

# Nuclear Reactor Laboratory

UWNR University of Wisconsin-Madison

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July 8, 2010

RSC 1058

Mr. Christian Cowdrey  
Project Engineer, Research and Test Reactors  
United States Nuclear Regulatory Commission  
Washington, D.C. 20555

Subject: Docket 50-156, License R-74  
Response to Request for Clarification  
for License Renewal to Facility License No. R-74  
University Of Wisconsin Nuclear Reactor  
TAC No. ME1585 (Financial Qualification RAI)

Dear Mr. Cowdrey:

By telephone conversation, on July 8, 2010, you requested clarifying information to our June 16, 2010 response to the Commission's request for additional information, dated November 13, 2009, in order to complete the review for the University of Wisconsin Nuclear Reactor's (UWNR) request to renew facility license number R-74. Specifically, you asked us to clarify the appropriateness of using NUREG/CR-1756 as the basis for the current decommissioning cost estimate in 2010 dollars for the UWNR.

It is conceded that NUREG/CR-1756, as cost adjusted to 2010 dollars, projects costs that are not consistent with known decommissioning costs for decommissioned research and test reactor facilities or projected costs from decommissioning contractors. The Pennsylvania State University reported in its application for license renewal (TAC No. MC9534) that the decommissioning of the Georgia Institute of Technology's 5 MW research reactor cost \$8,681,980 (in 2008 dollars). The Washington State University reported in its application for license renewal (TAC No. ME1589) that decommissioning costs were projected based on an estimate provided by the Nuclear and Advanced Technology Division of the Westinghouse Electric Corporation to be \$6,743,713 (in 2009 dollars). The Oregon State University reported in its application for license renewal (TAC No. MD7360) that decommissioning costs were projected based

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on an estimate provided by the Nondestructive Testing Information Analysis Center for a project entitled "Cost Estimate for the Decommissioning of the McClellan Nuclear Radiation Center" to be \$12,200,000 (in 2007 dollars).

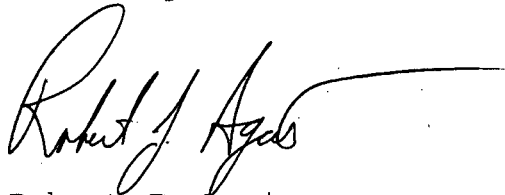
Since the University of Wisconsin (UW) has not requested an outside contractor to provide an estimate specific to the UWNR and the limited data available since no similar type facilities have decommissioned recently it is proposed to re-baseline the decommissioning costs by averaging the above reported costs and estimates. The new baseline is chosen to be \$9,208,564 with a base date of 2007.

Applying the escalation factors as described in the June 16, 2010 response to the Commission's request for additional information, dated November 13, 2009 the re-baselined cost estimate (in assumed 2007 dollars) is escalated to \$9,861,295 in 2010 dollars.

The University of Wisconsin reaffirms its assurance to provide decommissioning funding as documented in the attached revised Statement of Intent.

If you should have any further questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Agaise", with a long horizontal flourish extending to the right.

Robert J. Agaise  
Reactor Director

Enclosure



**Vice President for Finance**

1624 Van Hise Hall  
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July 26, 2010

Mr. Christian Cowdrey, Project Engineer  
Research and Test Reactors  
United States Nuclear Regulatory Commission  
Washington, D.C. 20555-0001

Re: University of Wisconsin-Request for Additional Information  
Regarding the License Renewal for the University of Wisconsin Nuclear Reactor (TAC  
No. ME1585); Docket No. 50-156

Dear Mr. Cowdrey:

The Board of Regents of the University of Wisconsin System doing business as the University of Wisconsin-Madison ("University"), hereby states its intent to obtain funds necessary for decommissioning, when necessary, for the University of Wisconsin Nuclear Reactor (TAC No. ME 1585). The estimated cost for decommissioning, as set forth in the revised submission of Mr. Robert Agasie, Reactor Director, by letter of July 8, 2010, is \$9,861,295. The University is an agency of the State of Wisconsin, established pursuant to Chapter 36, Wisconsin Statutes. I certify that, in accordance with Regent Policy Document 13-3 (attached), I am authorized to act on behalf of the University in making this declaration.

Sincerely,

Deborah A. Durcan  
Vice President for Finance  
University of Wisconsin System

Sworn to and subscribed before me  
this 26<sup>th</sup> day of July, 2010.

Patricia A. Brady  
Notary Public  
Permanent Commission

**Attachment**

c: Robert Agasie, Reactor Director  
Patricia A. Brady, General Counsel

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## Regent Policy Documents

### SECTION 13: CONTRACTS

#### 13-3 AUTHORIZATION TO SIGN DOCUMENTS

(Formerly 93-1)

Upon recommendation of the President of the University of Wisconsin System, Regent Resolution #7844, approved by the Board on February 5, 1999, is rescinded; and the following revised resolution is approved, effective immediately:

Any of the following corporate or administrative officers of the University of Wisconsin System: Secretary, Assistant Secretary of the Board, the President, any Vice President, and any administrative officer or administrative assistant designated by the President of the University of Wisconsin System are authorized to sign:

1. Proposals, agreements, contracts, and contract supplements for research work or any other purposes upon approval of the project by the President or any Vice President of the University of Wisconsin System or the appropriate chancellor or designee with the following extramural entities: the United States Government, any of its agencies or departments, any state or municipality, or any agency or department thereof, or any nonprofit organization.
2. Certifications, releases, inventory reports and other documents as required by the government in connection with the termination of the contracts with the federal government for research and educational services furnished by the University of Wisconsin System.
3. Applications, notices, bonds and other instruments required by the federal government in connection with matters relating to federal laws and regulations for the purchase and use of tax-free alcohol in the laboratories of the University of Wisconsin System.
4. Purchase orders and other instruments required by the federal government for the procurement of narcotics for use in laboratories of the University of Wisconsin and in University Hospitals.
5. Grants, contracts, and leases, except where paragraph 8 of this policy applies, and agreements with private, profit-making organizations, with the understanding that those agreements in excess of \$500,000 require formal acceptance by the Regents prior to execution.
6. Royalty agreements with the University of Wisconsin Press.
7. Transactions of the University of Wisconsin System's employee savings bond accounts.
8. Leases require formal acceptance by the Board of Regents prior to execution if: (1) a proposed leased space is not available in an existing building and would require the construction of a new building to satisfy the space need; or (2) negotiations for a new lease would involve leased space in excess of 10,000 assignable square feet; or (3) the proposed initial term of a lease would exceed 5 years (excluding renewal options).

A summary of grants, contracts, leases and agreements, including royalty agreements with the University of Wisconsin Press, will be reported quarterly to the Vice President for Finance.

History: Res. 6314 adopted 2/5/93; replaces 72-2(a), 75-2, 83-2, 91-10, 92-2. (See also Policy 13-2); amended by Res. 7548 (9/5/97) and by Res. 7844 (2/5/99) and by Res. 8074 (2/00) and by Res. 8875 (6/04).

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*The Regent Policy Documents were adopted and are maintained pursuant to the policy-making authority vested in the Board of Regents by Wis. Stats. § 36. The Regent Policy Documents manifest significant policies approved by the University of Wisconsin System Board of Regents. This document is a ready reference for those charged with carrying out these policies. Unless noted otherwise, associated documents and reports may be obtained from the Office of the Secretary of the Board of Regents, 1860 Van Hise Hall, 1220 Linden Drive, Madison, WI 53706, ph 608-262-2324. <http://www.uwsa.edu/bor/policies/>*