

REQUEST FOR SUPPLEMENTAL INFORMATION RELATED TO HONEYWELL METROPOLIS WORKS TRIENNIAL DECOMMISSIONING FUNDING PLAN.

Additional information is needed describing the changes to the new cost estimate over the previous 2015 cost estimate. Both estimates were prepared by the same entity. The 2019 submittal has significantly less detail than the 2015 cost estimate. Additionally, the 2019 cost estimate is over \$60 million less than the 2015 cost estimate. The “Waste Process & Transport” costs column (significant cost) included in the 2015 “Table 4-1: Decommissioning Cost Summary – Honeywell MTW Facility” is not included in the comparable “Table 4-1. Decommissioning Cost Summary – Honeywell Facility” included in the 2019 DCE. As another example, the total decommissioning costs associated with “Outdoor Areas, Drains, and Sewers” has increased by millions of dollars. Based on the acceptance review, the approach to producing the 2019 cost estimate is likely materially different than that used for the 2015 DCE. However, unlike the 2015 DCE, which included a concise list of modification and/or adjustments in the methodology utilized in the cost estimate compared to the previous triennial update, the 2019 DCE does not appear to include such a description.

10 CFR 40.36(d)(2) requires the licensee to address 8 factors. Additional information is still needed regarding the following factors:

- Waste inventory increases.

The 2019 DCE includes a detailed appendix summarizing waste volumes (Appendix A-3 Waste Volume Summary). No narrative description is provided comparing the waste inventory described in the 2019 DCE to the waste inventory described in the 2015 DCE. Such a comparison is likely to require a significant effort because the waste inventories are presented in different formats and are provided in different units (2019 waste inventory estimates are based on pounds and 2016 waste inventory estimates are based on cubic feet). The licensee should provide a narrative discussion comparing the waste inventory in the 2019 DCE with that from the 2015 DCE.

- Waste disposal costs increases.

The 2019 DCE identifies 2018 disposal costs for waste disposal at Energy Solutions and US Ecology (Page 22 of the DCE). No narrative description is provided comparing the waste disposal costs utilized in the 2019 DCE to the waste disposal costs utilized in the 2015 DCE. A more detailed evaluation will be performed during the full review of the DFP to determine how the waste disposal costs in the 2019 DCE compares to the waste disposal costs in the 2015 DCE. Based on an initial review, a new approach to calculating waste disposal costs appears to be utilized in the 2019 DCE as compared to the 2015 DCE. The licensee should provide a narrative discussion comparing the waste disposal costs utilized in the 2019 DCE with that from the 2015 DCE.

- Actual remediation costs that exceed the previous cost estimate.

The 2019 DFP does not contain a narrative describing any actual remediation costs that exceeded the previous cost estimate. The licensee should provide an affirmative response to whether actual remediation costs have been incurred that exceed the previous cost estimate.

Additional information is also needed on the following topics:

- The submittal does not include a discussion of the disposition of inventory or identify why this is not applicable to this facility. The licensee should identify how it would disposition any remaining inventory when operations stop or indicate why this is not applicable, see the DCE Reflecting Current Facility Conditions section of *Draft Interim Staff Guidance on Decommissioning Funding Plans for Materials Licensees* (June 2018) (ML18163A087).
- The submittal does not identify the source for the labor costs. In Table 4-3 “Decommissioning Estimate Selected Unit Cost Factors,” the submission lists “Select 2018 unit cost rates,” which the submission describes as “prevailing rates.” Among the unit costs provided are various labor rates. However, the submission does not appear to identify the source of the labor rates. Additionally, the submission states that “Non-local contractors will be utilized for all aspects of the decommissioning process. Travel and Living expenses are included for all project management, supervisors, and craft support.” However, no further detail is provided describing how travel and living expenses are incorporated into the cost estimate. The requirements in 10 CFR 40.36(d)(1)(ii) state that a DFP must contain “identification of and justification for using the key assumptions contained in the DCE.” In addition, NUREG-1757, Volume 3, Rev. 1, Appendix A, Section A.3.1.2.1, states that “the source for the labor costs . . . should be described in sufficient detail to allow the NRC staff to confirm them.” To ensure adequate funds are provided for decommissioning, the licensee should provide the source for the labor rates relied on in the DFP and additional detail describing how the cost estimate accounts for travel and living expenses.
- The submittal does not provide an adequate basis for the “Equipment, Supplies, & Subcontracts” costs (a total of approximately \$[REDACTED] million in Table 4-1, “Decommissioning Cost Summary – Honeywell Facility”). Appendix A-2, “Cost Summary” provides an itemized list of costs, including costs for equipment and subcontracts. However no narrative description of the basis for these costs or the source of these costs is provided. The requirements in 10 CFR 40.36(d)(1)(ii) state that a DFP must contain “identification of and justification for using the key assumptions contained in the DCE.” In addition, NUREG-1757, Volume 3, Rev. 1, Appendix A, Section A.3.1 states that a “decommissioning estimate should contain a substantial level

of detail, consistent with the guidance presented in this section, to allow the [U.S. Nuclear Regulatory Commission] to fully evaluate the adequacy of the estimate” and that “the labor estimates, material costs, and other factors of the cost estimate should have a clear and reasonable basis.” To ensure adequate funds are provided for decommissioning, the licensee should submit additional detail on the basis for the “Equipment, Supplies, & Subcontracts” costs.