

October 2, 2014

Mr. Jim Pritchett, Plant Manager
Honeywell Metropolis Works
Honeywell International, Inc.
P.O. Box 430
2768 North US 45 Road
Metropolis, IL 62960

SUBJECT: RECEIPT OF AMENDED STANDBY TRUST AGREEMENT AND RETURN
OF CERTAIN FINANCIAL INSTRUMENTS BASED ON CHANGE IN
DECOMMISSIONING FUNDING ASSURANCE METHOD TO SELF-GUARANTEE,
HONEYWELL METROPOLIS WORKS (TECHNICAL ASSIGNMENT CONTROL
NUMBER L34296)

Dear Mr. Pritchett:

The purposes of this letter are to acknowledge the U.S. Nuclear Regulatory Commission's (NRC's) receipt of the amended Standby Trust Agreement (STA) and to inform you that the NRC is returning certain financial assurance instruments to Honeywell, Inc. (Honeywell).

By letter dated September 24, 2014 (Agencywide Documents Access and Management System [ADAMS] Accession No. ML14230A255), the NRC verified and accepted Honeywell's change in financial assurance arrangement which included a self-guarantee and supporting documents as decommissioning financial assurance for its Metropolis Works (MTW) facility. Also in this letter, the NRC staff noted that Honeywell must either amend its current STA or execute a new STA to reflect the use of a self-guarantee, and provide this information to NRC staff for review. Upon NRC review and acceptance of the new or revised STA, Honeywell may cancel the surety bond currently in effect.

The September 24, 2014, letter was in response to Honeywell's letters dated February 27 and 28, 2014 (ADAMS Accession Nos. ML14064A440 and ML14064A439, respectively). In these letters, Honeywell stated that its self-guarantee provides the necessary financial assurance to address the NRC-approved decommissioning cost estimate (DCE), and provided the executed self-guarantee, self-guarantee financial test, and other supporting documentation for NRC review and verification. Honeywell's most recent DCE was submitted by letter dated January 8, 2013 (ADAMS Accession No. ML13029A103). The DCE was in the amount of \$197,354,356, which was reviewed and approved by the NRC on July 23, 2013 (ADAMS Accession No. ML13191A901).

By letter dated September 29, 2014 (ADAMS Accession No. ML1427A017), Honeywell submitted amendments to its Standby Trust Agreement (STA) including revised Schedule B to reflect the self-guarantee. This letter acknowledges the NRC's review and receipt of Honeywell's Amendment No. 1 to STA. Enclosure 1 contains a copy of the amended STA with NRC acknowledgment. As a result of the change in its financial instrument to a self-guarantee, Honeywell is no longer required to provide its executed surety bond and associated riders

(collectively, "financial instruments") to maintain decommissioning funding assurance. Therefore, the NRC is now canceling and returning the relevant financial instruments to Honeywell. Enclosure 2 contains copies of the financial instruments being returned. The originals to the amended STA and the canceled financial instruments will be provided to Honeywell separately and sent to Ms. Lois Fuchs in Honeywell Corporate Risk Management.

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

If there are any questions regarding this action, please contact Tilda Liu, NRC Project Manager for Honeywell MTW at 404-997-4730, or via e-mail to Tilda.Liu@nrc.gov.

Sincerely,

/RA/

Matthew A. Bartlett, Acting Chief
Conversion, Deconversion
and MOX Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

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

Enclosures:

1. NRC-Acknowledged Amendment No. 1
to Standby Trust Agreement (Copy)
2. Canceled Financial Instruments (Copy)

cc w/enclosures:

Mark Wolf, Nuclear Compliance Director
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Honeywell International, Inc.
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ADAMS Accession No.: ML14272A115

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