



North Carolina State University

Office of the Chancellor

March 15, 1991

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Document Control Desk
Attention: Marvin M. Mendonca
U.S. Nuclear Regulatory Commission
Washington, D.C. 20555

Re: License No. R-120
Docket No. 50-297

Dear Sir:

We have reviewed your transmittal dated February 5, 1991, concerning our response to the requirements of 10 CFR 50.75 for the North Carolina State University PULSTAR Reactor.

The attached **Decommissioning Funding Statement of Intent** is officially submitted to document our assurance of providing funds for the ultimate decommissioning of the PULSTAR Reactor as required by 10 CFR 50.75.

If there are any questions on this matter, contact Mr. Gary D. Miller, Associate Director, Nuclear Reactor Program, at (919) 737-2321.

Sincerely,

Larry K. Monteith
Chancellor

- cc: Dr. Donald J. Dudziak, Head, Nuclear Engineering Department
- Dr. Charles W. Mayo, Director, Nuclear Reactor Program
- Garry D. Miller, Associate Director, Nuclear Reactor Program
- Stephen J. Bilyj, Reactor Operations Manager
- William D. Morgan, Radiation Protection Officer
- Dr. James Knopp, Chairman, Radiation Protection Council
- Dr. James Mulholland, Chairman, Reactor Safeguards Advisory Group

E.J. McAlpine
Division of Radiation Safety and Safeguards
U.S. Nuclear Regulatory Commission
Region II
101 Marietta Street, N.W., Suite 3100
Atlanta, Georgia 30303

Sue H. West, Notary
Commission expires 7/8/91

NOTARY SEAL

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DECOMMISSIONING FUNDING STATEMENT OF INTENT

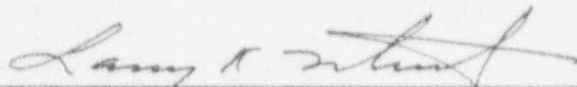
North Carolina State University (NCSU) is a constituent member of the University of North Carolina (UNC) System and is governed by the UNC Board of Governors. The Chancellor of the university is the highest ranking official appointed by the UNC Board of Governors to administer the affairs of North Carolina State University.

North Carolina State University currently holds Nuclear Regulatory Commission License No. R-120 (Docket No. 50-297) to operate the 1 Megawatt NCSU PULSTAR Reactor. The referenced license describes the facility for which this statement of intent is provided. North Carolina State University has no current plans to decommission the PULSTAR Reactor Facility.

Should North Carolina State University decide to terminate the PULSTAR Reactor license, it is estimated that the decommissioning cost (in 1988 dollars) would be approximately 0.8 to 1 million dollars. This estimate is based on our own experience decommissioning a 10 kilowatt reactor at NCSU (License No. R-63) in 1980 and from discussions with reactor personnel from both the University of Texas at Austin's 100 kilowatt reactor (being relocated to a new off-campus location) and the University of California at Berkeley's 1 Megawatt reactor (being permanently shutdown). Using the Consumer Price Index published by the Bureau of Labor Statistics, U. S. Department of Labor, and other changes in specific decommissioning related charges (such as low level waste disposal charges), the 1988 decommissioning estimate can be updated as required. The decommissioning estimate includes removal of all activated reactor components, demolition of the biological shield, and the shipping cost for irradiated fuel and dismantled components. The decommissioning cost estimate does not include renovation of the Reactor Bay and associated equipment rooms for subsequent use.

At the appropriate time, North Carolina State University agrees to request an appropriation from the State Legislature to cover the decommissioning cost sufficiently in advance to prevent delays in required decommissioning activities.

APPROVED:



Chancellor

12 March 1991

Date