

From: [Osiris Siurano-Perez](#)
To: [Patterson, Charles](#)
Cc: [Tom Boyce](#); [Fred Miller](#); [Kenneth Kline](#)
Subject: Honeywell MTW 2022 DFP Update - Request for Clarification of Honeywell's July 19, 2022 Responses to Request For Additional Information Regarding 2022 Decommissioning Funding Plan Update
Date: Tuesday, September 20, 2022 3:37:00 PM
Importance: High

Mr. Patterson:

This is to follow-up on Honeywell Metropolis Works, Inc. (MTW), responses to the U.S. Nuclear Regulatory Commission (NRC) staff request for additional information (RAI) dated June 7, 2022, regarding MTW's 2022 decommissioning funding plan (DFP) update (Enterprise Project Identification No. L-2022-DFA-0000), and subsequent discussions. We request that the additional information discussed below be provided **by not later than Monday, October 10, 2022.**

By letter dated June 7, 2022 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML22146A082), the NRC staff issued an RAI to MTW regarding its review of MTW's 2022 triennial update of its decommissioning funding plan (DFP) and decommissioning costs estimate (DCE). By letter dated July 19, 2022 (ADAMS Accession No. ML22203A060), MTW submitted its responses to the RAI.

The NRC staff reviewed MTW's responses and determined that MTW needed to clarify some of its responses to the RAIs. Therefore, on August 30, 2022, the NRC staff held a telephone call with you and your staff to, specifically, request clarification on MTW's responses regarding MTW's key assumptions in the DCE on disposition of inventory (RAI-1) and regarding MTW's updated basis for equipment and subcontract cost estimates (RAI-2). During the call, NRC and MTW staff discussed MTW's plans for supplementing its RAI responses as follows:

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

The NRC staff noted that MTW's response to this RAI was inadequate and that, in its July 16, 2019, response (ADAMS Accession No. ML19200A031) to the NRC staff request for supplemental information regarding its review of the 2019 DFP update (ADAMS Accession No. ML19101A141) 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.**"

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 you stated that this information is still valid, that it is partially included in the first bullet of section 1.5, "Assumptions and Bases," of the 2022 DFP as follows: "The uranium inventory stored at Honeywell is customer owned and the customers are responsible for the retrieval of the material." To address this issue, Honeywell stated that it will supplement its response by revising this section to clarify that current contracts require that customers are responsible for packing, loading, and shipping the material to their sites, and that, therefore, these costs were not considered by Honeywell in updating the DCE.

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

Equipment Costs

During the August 30th, 2022, call the NRC staff stated that MTW'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 (LOE) materials equipment costs) and that this information breakdown is needed to confirm the reasonableness of those calculations.

In response, MTW stated that it will provide this 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 reflect the current costs for completing these activities and did not confirm that these costs were updated to 2021 dollars. The NRC staff also stated that this information needs clarification.

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

In accordance with Title 10 of the *Code of Federal Regulations*, Section 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this communication and your subsequent responses, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of the NRC's ADAMS. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If you have any questions regarding this communication, please contact me at 301-415-7827, or via e-mail to Osiris.Siurano-Perez@nrc.gov.

Sincerely,

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

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