

Specialty Materials

Honeywell
P.O. Box 430
Highway 45 North
Metropolis, IL 62960

March 12, 2010

Certified Mail
7008 1830 0002 2995 2594

ATTN: Document Control Desk
Director, Office of Nuclear Material Safety and Safeguards
US Nuclear Regulatory Commission
Washington, DC 20555-0001

SUB-526
Docket # 40-3392.

Subject: AMENDMENT APPLICATION TO MODIFY LICENSE CONDITION 18 OF
USNRC SOURCE MATERIALS LICENSE

Attached is Honeywell's application for amendment to Metropolis Works USNRC Source Materials License SUB-526 to revise the license condition LC-18. The existing license condition LC-18 states:

The licensee shall conduct authorized activities at the Honeywell Metropolis Works Facility in accordance with the statements, representations and conditions (or as revised by change and/or configuration management processes as described therein) in:

- A. License Application dated May 12, 2006, as supplemented by a letters dated March 20, 2007, and May 12, 2008;*
- B. Safety Demonstration Report dated May 12, 2006;*
- C. Emergency Response Plan (ERP), dated May 27, 2005;*
- D. Integrated Safety Analysis Summary transmitted by letter dated September 30, 2008;*
- E. Site Reclamation Cost Estimate for Metropolis Plant dated January 10, 2007;*
- F. Amendment Request dated December 27, 2006, to possess and use sealed sources;*
- G. Exemption Request dated February 9, 2007, for relief from some of the Decommissioning Funding provisions of 10 CFR 40.64; and*
- H. Amendment Request dated July, 2008, as supplemented by letters dated October 1, 2008, and December 3, 2008, regarding new process for filling small UF₆ cylinders.*

The revised LC-18 shall state:

NMSSD1

The licensee shall conduct authorized activities at the Honeywell Metropolis Works Facility in accordance with the statements, representations and conditions (or as revised by change and/or configuration management processes as described therein) in:

- A. License Application dated May 12, 2006, **as revised by the Licensee, and** as supplemented by letters dated March 20, 2007, and May 12, 2008;
- B. Safety Demonstration Report dated May 12, 2006,
- C. Emergency Response Plan (ERP), dated May 27, 2005;
- D. Integrated Safety Analysis Summary transmitted by letter dated September 30, 2008;
- E. Site Reclamation Cost Estimate for Metropolis Plant dated January 10, 2007;
- F. Amendment Request dated December 27, 2006, to possess and use sealed sources;
- G. Exemption Request dated February 9, 2007, for relief from some of the Decommissioning Funding provisions of 10 CFR 40.64; and
- H. Amendment Request dated July, 2008, as supplemented by letters dated October 1, 2008, and December 3, 2008, regarding new process for filling small UF₆ cylinders.

The revised License Condition 18 will be applied to allow changes to the License Application without prior NRC approval as determined by the plant's configuration management program.

The requested amendment will help to expedite approval decisions and facilitate plant's configuration development and technological progress.

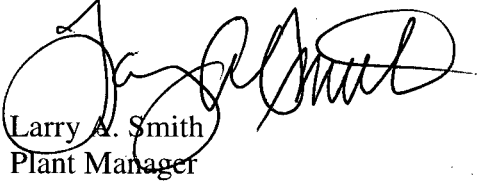
According to Section 2.6.3, Configuration Control, of the License Application, Honeywell has established and thoroughly maintains the configuration management system to evaluate, implement, and track all the changes to the site, structures, systems, components, computer programs, and activities of personnel. A key element of this system is the Right of Approval (ROA) process specifically designed to determine whether authority to approve proposed change lies with Honeywell or the NRC. The ROA process establishes pre-approval decision criteria, describes evaluation procedure and documentation supporting the findings that pre-approval is not required, and addresses reporting frequency and format for providing the licensing document changes to the NRC.

More details on the configuration management and ROA process are provided in the attachment to this letter entitled Managing Licensing Basis Documents Changes not Requiring Prior NRC Approval.

Honeywell will be committed to implementation of this new licensing action, and will ensure compliance with regulatory and license requirements and applicable policies and procedures.

If you have any questions on the submitted information or other issues associated with the Honeywell Metropolis Works license amendment, please contact Mr. Michael Greeno, Regulatory Affairs Manager, at 618-309-5005.

Sincerely,


Larry A. Smith
Plant Manager

Enclosure

cc: US Nuclear Regulatory Commission
Attention: Tilda Liu, NMSS Project Manager,
Mail Stop EBB 2-C40M
11555 Rockville Pike
Rockville, MD 20852

Michel Greeno
Bob Stokes
Lidia Litinski

NRC FORM 313

(10-2005)
10 CFR 30, 32, 33,
34, 35, 36, 39, and 40

U.S. NUCLEAR REGULATORY COMMISSION

APPROVED BY OMB: NO. 3150-0120

EXPIRES: 10/31/2008

APPLICATION FOR MATERIAL LICENSE

Estimated burden per response to comply with this mandatory collection request: 4.4 hours. Submittal of the application is necessary to determine that the applicant is qualified and that adequate procedures exist to protect the public health and safety. Send comments regarding burden estimate to the Records and FOIA/Privacy Services Branch (T-5 F53), U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, or by internet e-mail to infocollects@nrc.gov, and to the Desk Officer, Office of Information and Regulatory Affairs, NE0B-10202, (3150-0120), Office of Management and Budget, Washington, DC 20503. If a means used to impose an information collection does not display a currently valid OMB control number, the NRC may not conduct or sponsor, and a person is not required to respond to, the information collection.

INSTRUCTIONS: SEE THE APPROPRIATE LICENSE APPLICATION GUIDE FOR DETAILED INSTRUCTIONS FOR COMPLETING APPLICATION. SEND TWO COPIES OF THE ENTIRE COMPLETED APPLICATION TO THE NRC OFFICE SPECIFIED BELOW.

APPLICATION FOR DISTRIBUTION OF EXEMPT PRODUCTS FILE APPLICATIONS WITH:

DIVISION OF INDUSTRIAL AND MEDICAL NUCLEAR SAFETY
OFFICE OF NUCLEAR MATERIALS SAFETY AND SAFEGUARDS
U.S. NUCLEAR REGULATORY COMMISSION
WASHINGTON, DC 20555-0001

ALL OTHER PERSONS FILE APPLICATIONS AS FOLLOWS:

IF YOU ARE LOCATED IN:

ALABAMA, CONNECTICUT, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GEORGIA, KENTUCKY, MAINE, MARYLAND, MASSACHUSETTS, MISSISSIPPI, NEW HAMPSHIRE, NEW JERSEY, NEW YORK, NORTH CAROLINA, PENNSYLVANIA, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, VERMONT, VIRGINIA, VIRGIN ISLANDS, OR WEST VIRGINIA, SEND APPLICATIONS TO:

LICENSING ASSISTANCE TEAM
DIVISION OF NUCLEAR MATERIALS SAFETY
U.S. NUCLEAR REGULATORY COMMISSION, REGION I
475 ALLENDALE ROAD
KING OF PRUSSIA, PA 19406-1415

IF YOU ARE LOCATED IN:

ILLINOIS, INDIANA, IOWA, MICHIGAN, MINNESOTA, MISSOURI, OHIO, OR WISCONSIN, SEND APPLICATIONS TO:

MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION, REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, IL 60532-4352

ALASKA, ARIZONA, ARKANSAS, CALIFORNIA, COLORADO, HAWAII, IDAHO, KANSAS, LOUISIANA, MONTANA, NEBRASKA, NEVADA, NEW MEXICO, NORTH DAKOTA, OKLAHOMA, OREGON, PACIFIC TRUST TERRITORIES, SOUTH DAKOTA, TEXAS, UTAH, WASHINGTON, OR WYOMING, SEND APPLICATIONS TO:

NUCLEAR MATERIALS LICENSING BRANCH
U.S. NUCLEAR REGULATORY COMMISSION, REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TX 76011-4005

PERSONS LOCATED IN AGREEMENT STATES SEND APPLICATIONS TO THE U.S. NUCLEAR REGULATORY COMMISSION ONLY IF THEY WISH TO POSSESS AND USE LICENSED MATERIAL IN STATES SUBJECT TO U.S. NUCLEAR REGULATORY COMMISSION JURISDICTIONS.

1. THIS IS AN APPLICATION FOR (Check appropriate item)

☐

A. NEW LICENSE

☒

B. AMENDMENT TO LICENSE NUMBER Sub-526 Docket40-3392

☐

C. RENEWAL OF LICENSE NUMBER

2. NAME AND MAILING ADDRESS OF APPLICANT (Include ZIP code)

Honeywell Metropolis Works
2768 North US 45 Road
Metropolis, IL 62960

3. ADDRESS WHERE LICENSED MATERIAL WILL BE USED OR POSSESSED

2768 North US 45 Road
Metropolis, IL 62960

4. NAME OF PERSON TO BE CONTACTED ABOUT THIS APPLICATION

Michael Greeno, Regulatory Affairs Manager

TELEPHONE NUMBER

(618) 309-5005

SUBMIT ITEMS 5 THROUGH 11 ON 8-1/2 X 11" PAPER. THE TYPE AND SCOPE OF INFORMATION TO BE PROVIDED IS DESCRIBED IN THE LICENSE APPLICATION GUIDE.

5. RADIOACTIVE MATERIAL

a. Element and mass number; b. chemical and/or physical form; and c. maximum amount which will be possessed at any one time.

6. PURPOSE(S) FOR WHICH LICENSED MATERIAL WILL BE USED.

7. INDIVIDUAL(S) RESPONSIBLE FOR RADIATION SAFETY PROGRAM AND THEIR TRAINING EXPERIENCE.

8. TRAINING FOR INDIVIDUALS WORKING IN OR FREQUENTING RESTRICTED AREAS.

9. FACILITIES AND EQUIPMENT.

10. RADIATION SAFETY PROGRAM.

11. WASTE MANAGEMENT.

12. LICENSE FEES (See 10 CFR 170 and Section 170.31)

FEE CATEGORY

AMOUNT
ENCLOSED

\$

13. CERTIFICATION. (Must be completed by applicant) THE APPLICANT UNDERSTANDS THAT ALL STATEMENTS AND REPRESENTATIONS MADE IN THIS APPLICATION ARE BINDING UPON THE APPLICANT.

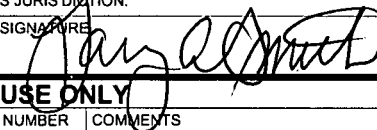
THE APPLICANT AND ANY OFFICIAL EXECUTING THIS CERTIFICATION ON BEHALF OF THE APPLICANT, NAMED IN ITEM 2, CERTIFY THAT THIS APPLICATION IS PREPARED IN CONFORMITY WITH TITLE 10, CODE OF FEDERAL REGULATIONS, PARTS 30, 32, 33, 34, 35, 36, 39, AND 40, AND THAT ALL INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF.

WARNING: 18 U.S.C. SECTION 1001 ACT OF JUNE 25, 1948 62 STAT. 749 MAKES IT A CRIMINAL OFFENSE TO MAKE A WILLFULLY FALSE STATEMENT OR REPRESENTATION TO ANY DEPARTMENT OR AGENCY OF THE UNITED STATES AS TO ANY MATTER WITHIN ITS JURISDICTION.

CERTIFYING OFFICER - TYPED/PRINTED NAME AND TITLE

Larry A. Smith, Plant Manager

SIGNATURE



DATE

3/12/10

FOR NRC USE ONLY

TYPE OF FEE	FEE LOG	FEE CATEGORY	AMOUNT RECEIVED	CHECK NUMBER	COMMENTS
			\$		
APPROVED BY				DATE	

ATTACHMENT

MANAGING LICENSING BASIS DOCUMENT CHANGES NOT REQUIRING PRIOR NRC APPROVAL

Management of Change (MOC) System

According to Section 2.6.3, Configuration Control, of the Application for Renewal of USNRC Source Materials License SUB-526, dated May 12, 2006, Honeywell maintains a configuration management system (Management of Change, MOC) to evaluate, implement, and track each change to the site, structures, processes, systems, components, computer programs, and activities of personnel. This system is documented in the plant's administrative procedure, *Management of Change*.

The Management of Change system controls permanent or temporary changes to process chemicals, technology, equipment, procedures, and utilities by identifying and reviewing the changes prior to their implementation. This system is intended to sustain or enhance the level of safety within the operating unit by controlling the life-cycle of changes. This is accomplished by addressing technical basis for the change and its impact on safety and health, documentation of internal or external authorization/notification, updating of process safety information and operating procedures, training of affected employees, pre-startup safety review, and post-startup validation prior to closure.

The Management of Change process assures that the following issues are identified and addressed prior to implementing a proposed change:

- The technical basis for the change;
- Impact of the change on safety and health and control of licensed material;
- Modifications to existing operating procedures including any necessary training or retraining before implementation of the change;
- Authorization requirements for the change;
- For temporary changes, the approved duration of the change;
- The impact of the change on the facility's documented Integrated Safety Analysis (ISA), ISA Summary, license application, Safety Demonstration Report, or other safety program information; and
- Any required changes to the facility's USNRC license.

Honeywell utilizes a proprietary software to manage its configuration control system electronically. Records of all facility changes that, according to the license application, are required to be maintained for no less than five years following implementation of the change are managed using this software.

Right of Approval (ROA) Process

The Right of Approval (ROA) process documented in the site's procedure *Right of Approval for Changes Impacting the NRC License* provides a methodology for decision making as to which organization – Honeywell or the NRC – is authorized to approve the plant's configuration change(s). Along with the criteria for pre-approval, ROA process establishes the requirements for documenting the evaluation supporting ROA decision. ROA process also describes the methods for updating and maintenance of the licensing basis documents, such as the license application, Integrated Safety Analysis (ISA) Summary, and the Safety Demonstration Report (SDR). Additionally, the ROA procedure ensures the annual reporting of changes of these documents to the NRC.

1. Criteria for Pre-Approval

Section 2.6.3, Configuration Control, of the license application specifies that prior approval from the NRC must be obtained for all changes which:

- Create new types of accident sequences that, unless mitigated or prevented, would exceed regulatory requirements and that have not previously been described in the ISA; or
- Use new processes, technologies, or control systems for which Honeywell has no prior experience; or
- Remove a Plant Feature or Procedure (PFAP) that is relied on for safety as identified in the MTW ISA, without a replacement PFAP that is at least equivalent; or
- Alter any item relied on for safety, as listed in the MTW ISA, that is the sole item preventing or mitigating an accident sequence that exceeds regulatory requirements; or
- Create any condition or configuration that is otherwise prohibited by this section, license condition, or order.

Additionally, according to Section 8.2 of the license application, any change to the SDR that may reduce the level of safety shall require prior approval of the NRC.

For making decisions on pre-approval of the license application changes, Honeywell will use the aforementioned guidelines with the emphasis on the criterion equivalent to the criterion established for the SDR: any change to the license application that may reduce the level of safety shall require a license amendment approval by the NRC.

For changes that require prior USNRC approval, Honeywell shall submit to the NRC a request for amendment of the license. All other changes are approved by Honeywell using its Management of Change processes without prior approval from the NRC.

2. ROA Evaluation

ROA evaluations document the basis for the determinations that prior NRC approval was not required to implement the changes. In some cases, the analyses are minimal because the changes involve no known hazards. Often it is clear that there are no safety implications or new types of accident sequences associated with the proposed change. In such instance, use of a screening mechanism (checklists indicating yes or no) to assess the safety impact of a change is sufficient. Some of the proposed changes may warrant more detailed evaluation, such as ROA determination. ROA determination is a comparison of the proposed change to the key assumptions, or boundary conditions, of the license documents to determine the proposed change's impact on the license.

Written evaluations are maintained by Honeywell for no less than five years following implementation of the change as required by the license application. These records are managed electronically.

3. Reports to the NRC after Changes Implementation

For plant's configuration changes that do not require prior USNRC approval, Honeywell is required (per the Source Materials License SUB-526) to prepare, within 30 days after the end of the calendar year in which the change was implemented, a brief summary of all changes within the identified plant features and procedures and safety control boundaries.

Honeywell will thoroughly track all changes to such licensing basis documents as the ISA Summary, license application, and Safety Demonstration Report. A table of changes (equivalent to the table below) will be attached to each of these documents and maintained for tracking purposes.

Revision No.	Summary of Change	Source	Effective Date	Date Transferred to NRC	Date Concurred by NRC

Honeywell will submit annually either the revised ISA Summary, license application, and Safety Demonstration Report pages, or revised ISA Summary, license application, and Safety Demonstration Report, as appropriate, within 30 days after the end of the calendar year in which the changes were implemented. The revised pages will clearly indicate (e.g. using portion markings) the changes that have occurred during the past year. If requested, these documents will be submitted also in an electronic format (Word and/or PDF). These submittals will include a short descriptions of the reason for each change, and will

indicate whether the changes to the licensing basis documents are a result of a physical change to the facility, or an administrative change.

Honeywell will assure that the proposed licensing mechanism conforms to the license conditions, requirements, and commitments made in this amendment application.

References

1. Honeywell NRC Source Material License SUB-526
2. Honeywell NRC Source Material License SUB-526 Application
3. Honeywell Metropolis Works Safety Demonstration Report for USNRC Source Material License SUB-526
4. Integrated Safety Analysis Summary
5. 10 CFR 40, Domestic Licensing of Source Material
6. 10 CFR 70, Licensing of Special Nuclear Material
7. 29 CFR 1910.119, Process Safety Management of Highly Hazardous Chemicals
8. Draft Regulatory Guide DG-3037, Guidance for Fuel Cycle Facility Change Processes, June 2009
9. Honeywell Internal Procedures Establishing Methods of Change Management: Plant Features and Procedures (PFAP) Management, and Right of Approval.