

John J. Tus
Vice President and Controller

Honeywell
P. O. Box 1219
Morristown, NJ 07962-1219
973-455-4901
973-455-6904 Fax

December 16, 2002

Ms. Elizabeth Stairs
Chief Counsel – Fluorine Products
Honeywell International Inc.
101 Columbia Road
Morristown, NJ 07962

Subject: NRC Decommissioning Cost Financial Assurance Test

Dear Elizabeth:

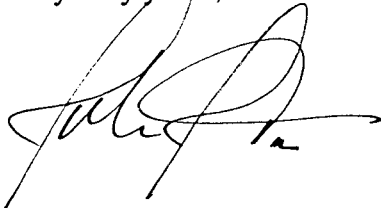
In response to your request, we have performed the financial assurance test (see Exhibit A) in conformity with the rules promulgated by Appendix F to NUREG – 1727. This test demonstrates that Honeywell International Inc. does meet NRC requirements, using the decommissioning costs of \$103 million for the relevant NRC licensed facilities that you provided.

In addition, we have had PricewaterhouseCoopers compare the data used in the financial test to the Company's independently audited 2000 financial statements. We have attached a copy of the report on their procedures.

We have attached two copies of Honeywell's recent Section 13 filing under the Exchange Act of 1934 – the 2000 Annual Report on Form 10-K.

Please call with any comments, questions or concerns.

Very truly yours,



Attachment

Honeywell
P.O. Box 1219
Morristown, NJ 07962-1219

December 16, 2002

Mr. Thomas L. Fredrichs
United States Nuclear Regulatory Commission
Office of Nuclear Material Safety and Safeguards
11545 Rockville Pike
Mail Stop T7, F27
Rockville, Maryland 20852

I am the Chief Financial Officer of Honeywell International Inc., 101 Columbia Road, Morristown, New Jersey 07962, a Delaware corporation ("Corporation"). This letter is in support of this Corporation's use of the self-guarantee financial test to demonstrate financial assurance, as specified in 10 CFR Part 30. This Corporation has no parent company holding majority control of its voting stock.

This Corporation guarantees, through the self-guarantee submitted to demonstrate compliance under 10 CFR Part 30, the decommissioning of the following facilities owned or operated by this Corporation. The current cost estimates or certified amounts for decommissioning, so guaranteed, are shown for each facility:

Name of Facility	License Number	Location of Facility	Certified Amounts or Current Cost Estimates for 2000
Honeywell International Inc.	SUB-526	Metropolis, Illinois	\$103M

I hereby certify that Honeywell International Inc. is currently a going concern, and that it possesses positive tangible net worth in the amount of \$3,809M.

This fiscal year of this Corporation ends on December 31. The figures for the following items marked with an asterisk are derived from this Corporation's independently audited, year-end financial statements and footnotes for the latest completed fiscal year, ended December 31, 2000. A copy of this firm's most recent financial statements is enclosed.

This Corporation is required to file a Form 10-K with the U.S. Securities and Exchange Commission for the latest fiscal year.

This Corporation satisfies the following self-guarantee test, attached hereto.

I hereby certify that the content of this letter is true and correct to the best of my knowledge.

Very truly yours,



Richard Wallman
Senior Vice President
and Chief Financial Officer

Exhibit A

Honeywell International Inc. (the Company) – NRC Financial Assurance Test For Year-End December 31, 2000

1. Current decommissioning cost estimates or certified amounts
 - a. Decommissioning amounts covered by this self-guarantee \$103,000,000
 - b. All decommissioning amounts covered by other NRC or Agreement State parent company guarantees or self-guarantees \$0
 - c. All amounts covered by parent company guarantees, self-guarantees, or financial tests of other Federal or State Agencies (e.g., EPA) \$38,045,828
- TOTAL \$141,045,828
2. Current bond rating of most recent unsecured issuance of this firm
Rating "A"
Name of rating service Standard & Poor's
3. Date of issuance of bond 9/25/2000
4. Date of maturity of bond 10/03/2005
- *5. Tangible net worth** (if any portion of estimates for decommissioning is included in total liabilities on your firm's financial statements, you may add the amount of that portion to this line) \$3,809,000,000
- *6. Total assets in U.S. (required only if less than 90 percent of firm's assets are located in the U.S.) \$16,983,000,000

	YES	NO
7. Is line 5 at least 10 times line 1?	<u>X</u>	—
8. Are at least 90% of assets located in the U.S.? (a) If not, complete line 9	—	<u>X</u>
9. Is line 6 at least 10 times line 1?	<u>X</u>	—
10. Is the rating specified on line 2 "A" or better?	<u>X</u>	—
11. Does the Company have at least one class of equity securities registered under the Securities Exchange Act of 1934?	<u>X</u>	—

*Denotes figures derived from financial statements.

**Tangible net worth is defined as net worth minus goodwill, patents, trademarks, and copyrights.

Report of Independent Accountants

June 6, 2002

To the Board of Directors of
Honeywell International Inc.

We have performed the procedures enumerated below, which were agreed to by Company management, relating to the accompanying Honeywell International Inc. - Nuclear Regulatory Commission Financial Assurance Test for the year ended December 31, 2000 in compliance with the Financial Assurance Test of the Federal Register, Volume 58, Number 248 (the "Test") solely to assist you in evaluating the financial data that the Test specifies as having been derived from the Company's consolidated financial statements at December 31, 2000. This agreed-upon procedures engagement was conducted in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

The procedures we performed are summarized as follows:

- We recalculated the amount shown in item 5 of Exhibit A of the Letter under the caption of "Tangible net worth" utilizing balances contained within the audited consolidated financial statements of the Company for the year ended December 31, 2000.
- We compared the amount shown in item 6 of Exhibit A of the Letter under the caption of "Total assets in U.S." to a schedule prepared by the Company from its detailed accounting records from which the audited consolidated financial statements for the year ended December 31, 2000 were prepared, and found such amount to be in agreement.
- We obtained the amount of the Company's total assets from the audited consolidated financial statements for the year ended December 31, 2000 and calculated ninety percent of such amount. We compared the calculated amount to the amount shown in item 6 of Exhibit A of the Letter under the caption of "Total assets in U.S." and noted the calculated amount was greater.

To the Board of Directors
of Honeywell International Inc.
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June 6, 2002

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the specified elements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors and management of the Company and the Nuclear Regulatory Commission and is not intended to be and should not be used by anyone other than these specified parties.

Pricewaterhousecoopers LLP