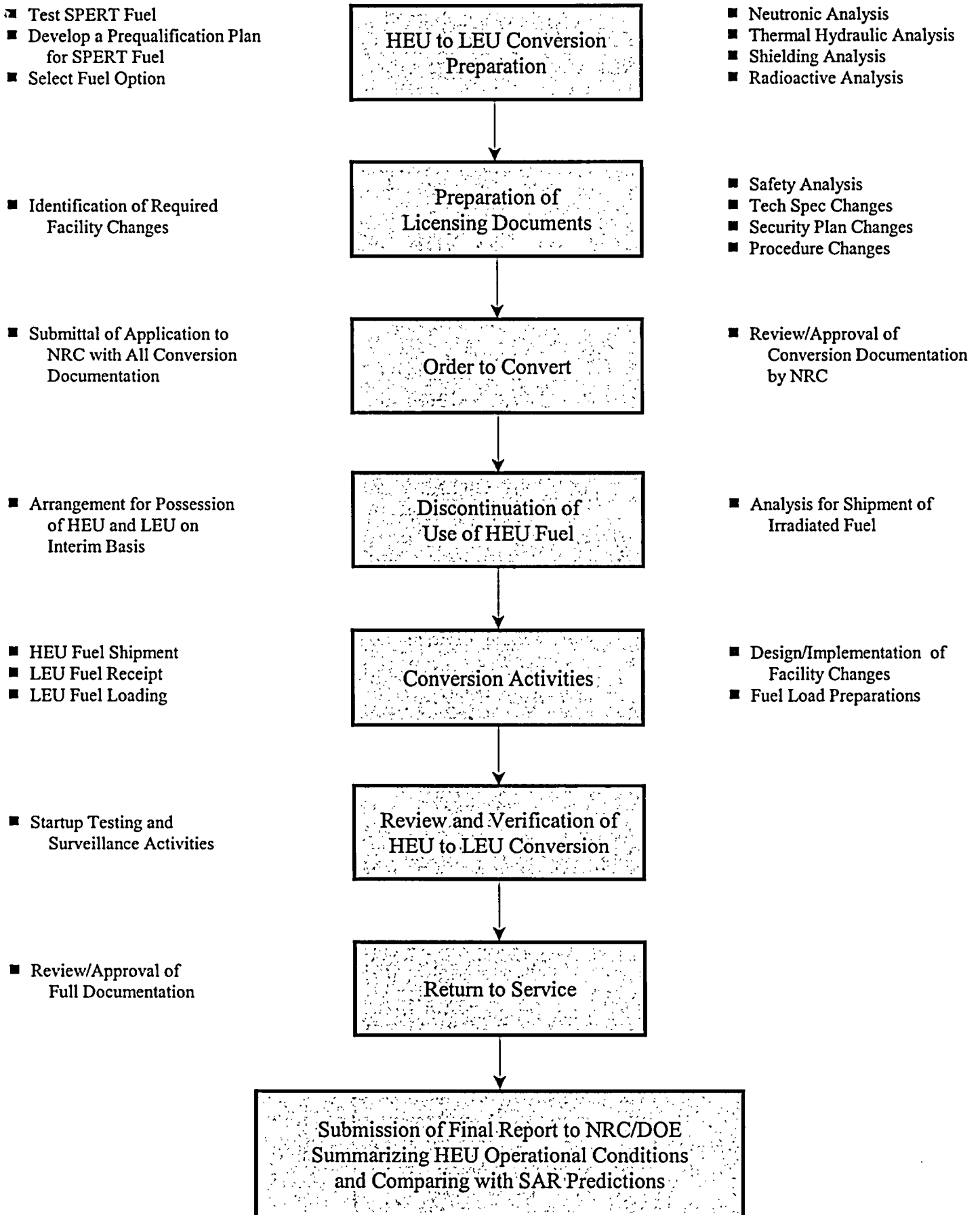


FIGURE 1. University of Florida Training Reactor HEU to LEU Conversion Flow Diagram

TABLE I

University of Florida Training Reactor Key Activities for HEU to LEU Fuel Conversion

I. PHASE I - PREPARATION FOR CONVERSION

- A. Receipt of Funding from Department of Energy
- B. Analysis of UFTR-Specific LEU Conversion Options
 - 1. Pretesting of Selected SPERT Fuel Pins
 - 2. Development of a Qualification Program for SPERT Fuel Pins
 - 3. Completion of Prequalification Testing of SPERT Fuel
 - 4. Evaluation of Comparative Conversion Options (SPERT Vs. Silicide)
 - 5. Selection of LEU Fuel Option for UFTR Conversion
- C. Safety Analysis/Licensing Studies
 - 1. Neutronic Analysis of LEU-Fueled UFTR
 - 2. Thermal-Hydraulic Analysis for LEU-Fueled UFTR
 - 3. Shielding Analysis for LEU-Fueled UFTR
 - 4. Radioactive Effluent Analysis as Required
- D. Identification of Changes in the R-56 License, Technical Specifications, Facility, Security Documents and Procedures Under the Scope of 10 CFR 60.64(c)(3) as Necessitated by Fuel Conversion
- E. Preparation of Full Submittal to NRC to Support Conversion Including all Supporting Documents

II. PHASE II - CONVERSION

- A. NRC Order to Convert
- B. Fuel-Related Activities
 - 1. Qualification of Selected LEU Fuel
 - 2. Final UFTR Operations with HEU Fuel
 - 3. Shipment of Irradiated Fuel
 - 4. Receipt of LEU Fuel
- C. Implementation of Required Changes in R-56 License per Item ID.
- D. LEU Fuel Loading Activities
 - 1. Completion of Preparations for Core Load
 - 2. Loading of LEU Fuel
 - 3. Startup Testing and Surveillance
- E. Completion of Startup Documentation

III. PHASE III - REVIEW AND VERIFICATION OF CONVERSION

- A. Completion of Startup Testing and Related Surveillances
- B. Completion of Power Testing and Surveillances
- C. Determination of UFTR Operational Characteristics
- D. Return to Normal Operations
- E. Submission of Final Conversion Report to NRC/DOE

TABLE II

(Revision 18)

**University of Florida Training Reactor
Tentative Milestone Schedule
for HEU to LEU Fuel Conversion**

I.	Effective Date of Receipt of Funding	November 1987
II.	Date of Full Submittal to NRC of Application to Convert (including all necessary documents) (<i>tentative</i>)	May 2005
III.	Date of NRC Order to Convert	January 2006
A.	Date of Completion of All Plans to Convert	June 2006
B.	Date of Receipt of LEU Fuel	September 2006
C.	Date of Completion of Any Final Tests with HEU Fuel	December 2006
D.	Date of Removal of HEU Fuel	January 2007
E.	Date of Shipment of HEU Fuel	March 2007
F.	Date of Loading of LEU Fuel	April 2007
G.	Date of Completion of Determination of Initial Operational Parameters with LEU (Startup and Power Operations Testing)	May 2007
H.	Date of Submittal of Report to NRC/DOE Summarizing New Operational Characteristics and Comparing with Predictions of Safety Analysis	July 2007

APPENDIX I

**ORIGINAL LETTERS OF NOTIFICATION THAT
FEDERAL GOVERNMENT FUNDING FOR
UFTR CONVERSION WAS AVAILABLE AND
HAD BEEN RECEIVED FROM THE
DEPARTMENT OF ENERGY**

**AS WELL AS THE EXTENSION LETTER
FOR SUPPORT THROUGH MARCH 1997**

**PLUS THE LETTERS INDICATING
FUNDING FOR CONVERSION
WOULD NOT BE AVAILABLE
DURING FISCAL YEARS 1998 AND 1999
WITH ADDITIONAL NOTE DOCUMENTING
UNAVAILABILITY OF FUNDING
FOR CONVERSION DURING
FISCAL YEARS 2000-2004
AND PERHAPS LATER**

EFO

UNIVERSITY OF FLORIDA
OFFICIAL AWARD ACCEPTANCE

DATE PRINTED: 12/21/89

NOTIFICATION OF ACCEPTANCE (NGA) FOR THE PRESIDENT
OF THE UNIVERSITY OF FLORIDA, ACTING ON BEHALF OF
THE BOARD OF REGENTS

QUESTIONS: PLEASE CONTACT THE UF DIVISION OF
SPONSORED RESEARCH, AWARD ADMINISTRATION,
205 GRINTER HALL, 392-1582

TITLE: PROPOSAL FOR GOV'T SUPPORT TO COVER COST OF HFTR CONVERSION
FROM HED TO LEU FUEL

ADMINISTRATIVE DATA

UPN#: 87081002 RELATED UPN#: _____ AWARD DATE: 01/05/88
AGENCY: U S DEPT OF ENERGY (E048) P.I.: VERNETSON W C
DIVISION: _____ SSN: 216-44-9124
AGENCY NO: DE-EG05-88ER75387 COLL: EIES - ENGINEERING (45)
TYPE: NEW (N) CONTINUATION (C) DEPT: NUCLEAR ENGINEERING SCIENCES (199)
 RENEWAL (R) SUPPLEMENTAL (S) CO-PI: _____
 EXTENSION REVISED SSN: - -
CATEGORY: RESEARCH (R) TRAINING (T) COLL: _____
 OTHER (O) DEPT: _____
PROGRAM: CONTRACT (C) PUR. ORDER (P) HEGIS #: 210920
 COOP. AGREE (A) SPA (S) HUMAN SUBJECTS APPROVAL #: _____
 MEMO OF UND (M) GRANT (G) HS APPROVAL EXPIRES: _____
TEMP: GUARANTEED BY: _____ LAB ANIMAL APPROVAL #: _____
PERM: SUPERSEDES: _____ RECOMBINANT DNA/RNA: _____ BIOHAZARDS: _____
BUDG BEG: 11/15/87 BUDG END: 04/30/91 PROPRIETARY/CONFIDENTIAL: _____
PROJ BEG: 11/15/87 PROJ END: 04/30/91 SUBCONTRACTOR: UF: _____
PROJECT PERIOD #: 87081002 PRIME NAME: _____
FUNDS RESTRICTED YES NO NO: _____
HISTORY UPN#: 87081002 FLA DEMO PROJ: N OTHER: _____

COST DATA

APPLICABLE INDIRECT COST WILL ACCRUE TO THE UNIT(S) AS SPECIFIED ON PROPOSAL.

DUAL INVOLVEMENT: _____ IDC RETURN CODE: Y
ON-CAMPUS OFF-CAMPUS
ACCOUNT NO: 450812612 ACCOUNT NO: _____
DIRECT AMOUNT: \$ NO COST EXT DIRECT AMOUNT: \$ _____
INDIRECT AMOUNT: \$ -0- INDIRECT AMOUNT: \$ _____
RATE 45.0% BASE MTD RATE _____ BASE _____
TOTAL AMOUNT: \$ NO COST EXT TOTAL AMOUNT: \$ _____
COST SHARING REQUIRED: \$ _____ COST SHARING REQUIRED: \$ _____
TOTAL FUNDING OF THIS AWARD: \$ NO COST EXT
TOTAL COST SHARING OF THIS AWARD: \$ _____
UNRECOVERED INDIRECT COST: \$ _____
CUMULATIVE PROJECT FUNDING: \$ 160,431.00
CFDA #: _____

REMARKS

DEPT CONTACT: EIES
ADDRESS: _____

Dillard C. Marshall
AUTHORIZED UNIVERSITY ACCEPTANCE SIGNATURE
DIVISION OF SPONSORED RESEARCH
NAME: DILLARD C. MARSHALL
TITLE: ASSISTANT DIRECTOR OF RESEARCH

DSR-6 (8/88)

Processed By: HWR

ORIGINAL: ACC OFF GREEN: DATA ENTRY PINK: FILE YELLOW: COLL/DEPT GOLD: PI BLUE: ACCT. NO.



Department of Energy
Oak Ridge Operations
Post Office Box E
Oak Ridge, Tennessee 37831

205 NOV 17 1987

MR

November 12, 1987

Mr. Dillard C. Marshall
Assistant Director
Office of Research Administration
University of Florida
Gainesville, FL 32611

Dear Mr. Marshall:


GRANT NO. DE-FG05-88ER75387 - AMENDMENT NO. A000

Enclosed are two copies of the subject grant document which have been signed on behalf of the Department of Energy.

If this document is satisfactory, please have the two enclosed copies signed by the proper official on behalf of your organization and return one fully executed copy to this office. The remaining fully executed copy is for your retention.

In addition, please have executed the enclosed Assurance of Compliance - Nondiscrimination in Federally Assisted Programs, and return the signed original to this office together with the executed copy of the grant and a completed Form DOE-538, Notice of Energy RD&D Project. Please return two copies of the DOE-538.

Sincerely,


Charles D. Crowe
Contracting Officer
Contract Management Branch
Procurement & Contracts Division

AD-423:Lyle

- Enclosures:
1. Grant (2 cys.)
 2. Assurance of Compliance
 3. DOE 538 (3 cys)





Department of Energy

Oak Ridge Operations

Post Office Box E

Oak Ridge, Tennessee 37831

December 21, 1987

RECEIVED DEC 29 1987

Dr. William G. Vernetson
Director of Nuclear Facilities
College of Engineering
University of Florida
Gainesville, FL 32611

Dear Dr. Vernetson:

GRANT NO. DE-FG05-88ER75387 (REVISED PROJECT DESCRIPTION)

In response to telephone conversations with you and with Keith Brown at Argonne, enclosed is a revised project description for your grant from the Department of Energy to cover cost of the conversion from HEU to LEU fuel in University of Florida's training reactor. I apologize for the confusion and delay in this revision reaching you.

Minerva
Please substitute the attached Part II, Project Description and Reporting Requirements, for the one transmitted to Dillard Marshall on November 12, 1987, and have Mr. Marshall sign the award and return an original to us as soon as possible. You will not be able to draw down any money from Letter of Credit on this award until the original copy is returned to us.

Thank you for calling our attention to the fact that your award is different from the other reactor fuel conversion awards the Department of Energy has.

Sincerely,

Martha A. Lyle

Martha A. Lyle
Contract Specialist
Contract Management Branch
Procurement and Contracts Division

AD-423:Lyle

Enclosure:
Part II of Grant DE-FG05-88ER75387

cc: Dillard C. Marshall, Asst. Dir.
Research Administration
University of Florida
223 Grinter Hall
Gainesville, FL 32611





Department of Energy

Idaho Operations Office
785 DOE Place
Idaho Falls, Idaho 83402

December 19, 1989

205 DEC 20 '89

ML

Mr. Dillard C. Marshall
University of Florida
223 Grinter Hall
Gainesville, Florida 36211

SUBJECT: Grant No. DE-FG07-88ER75387

Dear Mr. Marshall:

We are enclosing three copies of the subject grant which have been signed on behalf of DOE. Please have all three copies signed by an authorized official and return two fully executed copies to this office within two weeks from the date of this letter. The third fully executed copy is for your retention.

Should you have any questions, please contact Ann Rydalch on (208) 526-9617.

Sincerely,

A handwritten signature in cursive script that reads "Trudy A. Thorne".

Trudy A. Thorne
Contract Specialist
Financial Assistance Branch

Enclosure



Department of Energy
Germantown, MD 20874-1290

February 23, 1998

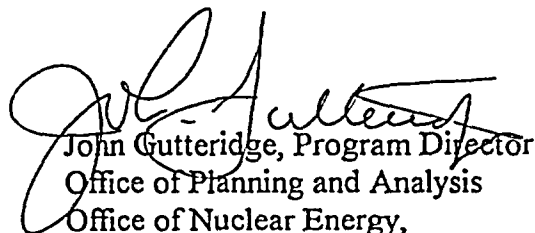
Dr. William G. Vernetson
University of Florida
202 Nuclear Sciences Center
Gainesville, Florida 32611-8300

Dear Dr. Vernetson:

In accordance with 10 CFR Part 50.64, "Limitations on the Use of Highly Enriched Uranium in Domestic Non-Power Reactors," you are hereby notified that Federal funding for conversion of your reactor to low enrichment uranium fuel will not be available during Fiscal Year 1998.

You will be notified in the event these circumstances change.

Sincerely,


John Gutteridge, Program Director
Office of Planning and Analysis
Office of Nuclear Energy,
Science and Technology





Department of Energy
Germantown, MD 20874-1290

April 7, 1999

RECEIVED APR 12 1999

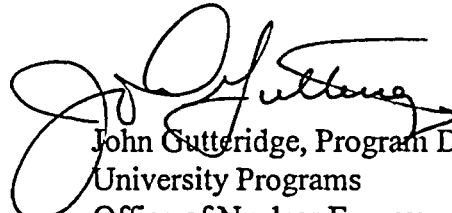
Dr. William G. Vernetson
University of Florida
202 Nuclear Sciences Center
Gainesville, Florida 32611-8300

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You will be notified in the event these circumstances change.

Sincerely,



John Gutteridge, Program Director
University Programs
Office of Nuclear Energy,
Science and Technology



DOE Communications on HEU to LEU Conversion Funding

It should be noted that although no official letters regarding funding availability have been received from DOE since the April 7, 1999 letter from John Gutteridge related to FY 1999 funding (preceding document), subsequent discussions with representatives of DOE have indicated funding for conversion would not be available in Fiscal Years 2000 through 2004 and perhaps later.