



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

September 29, 2022

MEMORANDUM TO: Thomas H. Boyce, Acting Chief
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

FROM: Osiris Siurano-Pérez, Project Manager
Fuel Facility Licensing Branch
Division of Fuel Management
Office of Nuclear Material Safety
and Safeguards

Signed by Siurano-Perez, Os
on 09/29/22

SUBJECT: SUMMARY OF TELECONFERENCE WITH HONEYWELL
METROPOLIS, INC.: FOLLOW-UP AND REQUEST TO CLARIFY
RESPONSES TO REQUEST FOR ADDITIONAL INFORMATION
REGARDING 2022 TRIENNIAL DECOMMISSIONING FUNDING
PLAN UPDATE - ENTERPRISE PROJECT IDENTIFICATION
NUMBER L-2022-DFA-0000

On August 30, 2022, the U.S. Nuclear Regulatory Commission (NRC) staff held a conference call with representatives from Honeywell Metropolis Works, Inc. (Honeywell or MTW), to request Honeywell's clarification to 3 of its July 19, 2022, responses (Agencywide Documents Access and Management System {ADAMS} Accession No. ML22203A060) to the NRC staff's request for additional information (RAI) dated June 7, 2022 (ADAMS Accession No. ML22146A082), regarding Honeywell's 2022 triennial update of its decommissioning funding plan (DFP) and decommissioning costs estimate (DCE).

I am enclosing the call summary for your use. The summary contains no proprietary or sensitive information. Honeywell had previously reviewed this summary for factual correctness.

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

Enclosure:
Summary of Conference Call To Request
Honeywell MTW's Clarification to Responses to
Request for Additional Information Regarding
Honeywell's 2022 Decommissioning Funding
Plan Update

cc: Charles Patterson, Honeywell

CONTACT: Osiris Siurano-Pérez, NMSS/DFM
301-415-7827

SUBJECT: SUMMARY OF TELECONFERENCE WITH HONEYWELL METROPOLIS, INC.:
 FOLLOW-UP AND REQUEST TO CLARIFY RESPONSES TO REQUEST FOR
 ADDITIONAL INFORMATION REGARDING 2022 TRIENNIAL
 DECOMMISSIONING FUNDING PLAN UPDATE - ENTERPRISE PROJECT
 IDENTIFICATION NUMBER L-2022-DFA-0000

Date: September 29, 2022

DISTRIBUTION:

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F. Miller, REFS

ADAMS Accession Number: ML22269A354

OFFICE	NMSS/DFM/FFLB (PM)	NMSS/DFM/FFLB (LA)	NMSS/DFM/FFLB (BC)	NMSS/DFM/FFLB (PM)
NAME	O. Siurano	W. Wheatly	T. Boyce	O. Siurano
DATE	09/26/22	09/27/22	09/28/22	09/29/22

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**Summary of Conference Call
Request Honeywell MTW's Clarification to
Responses to Request for Additional Information
Regarding Honeywell's 2022 Decommissioning Funding Plan Update**

Date and Time: August 30, 2022, 2:00 - 3:00 PM

Call Participants:

U.S. Nuclear Regulatory Commission (NRC)

K. Kline, Office of Nuclear Material Safety and Safeguards (NMSS)
O. Siurano-Pérez, NMSS

ICF International, Inc. (NRC Contractor)

E. Kurz
J. Zulinski

Honeywell Metropolis Works (Honeywell):

C. Patterson

Enercon (Honeywell Contractor)

C. Beatty
T. Brautigam
D. Watson

Background

By letter dated January 5, 2022 (Agencywide Documents Access and Management System {ADAMS} Accession Number ML22011A197), in accordance with the requirements in Title 10 of the *Code of Federal Regulations* (10 CFR) Paragraph 40.36(d)(2), Honeywell International Inc. (Honeywell) provided its triennial update to its Decommissioning Funding Plan (DFP) and Decommissioning Costs Estimate (DCE) to the U.S. Nuclear Regulatory Commission (NRC) for review and approval. During the NRC acceptance review of Honeywell's submittal, the NRC staff requested that supplemental information be provided before a full review of the DFP could be completed. On March 24, 2022, in response to that request, Honeywell submitted supplemental information on the DFP, as well as a revised DCE (ADAMS Accession No. ML22088A057). During the technical review of Honeywell's submittal, the NRC staff determined that additional information was still needed before final action could be taken. Therefore, by letter dated June 7, 2022 (ADAMS Accession No. ML22146A082), the NRC staff issued a request for additional information (RAI) to Honeywell. In the RAI, the NRC staff requested Honeywell to provide responses to 7 questions. Subsequently, by letter dated July 19, 2022 (ADAMS Accession No. ML22203A060), Honeywell provided its responses to the RAI.

The NRC staff reviewed the responses and determined that, of the 7 responses provided by Honeywell, 3 were insufficient and needed clarification for the NRC staff to make its final regulatory determinations.

Enclosure

Summary of teleconference

On August 30, 2022, the NRC staff held a telephone call with Honeywell representatives to discuss the NRC staff's determination regarding Honeywell's responses to the RAI. During the call, the NRC staff noted that it needed clarification for the following responses: 1) Honeywell's key assumptions in the DCE regarding disposition of inventory; and 2a) the updated basis for the cost estimates for equipment, and 2b) the updated basis for subcontract costs (see discussion below).

As a result of the discussions during the call, Honeywell representatives agreed to supplement its responses as follows:

RAI-1: Justify key assumptions in the DCE to the disposition of inventory

The NRC staff stated that Honeywell's response to this RAI was inadequate and noted that, in its July 16, 2019, response (ADAMS Accession No. ML19101A141) to the NRC staff request for supplemental information regarding its review of the 2019 DFP update (ADAMS Accession No. ML19200A031) on inventory disposition, Honeywell stated the following:

“...MTW assumes that all the inventory has been dispositioned and removed from the plant site prior to the start of decommissioning. Therefore, the costs of removing inventory from the site was not considered in any of the cost estimates. **MTW current contracts require that the customer is responsible for packing, loading, and shipping the material to their NRC controlled site**” (emphasis added).

This information was later supplemented by email dated April 17, 2020 (ADAMS Accession No. ML20177A150), stating that “The uranium inventory stored at Honeywell is owned by our customers and those customers are responsible for the retrieval of the material.”

During the call Honeywell stated that this information is still valid, that it is partially included in section 1.5, “Assumptions and Bases,” of the 2022 DFP, and that Honeywell will revise the section to ensure the above information, including language indicating that current contracts require that “the customer is responsible for packing, loading, and shipping the material to their NRC controlled site,” is clearly stated/included there.

RAI-2: Update the basis for cost estimates in the DCE

Equipment Costs

During the August 30, 2022, call the NRC staff stated that Honeywell's response does not provide sufficient detail about their equipment costs calculations presented in appendix A1 (like unit cost factors (UCF) consumables, UCF materials, and level of effort materials equipment costs) and that this information breakdown is needed to confirm the reasonableness of those calculations. Specifically, in the updated Appendix A-4, Honeywell provided sufficient detail on the breakdown of UCF equipment costs, including the type of equipment needed for each WBS line item, daily rates for each equipment type and the numbers of days needed for use of each equipment type.

Similar information is requested for the remaining equipment types presented in Appendix A-1 (UCF Consumables, LOE Materials, and UCF Materials).

In response, Honeywell stated that it will provide these detailed, broken-down calculations to the NRC staff to clarify their response to this RAI.

Subcontract Costs

The NRC staff stated that Honeywell's response does not fully address the question on subcontract costs, specifically for asbestos removal and disposal and final status surveys and samples, because it appears that Honeywell did not confirm that these costs were updated to 2021 dollars in order to reflect the current costs for completing these activities and did not provide a source for these costs. The NRC staff also stated that this information needs clarification, specifically regarding the breakdown of asbestos removal and disposal costs.

In response, Honeywell stated that it will submit the additional information to clarify its response to this RAI.

During the call, the NRC staff stated that it was going to request Honeywell to provide the above discussed information via e-mail. Honeywell agreed and requested the NRC staff to provide 20 days for submitting their responses. The NRC staff agreed to the requested time.

No regulatory decisions were made during the call. The call was adjourned at 2:35 PM.

Action Items

1. For the NRC staff
 - a. Email its RAI responses clarification request to Honeywell.
2. For Honeywell
 - a. Provide its RAI responses' clarifications within 20 days from the date of the NRC staff's email communication.

PRINCIPAL CONTRIBUTORS

Kenneth Kline, NMSS/REFS

Osiris Siurano-Pérez, NMSS/DFM

Request for Honeywell's Clarification to RAI Responses Re: 2022 DFP Triennial Update DATE September 29, 2022

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ADAMS Accession No.: ML22269A353; Memo ML22269A354

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