

DOCKET NUMBER: 40-3392  
LICENSE NUMBER: SUB-526  
LICENSEE: HONEYWELL INTERNATIONAL, INC.  
SUBJECT: SAFETY EVALUATION REPORT REGARDING 2012  
DECOMMISSIONING COST ESTIMATE, HONEYWELL  
METROPLIS WORKS (TAC NO. L36006)

## 1.0 BACKGROUND

Nuclear facilities licensed under Title 10 of the *Code of Federal Regulations* (10 CFR), Part 40, are required to provide adequate financial assurance for decommissioning, decontamination and reclamation pursuant to 10 CFR 40.36, "Financial Assurance and Recordkeeping for Decommissioning." Honeywell International, Inc. (Honeywell or the licensee) is a holder of Source Material License, SUB-526. Pursuant to 10 CFR 40.36(d) and License Condition (LC) 25, Honeywell is required to submit the decommissioning funding plan and financial assurance every three years for NRC review and approval.

By letter dated January 8, 2013 (ADAMS Accession No. ML13029A103), Honeywell submitted its 2012 decommissioning cost estimate (ADAMS Accession No. ML13029A101) for its Metropolis Works (MTW) facility, as required by 10 CFR 40.36(d).

The NRC staff utilizes NUREG-1757, Vol. 3, Rev. 1, "Consolidated Decommissioning Guidance Financial Assurance, Recordkeeping, and Timeliness" as guidance to evaluate the decommissioning funding plans submitted by 10 CFR 40 licensees.

## 2.0 REGULATORY REQUIREMENTS

Honeywell remains responsible for the current status and future decommissioning of the licensed site and facility; will continue to abide by all commitments and representations previously made to NRC; and will continue to abide by all constraints, conditions, requirements, representations, and commitments identified in the license. Additionally, as required by LC 25, consistent with 10 CFR 40.36(d), Honeywell must continue to submit an updated cost estimate for decommissioning for NRC's review at intervals not to exceed three years. After resolution of any NRC comments on the estimate, Honeywell must submit a signed original of the financial instrument reflecting an amount sufficient to cover the approved cost estimate. Honeywell remains liable for any decommissioning costs not covered by the surety bond referenced above.

## 3.0 STAFF EVALUATION

Honeywell's 2012 decommissioning cost estimate (DCE) submittal, as transmitted by letter dated January 8, 2013, updates the 2009 DCE submittal, as transmitted by letter dated January 8, 2010 (ADAMS Accession No. ML100150094), which was reviewed and approved by the NRC on September 16, 2010 (ADAMS Accession No. ML102170174). In its submittal dated January 8, 2013, Honeywell proposes a DCE of \$197,354,356, which is an increase of approximately \$10.7 million over its previous cost estimate (i.e., 2009 DCE) of \$186,610,047.

By letter dated May 14, 2013 (ADAMS Accession No. ML13128A228), the staff sent a request for additional information (RAI) pertaining to the January 8, 2013, DCE. The RAI covered the following three main areas: 1) method and frequency by which the licensee will update its DCE; 2) characterizing contamination within underground piping; and 3) additional detail concerning administrative fees. By letter dated May 30, 2013 (ADAMS Accession No. ML13154A015), Honeywell responded to the staff's RAI. Upon review of the licensee's RAI response, the staff found the DCE acceptable as it meets the regulatory requirements of 10 CFR 40.36(d). Specifically, Honeywell submitted a detailed cost estimate for decommissioning which: 1) reflects the cost of an independent contractor to perform decommissioning activities; 2) is based on unrestricted use; 3) includes an adequate contingency factor; and 4) identifies and provides justification for key assumptions.

#### 4.0 ENVIRONMENTAL REVIEW

Approval of the DCE is subject to the categorical exclusion provided in 10 CFR 51.22(c)(19). The NRC has previously found, as stated in 10 CFR 51.22(a), that this is a category of action that does not individually or cumulatively have a significant effect on the human environment. Therefore, in accordance with 10 CFR 51.22(b), neither an Environmental Assessment nor an Environmental Impact Statement is required for the proposed action.

#### 5.0 CONCLUSION

Based on the review of the January 8, 2013, DCE submittal and Honeywell's May 30, 2013, responses to the staff's RAI, the NRC staff finds that the submitted DCE is based on reasonable and documented assumptions, and that it reasonably estimates the cost, at this time, to decommission the facility. Accordingly, the staff considers that Honeywell's 2012 DCE satisfies the requirements of 10 CFR 40.36(d), LC 25, and is consistent with NUREG-1757, Volume 3. Therefore, the staff concludes that Honeywell's 2012 DCE of \$197,354,356 is acceptable. Honeywell shall appropriately revise its financial assurance mechanisms and Certification of Financial Assurance and submit them for NRC review within 30 days from the staff's approval date of the 2012 DCE.

The staff concludes that there is reasonable assurance that the proposed 2012 DCE would continue to provide adequate protection of public health, safety, safeguards, security, and the protection of the environment. Therefore, the staff finds that the proposed update is acceptable and meets the regulatory requirements to provide financial assurance, as set forth in 10 CFR 40.36(d). The licensee remains liable for any costs not covered by the surety instrument(s).

#### 6.0 PRINCIPAL CONTRIBUTORS

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