



United States Nuclear Regulatory Commission
Docket Control Desk
Mail Stop 0 12-G13
One White Flint North 11555 Rockville Pike
Rockville, Maryland 20852-2738

May 13, 2010

Subject: Updated answers to the NRC RAIs regarding financing and decommissioning of the UUTR

This letter is sent in respond to the additional questions we have received on the financial statements and cost development for the UUTR decommissioning. The enclosed documents are:

- Answers to the questions [clarification on CPI used for adjusting the dollar value in our financial estimates and numerical example; and clarification on operating budget cost for the UUTR]
- Updated letter for the UUTR total decommissioning cost signed by the President of The University of Utah

Sincerely,

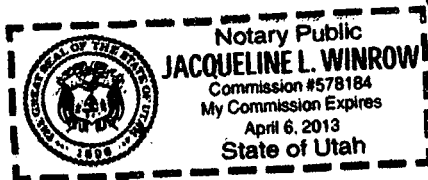
Tatjana Jevremovic, Ph.D.
Energy Solutions Presidential Endowed Chair Professor
Director, University of Utah Nuclear Engineering Program
Professor, Civil and Environmental Engineering
Professor, Chemical Engineering
2298 MEB, 50 South Central Drive
University of Utah
Salt Lake City, UT 84112
Phone: 801.587.9696
E-mail: Tatjana.Jevremovic@utah.edu
URL: <http://www.nuclear.utah.edu/nep.html>

State of Utah
County of Salt Lake

Subscribed and sworn to before me on this day 13th day of May, in the year 2010 by Tatjana Jevremovic.

Notary Public

Seal:



A020
NRK



50 S Campus Central Dr. MEB 2298

Salt Lake City, UT 84112

Phone: 801.587.969 URL: <http://www.nuclear.utah.edu>

cc.

Dr. Cynthia Furse
Associate Vice President for Research
University of Utah
201 President's Circle, Room 210
Salt Lake City, Utah 84112
801/581-7236
cfurse@ece.utah.edu

Dr. Richard Brown
Dean, College of Engineering
Warnock Engineering Building
72 Central Camus Drive, Room 1650
Salt Lake City, UT 84112
801/585-7498
brown@coe.utah.edu

Dr. Dong-Ok Choe
Research Assistant Professor
Center for Nuclear Engineering Program
50 Central Campus Drive, Room 1205
Salt Lake City, UT 84112
801/581-4188
choe@nuclear.utah.edu

Question:

What CPI is used for adjusting value of dollar and provide a numerical example.

Answer:

Definition:

The CPI used in our calculations is obtained from Bureau of Labor Statistics (BLS) (www.bls.gov/cpi). On their website, the CPI is defined as: “The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.” This index value has been calculated since 1913 and for the current year, the index for the last month is used.

Numerical example:

The dollar values are updated based on CPI from BLS are used to take into account the inflation over the years of life of the reactor. These inflation adjusted factors are provided in Table 1.

Table 1 Inflation adjusted factors from 1981 to 2010 obtained from Bureau of Labor Statistics website.

Year Range	Adjusted Factor (Based on CPI)
1981-1985	1.18
1985-1990	1.21
1990-1995	1.17
1995-2000	1.13
2000-2005	1.13
2005-2010	1.11

As an example, equivalent of 25,000\$ of year 1981 in year 2000 can be calculated as follows:

$$1\$ (1981) \times 1.18 \times 1.21 \times 1.17 \times 1.13 = 1.89\$ (2000)$$

$$25,000\$ \times 1.89 = 47,250\$$$

Note: all the inflation adjusted factors are rounded to two significant digits.

Question:

Under the operating budget for the University of Utah TRIGA reactor, the cost of operation for FY2012 and FY2016 in the text is not consistent with the table.

Answer:

The cost of operation reported in the table is the accurate cost. Therefore, the cost of operation for FY2012 is 140,436.00\$ and the same cost for FY2016 is 158,062.00\$.

May 7, 2010

Mr. Dane Finerfrock, Director
Division of Radiation Control
168 North 1950 West
P.O. Box 144850
Salt Lake City, UT 84114-4850


RE: STATEMENT OF INTENT

Dear Mr. Finerfrock:

I am the President of the University of Utah, a body politic and corporate of the State of Utah. As President of the University of Utah, I am authorized to request, through the University of Utah Board of Trustees and the Utah State Board of Regents, funding from the Utah State Legislature for decommissioning activities associated with operations authorized by the Utah Division of Radiation Control Broadscope License UT # 1800001 (the "License"). This authority is established by the laws of the State of Utah, including Utah Code Ann. Sections 53B-7-101 *et seq.* and 63A-5-103 *et seq.* and the Utah State Board of Regents Policy R710. Within this authority, I intend to request that funds be made available when necessary in the amount of \$5,957,465, or other appropriate amount, as deemed necessary to decommission the University of Utah facilities, as defined in the License. I intend to request and obtain these funds sufficiently in advance of decommissioning to prevent delay of required activities.

A copy of the minutes of Special Meeting, Utah State Board of Regents, University of Utah, April 29, 2004, appointing me as President of the University of Utah is attached as evidence that I am authorized to represent the University of Utah in this transaction.

Sincerely yours,



Michael K. Young

MKY/lm

Attachment: As stated above

cc: Thomas N. Parks, Vice President for Research

MINUTES OF SPECIAL MEETING
UTAH STATE BOARD OF REGENTS
UNIVERSITY OF UTAH
April 29, 2004

Regents Present

Nolan E. Karras, Chair
E. George Mantes, Vice Chair
Linnea S. Barney
Daryl C. Barrett
William Edwards
David J. Grant
James S. Jardine
Michael R. Jensen
David J. Jordan
Jed H. Pitcher
Sara V. Sinclair
Marlon O. Snow
Maria Sweeten

Regents Excused

Jerry C. Atkin
Kim R. Burningham
Charles E. Johnson
David L. Maher

Office of the Commissioner

Richard E. Kendell, Commissioner of Higher Education
David L. Buhler, Associate Commissioner for Public Affairs
Joyce Cottrell, Executive Secretary
Mark H. Spencer, Associate Commissioner for Finance and Facilities

Representatives of the media and many members of the University of Utah community were also present, including members of the Board of Trustees, Presidential Search Committee, faculty, staff and community representatives.

Chair Nolan E. Karras called to order a special meeting of the Board of Regents at 4:25 p.m. He welcomed everyone and announced that the Board had spent the day interviewing candidates for the presidency of the University of Utah. Chair Karras acknowledged the presence of members of the University of Utah Board of Trustees, faculty, staff and the entire University community. He stated that the purpose of this meeting was to select the next President of the University of Utah, the state's flagship university. This is one of the state's most visible positions, and selecting presidents is the Regents' most important responsibility.

Chair Karras said the search process for this presidency had been modified somewhat from past searches. He thanked Commissioner Kendell and expressed the Board's appreciation for his assistance. He also thanked Regent Jardine and the Presidential Search Committee for their excellent work. Chair Karras expressed his appreciation to former President Bernie Machen for leaving the University in better condition than he found it. One reason the University of Utah is such a great institution is because of the people Bernie chose to fill key leadership positions. He acknowledged Senior Vice Presidents A. Lorris Betz and David W. Pershing and expressed the Regents' appreciation to them for their leadership. Drs. Betz and Pershing received a standing ovation from everyone in attendance. All of the candidates interviewed indicated that they recognized the high quality of the institution. Chair Karras also thanked the Regents for the time they spent in this important process.

Regent Jardine said this had been his third presidential search for the University of Utah and the sixth search committee on which he has served. He asked the members of the Presidential Search Committee to stand and be recognized. He commended them for their cooperative spirit and camaraderie, which surpassed that of any other committee on which he had served.

Under the leadership of Commissioner Kendell, the Regents experimented with some new procedures for this search, which worked well because of the good faith and the shared goals of the University community. He praised the participation by members of the senior leadership and said the guidance they had given the committee on the candidates was invaluable. He also credited Commissioner Kendell for his excellent help in this process.

Regent Jardine said was very sad that all three great candidates could not be chosen, because he felt that he was losing two very good friends. The Regents realized that all three finalists were eminently qualified and able to lead the institution, and they deliberated carefully to best meet the needs of the University.

Regent Jardine moved that the Board of Regents name Michael K. Young as the next President of the University of Utah. The motion was seconded by Vice Chair Mantes. Voting was unanimous.

Commissioner Kendell escorted President-designate Young and his wife, Suzan, into the room and introduced them to the University community. Chair Karras asked President Young to say a few words and to introduce his wife.

President Young said he was happy to come back to Utah in this way. Since first meeting Regent Jim Jardine at the Harvard Law School, he has had great respect for this institution. He thanked the Regents for entrusting him with this responsibility, which is the opportunity of a lifetime. He commended the leadership team at the University for their knowledge, commitment and capacity for cooperation. In his entire career in higher education, he has never encountered this level of commitment to excellence.

Mrs. Young said she was excited to be here and thrilled to be part of the University of Utah team. She originally hails from Orem and still has family in the area. She thanked everyone for their support.

Chair Karras invited Dr. Lorris Betz and Dr. Dave Pershing to join the Youngs and led the applause for the University's great management team. He thanked President and Mrs. Young for their willingness to serve in this strenuous assignment.

The meeting was adjourned at 5:45 p.m.

Joyce Cottrell CPS, Executive Secretary

Date Approved