

Honeywell

THE POWER OF **CONNECTED**

Performance Materials and Technologies

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March 24, 2022

UPS/Next Day Air

ATTN: Document Control Desk
Director, Office of Nuclear Material Safety and Safeguards
U.S. Nuclear Regulatory Commission
11555 Rockville Pike
Rockville, MD 20852

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

RE: Honeywell Metropolis Works Triennial Update to Decommissioning Funding Plan

In a letter dated March 14, 2022 the NRC requested supplemental information to the MTW DFP that was submitted on January 5, 2022, MTW is resubmitting the 2021 DFP update. Also, provided is the answers to the supplemental questions and a description of the changes to the DCE. This information is included as Enclosure 1 to this letter. Other enclosures include, the Certification of Financial Assurance (no changes to this document), Revised DCE (changes made to this document as described in Enclosure 1), and the DCE Figures (no changes but these are still classified as non-public).

Pursuant to License Condition 18A – License Application and 10 CFR 40.36(d), Honeywell International Inc. (Honeywell) previously submitted an updated Decommissioning Funding Plan (DFP) on January 5, 2022. This revised DFP includes the attached Decommissioning Cost Estimate for the required decommissioning activities at Honeywell's conversion facility in Metropolis, Illinois. The revised Decommissioning Cost Estimate updates the previous DFP, which was originally submitted to the NRC on January 5, 2022. The current Decommissioning Cost Estimate reflects consideration of the items listed in 10 CFR § 40.36(d)(1)(i)-(ii). The current Decommissioning Cost Estimate also includes consideration of the effects of changes in residual radioactivity in onsite subsurface material, changes in waste inventory, changes in waste disposal costs, and facility modifications.

Honeywell's current NRC-approved decommissioning funding plan utilizes letters of credit as the mechanism to provide decommissioning financial assurance. Honeywell intends to rely on one or more letters of credit or surety bonds as the financial assurance mechanism for the updated cost estimate. Honeywell will submit revised financial instruments to reflect the updated Decommissioning Cost Estimate amount after resolution of any NRC comments and within 30 days of the NRC approval date.

In accordance with 10 CFR 40.36(d)(1)(v), Honeywell is not providing a copy of the letters of credit documentation because the previously submitted and accepted letters of credit remain in place.

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In accordance with 10 CFR 40.36(d)(1)(iv), Honeywell had already submitted a certification that financial assurance for decommissioning has been provided in the amount of the currently approved decommissioning cost estimate.

The Decommissioning Cost Estimate contains security-related sensitive information that should be withheld from public disclosure under 10 CFR 2.390, "Public inspections, exemptions, requests for withholding." Specifically, each page of the Figures and Drawings section contains security-related sensitive information. Accordingly, the Figures and Drawings section is being provided in a separate attachment that is marked for withholding from public disclosure.

Should you have any questions on the enclosed information, please contact Sean Patterson, Regulatory Affairs Manager, at 618-524-6341

Sincerely

A handwritten signature in black ink that reads "JA [unclear] for Brian Hunt". The signature is written in a cursive, somewhat stylized font.

Brian Hunt
Plant Manager

Enclosures:

1. MTW Responses to the NRC Supplemental Questions (Public Version)
2. Certification of Financial Assurance (Public Version)
3. Revised Decommissioning Cost Estimate (w/o Figures and Drawing section) (PUBLIC)
4. Figures and Drawing section (NON-PUBLIC)

Cc: Osiris Surano-Perez – Project Manager
Fuel Facilities Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety and Safeguards

ENCLOSURE 1

MTW Responses to the NRC Review of Honeywell Metropolis 2022 DFP Update: preliminary findings

The 2022 DCE states that “This update accounts for changes in costs and for the events identified in 10 CFR 40.36(d)(2). . . . Data and information were obtained from the Honeywell plant radiation protection department for this update to evaluate the events identified in 10 CFR 40.36(d)(2) that might affect the level of contamination” (Page iii of the DCE). The NRC staff performed an initial review of the 8 factors required to be considered under 10 CFR 40.36(d)(2) and found the following:

1. Factors to consider when updating the Decommissioning Cost Estimate (DEC)

- **Spills of radioactive material.**

Issue: The 2022 DCE does not provide an affirmative statement that there have been no spills of radioactive material since the 2019 submission. However, it does state that the “site characterization completed in 2009 focused on plant and non-plant surface and subsurface soils A significant volume of impacted soil was identified beyond the volume estimated in the 2006 Site Reclamation Cost Estimate Report” (Page 18 of the DCE). The 2022 DCE further explains that “Routine characterization surveys performed since 2009 do not indicate that the amount of impacted surface and subsurface soil material needs to be revised” (Page 19 of the DCE).

MTW Response:

An affirmative statement was added to Section 3.4 Characterization Data for Prior Assessments of Radiological Conditions.

- **Waste inventory increases.**

Issue: The 2022 DCE includes a detailed appendix summarizing waste volumes (Appendix A-2 - Waste Volume Summary). No narrative description is provided comparing the waste inventory described in the 2022 DCE to the waste inventory described in the 2019 DCE. A more detailed evaluation will be performed during the full review of the DFP to determine how the waste inventory in the 2022 DCE compares to the waste inventory in the 2019 DCE. Such a comparison is likely to require a significant effort because the waste inventories are presented in different formats. To ensure a more efficient review process and consistent with Interim Staff Guidance on Decommissioning Funding Plans for Materials Licensees (June 2019) (ML19079A314), Honeywell should provide a narrative discussion comparing the waste inventory in the 2022 DCE with that from the 2019 DCE.

MTW Response:

Narrative description was added to Section 4.3 – Waste Disposal Costs

- **Changes in authorized possession limits.**

Issue: The 2022 DCE does not include an affirmative statement about whether there have been any changes in authorized possession limits since the previous DFP. However, the possession limits described in the certification of financial assurance appear to have been updated since the DFP submitted on January 4, 2019, including by:

- Adding a new line item for 1 microcurie total of “any licensed material between atomic number 84-95,” and
- Removing a line item for possession of Cs-137, which stated that “No single source [is] to exceed the maximum activity specified in the certificate of registration issued by the U.S. Nuclear Regulatory Commission or an Agreement State” (January 2019 Certification of Financial Assurance).

MTW Response:

The following was added to section 1.3 of the revised DCE:

“Changes to the authorized possession limits from the 2018 DFP was the result of the renewal of NRC License SUB 526 that was approved on March 24, 2020 for a 40 year term. The changes were to make the limits more specific and split the atomic numbers from 1-100 into separate conditions such as atomic numbers 3-83 and 84-95. The change to atomic numbers 84-95 is more restrictive than the previous license condition with a 1 microcurie total. The removal of the Cs-137 source was a change in manufacturer that is now regulated by the state license. Neither of these possession limit modifications have any impact on the costs from the 2018 DFP to the 2021 DFP.”

- **Actual remediation costs that exceed the previous cost estimate.**

Issue: The 2022 DCE does not discuss actual remediation. An affirmative statement was not provided that there have been no actual remediation costs to consider.

MTW Response:

Like previous DCE submissions, remediation is discussed in Section 5.5. An affirmative statement was added to the section that states that no additional remediation costs were considered in the 2021 DCE submittal.

2. Disposition of Inventory

Issue: The 2022 DCE states that “The uranium inventory stored at Honeywell is customer owned and the customers are responsible for the retrieval of the material” (Page 4 of the DCE). Similar language included in the 2019 DCE was inconsistent with NRC requirements and guidance. However, similar language was ultimately included in the 2019 DCE approved by the NRC. To be consistent with NRC requirements and guidance, the licensee should provide confirmation that all customer contracts specify that the customers are responsible for the disposition of inventory, and if this is not the case, that the licensee includes costs for disposition of customer owned inventory in the DCE.

MTW Response:

In the 2019 DCE, the following statement concerning the uranium inventory was approved and accepted by the NRC:

“The uranium inventory stored at Honeywell is customer owned and the customers are responsible for the retrieval of the material.”

3. Equipment Costs

Issue: The 2022 DCE does not provide unit costs for equipment, but rather a summary table that provides equipment costs per WBS line item (Appendix A-4). To confirm equipment costs, the licensee must provide the relevant unit costs, and any other information needed to replicate equipment costs.

MTW Response:

The equipment rates were added to the DCE as Appendix A-5.

4. Duration of Decommissioning Activities

Issue:

Although several cost elements (i.e., NRC quarterly inspections; security, taxes, and insurance) are provided as annual costs that will be required throughout the duration of decommissioning, the 2022 DCE does not identify the anticipated duration of decommissioning. Specifically, the 2022 DCE does not specify for how many years the NRC quarterly inspection will occur, so while the annual cost is provided, the total cost is not (Page 6 of the DCE). Similarly, the 2022 DCE lists the annual costs for security, taxes, and insurance, and states that these costs "total \$30,852,340 for the duration of the decommissioning" (Page 6 of the DCE) but does not specify the duration of decommissioning. The licensee should specify the number of years (i.e., the duration of decommissioning) used in calculating these costs.

MTW Response:

A statement was added to section 1.5 that stated:

"The total duration of the MTW decommissioning project remains unchanged from the previous version submittal at 10.25 years"

ENCLOSURE 2
CERTIFICATION OF FINANCIAL ASSURANCE
(PUBLIC VERSION)

Honeywell

HONEYWELL CORPORATE

300 S. Tryon St, Suite 500 / 600
Charlotte, NC 28202
www.honeywell.com

CERTIFICATION OF FINANCIAL ASSURANCE

Principal: Honeywell International Inc.
300 S Tryon St Suite 500
Charlotte, NC 28202

Facility: NRC License SUB-526

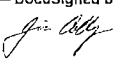
Honeywell International Inc.
2768 North US 45 Rd.
Metropolis, Illinois 62960

Issued to: U.S. Nuclear Regulatory Commission

I certify that Honeywell International Inc. is licensed to possess the following types of material in the following amounts:

Natural uranium	Yellow cake, U3O8, UO2, UO3, UF4, UF6 and chemical intermediates of these compounds	68 million kg (150 million lbs.)
Depleted Uranium	U3O8, UO2, UF4, and UF6	68 kg (150 lbs)
Cs-137	Sealed sources	300 mCi
Any licensed material between atomic numbers 3-83	Sealed and unsealed radioactive sources	2 mCi total
Any licensed material between atomic numbers 84-95	Sealed and unsealed radioactive sources	1 microcurie total

I also certify that financial assurance in the amount of \$206,175,636.00 has been obtained for the purpose of decommissioning as prescribed by 10 CFR Part 40.

DocuSigned by:

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Name: Jim Colby

Title: Vice President and Treasurer

Date: 14-Dec-2021