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OFFICE OF THE VICE-PROVOST, PLANNING AND BUDGET

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TO: Planning and Budget Committee

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DATE: October 4, 2002 for meeting on October 15, 2002

AGENDA ITEM: **Item #5**

ITEM IDENTIFICATION:

Slowpoke decommissioning, supplementary allocation from the University Infrastructure Investment Fund (UIIF)

JURISDICTIONAL INFORMATION:

The Planning and Budget Committee recommends approval of expenditures from the Operating Budget Special Funds.

PREVIOUS ACTION TAKEN:

The Planning and Budget Committee at its July 15th 1997 meeting approved a motion which recommended to the Academic Board that, starting January 1, 2000, the University commence decommissioning of the SLOWPOKE reactor, and that the cost of decommissioning be paid out of the University Infrastructure Investment Fund, up to a maximum of \$2.1million.

HIGHLIGHTS:

At the time of the Governing Council approval, it was expected that the decommissioning project would take between 18 and 24 months to complete. Instead it has taken considerably longer, and as a result, the original allocation of funds proved insufficient.

There are several factors that have caused the costs of the project to exceed the original estimates. Two are particularly worth noting:

- Delay in disposing of the fuel. There are only a few places in the world where the Reactor's fuel, which is highly enriched uranium, could be deposited. The safest and most cost-effective is the U.S. government's depot in North Carolina. Transport of the fuel to that site was originally expected to occur in May, 1999. Due to regulatory delays in the U.S., however, it could not be sent until June,

2000. This not only added more than a year to the project, but also was accompanied by higher than expected costs in removing and transporting the fuel.
- New regulatory regime in Canada. When the decision to decommission was made, the licensor for the Reactor was the Atomic Energy Control Board (AECB). In May, 2000, however, new legislation and regulations came into effect, to be enforced by a new body, the Canadian Nuclear Safety Commission (CNSC). The requirements of that body, both in terms of procedure and documentation, are much more demanding than those of the AECB. That required considerably more time by the contractors. It also necessitated engagement of legal counsel in order to obtain the necessary licenses from the CNSC in time to make the site available for use by the new Energenius Centre for Advanced Nanotechnology.

In January 2001, when it was clear that the original budget was insufficient, the Vice-President Administration and Human Resources approved an increase in the budget of up to \$210,000 (the maximum permissible under administrative authority) to complete the project.

The final bills for the project have now been received and the total project cost is \$2,385,562 or some \$285,562 above the original estimate. The final expense increase is associated with a requirement by the Canadian Nuclear Safety Commission to keep the project office operational for longer than expected and supplemental invoices from British Nuclear Fuels Ltd. and from the Radiation Safety Institute.

RECOMMENDATION:

The Planning and Budget Committee recommends to the Academic Board

THAT an allocation of \$285,562 from the University Infrastructure Investment Fund be approved to complete the decommissioning of the SLOWPOKE reactor.