

Honeywell Metropolis Works Licensee Performance Review

April 29, 2010

Honeywell

Introduction

Brett Able

Vice-President, Integrated Supply Chain

Honeywell Specialty Materials

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Honeywell Has a Major Role in the Future of Nuclear

- Senior Management is Committed to Nuclear Safety
 - Working with NRC and DHS to ensure protection of public, facilities, processes, and licensed material.
 - Driving Accountability
 - Integrated Supply Chain Management Oversight
 - Consistent Expectation of Continuous Improvement at Plant Level
- Committed to Continual Improvement at MTW
 - Increasing Capital Investment and Operating Budget
 - Improving Facility Infrastructure and the Integrated Improvement Plan
 - Development of new Integrated Safety Analysis
- Prepared to Meet Future Regulatory Challenges

Continued Safe Operation is Key For MTW

Overview from Honeywell

Dave Cope

Director, Integrated Supply Chain

Fluorine Products, Honeywell Specialty Materials

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Honeywell Commitment to the Nuclear Industry

- Recognize Need for a Strong Nuclear Safety Culture
 - Protection of public health and safety, and U.S. energy security
- Engaged in Nuclear Industry
 - Nuclear Energy Institute (NEI)
 - Institute of Nuclear Power Operations (INPO)
 - Regular meetings with Commissioners and NRC Senior Management
 - Actively participating in regulatory process (*e.g.*, comments on proposed rules, Conversion Workshop, etc.)
- Active Role in the Future of Nuclear Energy
 - Sole U.S. supplier of conversion services
 - Key link to U.S. energy security objectives
 - Working with Department of Homeland Security
 - Ensuring fuel supply for power reactors

Honeywell Embracing Role in Nuclear Industry

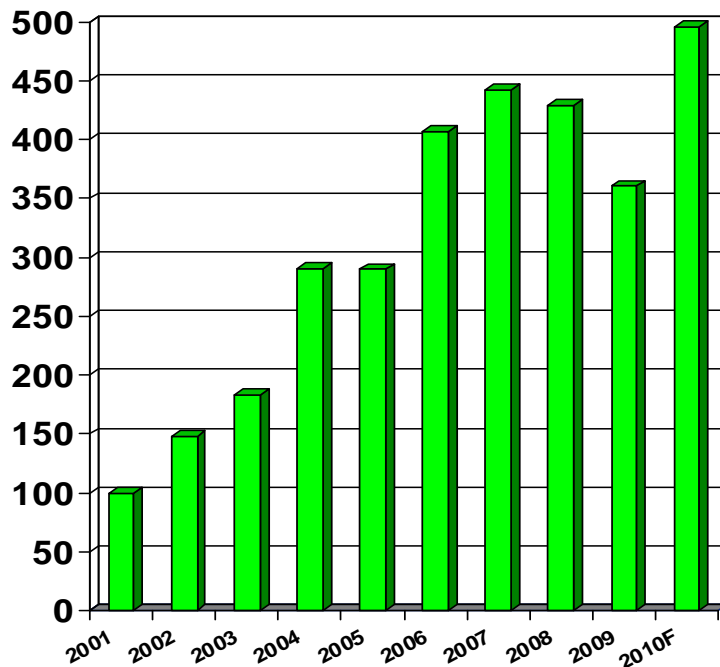
Demonstrated Commitment to MTW

- Improved Waste Management
- Project Scoping Performed to Improve Plant Performance and Reliability
- Assembling a Dedicated Team
 - Experienced Plant Manager and Operations Manager with long-term commitment
 - Continue filling key positions in the areas of Reg. Affairs, Production, Maintenance, Engineering, Health Physics, and HS&E
- Safety/Production
 - Continuing to emphasize worker safety
 - Actions being taken to address trend in minor injuries
 - Implementing Maintenance Excellence and development of the Mechanical Integrity program
 - Facility upgrades and capital improvements

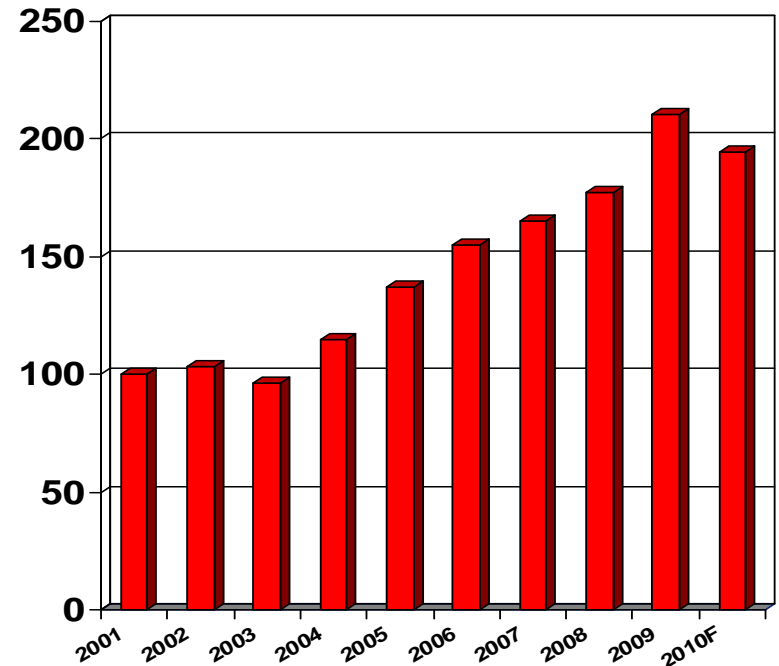
Making Long-Term Investments in MTW

Honeywell Corporate Involvement

- Financial Commitment to Metropolis Works Facility
 - Conversion is a growing strategic segment of business
 - Committing substantial resources



**Capital Expenditures
Indexed to 2001**



**Annual Operating Expenses
Indexed to 2001**

Licensee Performance Review

Michael Greeno

Regulatory Affairs Manager

Metropolis Works Facility

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Major Activities in 2008 and 2009

- Supported NRC Inspections
 - 2008 – 12
 - 2009 – 14
- Developed site Integrated Improvement Plan
- Performed GAP Analysis for key program areas
 - Currently 23 of 213 actions completed
 - Actions tracked in Corrective Action Program
- Initiated development of new Integrated Safety Analysis
 - Currently on schedule at 12% completion
 - Regular reporting and metrics review of project with Sr. Mgmt
- Submittal of Decommissioning Cost Estimate and site characterization
- Conducted Internal Audits
 - 2008 – 25; 2009 – 18
- Performed Self-Assessments
 - 2008 – 31; 2009 – 47

Many Accomplishments, More to Come

Major Activities in 2008 and 2009

- Significant Improvements Made to Key Site Procedures:
 - Management of Change
 - Incident Investigation
 - Internal Audits, Self-Assessments, and Inspections
 - Development of Plant Technical Procedures
 - Management of PFAPs
 - Responding to Credible Airborne Threats
 - Hazard Recognition
 - Task Hazard Analysis
 - Job Safety Analysis

Many Accomplishments, More to Come

NRC Performance Review Results

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- “Honeywell continued to conduct its activities safety and securely; protecting public health and the environment.”
- NRC Requested Additional Analysis:
 - Evaluate Common Causes For Violations Listed
 - Review Effectiveness of Corrective Actions
 - Understand Reasons for Changes in Dose and Effluents
- Acceptable Performance in Safeguards, Facility Support, and Special Topics Functional Areas
- Improvement Needed in Two Functional Areas:
 - Radiological Controls
 - Safety Operations

Bringing The Team Together To Improve Performance

Common Cause Analysis

Conclusions

- Team Determined 14 Causes for the 9 Violations.
- Common Cause Across Both Functional Areas
 - Inadequate Program Detail/Technical Basis (4 of 14)
- Next Leading Causes
 - Inadequate Program Monitoring/Management (2 of 14)
 - Lack of Procedural Detail (2 of 14)
 - *Does Not Establish Commonality Among Causes Evaluated*
- Cause Was Addressed for the Specific Violations

Analysis Identified Common Cause

Common Cause Analysis Actions

- Common Cause: Inadequate Program Detail/Technical Basis
- Actions to Address Common Cause
 - Increase Program Ownership (e.g. EP, Fire Protection, Mechanical Integrity)
 - Fill Key Positions Identified in Resource Analysis and GAP Analysis
 - Recruiting/interviews for selection process underway
 - Complete GAP Analysis Actions (23 of 213 completed)
- Address Extent of Cause in Other Functional Areas
 - Perform Self-Assessments to Target Additional Improvements Needed Across Other Programs

Continuous Improvement Is The Goal

Effectiveness Review

Violation	Cause(s)	Effectiveness Determination
PERFORMANCE AREA: SAFETY OPERATIONS		
VIO 2007-007-01	Lack of Procedural Detail	Effective
VIO 2008-001-01	Inadequate Training/Qualification of Personnel	Effective
	Inattention to Detail	
	Inadequate Program Detail/Technical Basis	
VIO 2008-006-01	Inadequate Communication of Management Standards/Expectations	Effective
	Inadequate Program Monitoring/Management	
VIO 2009-005-05	Inadequate Training/Qualification of Personnel	Ineffective
VIO 2009-004-01	Inadequate Hazard Recognition	Effective
	Lack of Procedural Detail	
PERFORMANCE AREA: RADIOLOGICAL CONTROLS		
VIO 2008-004-01	Inadequate Program Monitoring/Management	Effective
VIO 2008-005-01	Inadequate Program Detail/Technical Basis	Effective
VIO 2009-002-01	Inadequate Program Detail/Technical Basis	Ineffective
VIO 2009-004-02	Inadequate Interfaces Within the Organization	Ineffective
	Inadequate Program Detail/Technical Basis	

Taking A Closer Look

Effectiveness Review Actions

- Actions to Address Effectiveness Review of Corrective Actions for Violations:
 - Identify Issue in Corrective Actions Program
 - Perform Additional Analysis to Understand Why Actions Were Ineffective
 - Revise Corrective Actions Program to Require Effectiveness Review for Actions Associated With Root Cause Analysis or Regulatory Violations
 - Assign Follow-up Actions to Owners and Track in the Corrective Actions Program

Enabling Better Corrective Actions

Understanding Increased Collective Occupational Dose and Liquid/Gaseous Effluent Releases

- Major Operational Challenges Addressed in 2009
 - Green Salt
 - Train reliability
 - Green salt filter decontamination
 - Dust Collectors
 - Ash vacuum cleaner replaced filter media and refurbishment of unit
 - Green salt dust collector replaced filter media
 - Annual Shut Down
 - Installed larger vacuum lines for green salt blender
 - Reworked ore dryer burner system
- Disposal of Waste
 - Approximately 6 million pounds of legacy drums and other radioactive waste was disposed of during cleanup activities
 - Repackaged degraded drums

Making Progress, Improving Reliability

Accepting Challenges: Actions to Improve

Recognizing and Responding to Conditions that May Degrade Safety

- Proactive use of Corrective Action Program
- Strengthened reviews, safety justification, and documentation in eMOC.
- Disciplined approach in performance of audits and self-assessments.
- Implementing trending and analysis of Corrective Actions Program data
 - Work with Leadership Team to identify necessary actions.
- Effective use of Operating Experience

Focus on Key Aspects of Nuclear Safety Culture

Accepting Challenges: Actions to Improve

Prevention and Control of Leaks and Spills

- Emphasize Procedure Compliance
 - Safe, Consistent Operations
 - Prompt Reporting and Directed Clean-up Effort
- Improve Equipment Reliability/Upgrade Technology
 - Reduce Need for System Entry
 - Reduce Frequency of Process Upsets
 - Improved Planning and ALARA Focus

Focus on Key Aspects of Nuclear Safety Culture

Accepting Challenges: Actions to Improve

Responding to Radiological Conditions

- Improved Performance of Dust Collection Systems
 - Significant Reduction in Airborne Events
 - Expected Reduction in Personnel Dose
- Prompt Identification and Reporting
- Aggressive Tracking and Follow-up Monitoring of Airborne Conditions
- Surface and Equipment Contamination Surveys Are More Comprehensive
 - Use of More Sensitive Survey Techniques
 - Use of Administrative Limit to Trigger Decontamination Efforts
 - Performance of Follow-up Surveys
 - Health Physics Tracks to Completion

Focus On Key Aspects of Nuclear Safety Culture

Future of Metropolis

Larry Smith

Plant Manager

Metropolis Works Facility

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Moving Forward: Focus Areas for 2010

- Strengthen Safety Culture – Nuclear
 - Nuclear safety is first priority
 - Integrate new managers into nuclear safety culture
 - Strong corporate and plant leadership to reinforce expectations and
 - Drive individual accountability and ownership
- Reduction in Plant Recordable Injury Rate
- Foster Environment of Continuous Improvement
- Continue to Improve Procedure Quality and Adherence; Increase discipline in control of work and conduct of operations
- Rigorously Apply Management of Change Process

Maintain Focus on Safety Culture in 2010

Consolidating Progress & Enhancing Safety in 2010

- Clear Standards and Expectations
 - Accountability at All Levels
- Identify and Resolve Issues Using Corrective Actions Program
 - Unsafe Conditions
 - Near Misses
 - Procedure Non-Compliance
 - Improvement Opportunities
- Thorough Application of Audits and Self-Assessments
- Use of GAP Analysis and Root Cause Analysis Actions to Strengthen Program
 - Clear Program Ownership
 - Sustainable Actions
- End Result – *Improved Safe and Reliable Operations*

Core Philosophy of Continual Improvement

End of Presentation

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