

September 16, 2010

Mr. Larry A. Smith, Plant Manager
Honeywell Metropolis Works
Honeywell International, Inc.
P.O. Box 430
Highway 45 North
Metropolis, IL 62960

SUBJECT: APPROVAL OF 2009 DECOMMISSIONING COST ESTIMATE, HONEYWELL
METROPOLIS WORKS (TAC NO. L32748)

Dear Mr. Smith:

By letter dated January 8, 2010 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML100150095), as revised by letter dated August 5, 2010 (ADAMS Accession No. ML102230042), Honeywell (the licensee) provided its 2009 Decommissioning Cost Estimate (DCE) for review. Honeywell's 2009 DCE updates the previous Site Reclamation Cost Estimate that was submitted to the U.S. Nuclear Regulatory Commission (NRC) on January 10, 2007, which the staff approved by letter dated July 12, 2007 (ADAMS Accession No. ML071900436).

The staff reviewed Honeywell's 2009 DCE dated January 8, 2010, and issued a request for additional information (RAI) by letter dated June 7, 2010 (ADAMS Accession No. ML101550334). Honeywell provided its responses to the staff's RAI by letter dated June 18, 2010. The staff has completed the review of Honeywell's 2009 DCE, and its response to the staff's RAI, and found the proposed update to its DCE acceptable. The staff's evaluation of Honeywell's 2009 DCE is contained in the enclosure.

Pursuant to Title 10 of the *Federal Code of Regulations* Part 40.36 (10 CFR 40), "Financial assurance and recordkeeping for decommissioning," section (d), all 10 CFR Part 40 licensees are required to provide both "...a certification...that financial assurance for decommissioning has been provided in the amount of the cost estimate for decommissioning...", and "...a signed original of the financial instrument obtained..." Therefore, within 30 days from the approval date of the 2009 DCE, Honeywell must submit an updated Certification of Financial Assurance, to reflect the new cost estimate, and is required to provide adequate financial assurance in an amount no less than \$186,610,047. If a rider is provided to the existing Surety Bond (SB), Honeywell shall also ensure that the rider corrects the 'carriage return' typographical error in the SB. Additionally, Honeywell is requested to submit amended Schedules to its STA and provide them to NRC in a reasonable timeframe. Although Honeywell is required to provide financial assurance in an amount no less than \$186,610,047, Honeywell remains liable for any decommissioning costs not covered by the financial assurance instrument(s).

L. Smith

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice for Domestic Licensing Proceedings and Issuance of Orders," a copy of this letter will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records component of NRC's ADAMS. ADAMS is accessible from the NRC's Web site at <http://www.nrc.gov/reading-rm/adams.html>.

If there are any questions regarding this action, please contact Ms. Tilda Liu, NRC Project Manager for Honeywell Metropolis Works, at (301) 492-3217 or via e-mail to tilda.liu@nrc.gov.

Sincerely,

/RA/

Marissa G. Bailey, Deputy Director
Special Projects and Technical
Support Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Docket No.: 40-3392
License No.: SUB-526

The Enclosure contains Official Use Only – Sensitive Proprietary Information. When Detached from Enclosure, this letter is Decontrolled.
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Enclosure: As stated

cc: Michael Greeno, Nuclear Regulatory Affairs Manager
Honeywell Metropolis Works
P.O. Box 430
Highway 45 North
Metropolis, IL 62960

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L. Smith

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Sincerely,

/RA/

Marissa G. Bailey, Deputy Director
Special Projects and Technical
Support Directorate
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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Honeywell Metropolis Works
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Metropolis, IL 62960

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