

May 13, 2013

MEMORANDUM TO: Patricia Silva, Chief
Conversion, Deconversion
and MOX Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

FROM: Tilda Liu, Senior Project Manager /RA/
Conversion, Deconversion
and MOX Branch
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

SUBJECT: SUMMARY OF MAY 3, 2013, TELEPHONE CONFERENCE TO
DISCUSS DECOMMISSIONING COST ESTIMATE,
HONEYWELL METROPOLIS WORKS (TAC NO. L36006)

On May 3, 2013, the U.S. Nuclear Regulatory Commission (NRC) staff and representatives of Honeywell International (Honeywell or the licensee), held a telephone conference to discuss the staff's draft requests for additional information (D-RAIs) concerning Honeywell's proposed 2012 Decommissioning Cost Estimate (DCE) submittal dated January 8, 2013 (Agencywide Documents Access and Management System [ADAMS] Accession Numbers ML13029A101 and ML13029A103) for its Metropolis Works (MTW) facility. As required by its Materials License, License Number SUB-526, License Condition 25, Honeywell must submit for NRC review an updated cost estimate for decommissioning at an interval not to exceed three years. Honeywell's January 8, 2013, DCE submittal updates the earlier DCE submittal provided on January 8, 2010 (ADAMS Accession Number ML100150094), which was reviewed and approved by the NRC on September 16, 2010 (ADAMS Accession Number ML102170174).

The telephone conference was useful in clarifying the intent of the staff's D-RAIs. On the basis of the discussion, Honeywell representatives were able to better understand the staff's questions. No decisions were made during the telephone conference, and Honeywell agreed to provide information. During the telephone conference, the staff informed Honeywell representatives that the staff's D-RAIs, which were provided to the licensee by e-mail on April 11, 2013, will be issued as formal RAIs via a separate correspondence.

CONTACT: Tilda Liu, NMSS/FCSS/CDMB
(301) 492-3217

Enclosure 1 provides a list of those who participated in the telephone conference. Enclosure 2 contains a listing of the D-RAIs that the staff provided to Honeywell, via e-mail, on April 11, 2013, to facilitate the telephone discussion.

Honeywell MTW has had an opportunity to review and comment on this summary.

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

Enclosures:

1. Provides a list of those who participated in the telephone conference
2. Contains a listing of the D-RAIs that the staff provided to Honeywell, via e-mail, on April 11, 2013, to facilitate the telephone discussion.

cc w/enclosures:

Larry Smith, Plant Manager, Honeywell MTW
Mark Wolf, Nuclear Compliance Director, Honeywell MTW

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LChang, FSME

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OFFICE	FCSS/UEB	FCSS/CDMB	FCSS/CDMB
NAME	TBrockington	TLiu	PSilva
DATE	5/8/2013	5/10/2013	5/13/2013

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**LIST OF PARTICIPANTS FOR TELEPHONE CONFERENCE TO DISCUSS
2012 DECOMMISSIONING COST ESTIMATE
HONEYWELL METROPOLIS WORKS**

May 3, 2013

<u>NAME</u>	<u>AFFILIATION</u>
Ken Kline	NRC/FSME
Tilda Liu	NRC/NMSS
Paul Bailey	NRC [ICF]
Elizabeth Gormsen	NRC [ICF]
Elizabeth McCullough	NRC [ICF]
Lidia Litinski	Honeywell Metropolis Works (MTW)
Tyson Smith	Honeywell MTW [Winston & Strawn]
Gerald Williams	Honeywell MTW [ENERCON]

**Draft Requests for Additional Information
Honeywell's Metropolis Works
2012 Decommissioning Funding Plan**

D-RAI 1

Include a statement about the method and frequency of adjusting the cost estimate (Title 10 of the *Code of Federal Regulations* [10 CFR] 40.36(d)(1)(3)).

According to 10 CFR 40.36(d)(1)(3), a statement about the method and frequency of adjusting the cost estimate is a required element of the decommissioning funding plan. No statement was included in the Decommissioning Cost Estimate (DCE) describing the method and frequency for adjusting the cost estimate. To ensure that the licensee intends to adjust the cost estimate in a manner consistent with the U.S. Nuclear Regulatory Commission (NRC) regulatory requirements, the staff requests the licensee include a statement describing the method and frequency anticipated for adjusting the cost estimate.

D-RAI 2

Characterize piping system contamination (10 CFR 20.1501(a); Regulatory Guide 4.22; and NUREG-1757, Volume 3, Appendix A, Section A.3.5).

Paragraph 20.1501(a) of 10 CFR requires licensees, including those licensed under 10 CFR Part 40, to perform surveys of the licensed facility, including the subsurface, to evaluate "(i) The magnitude and extent of radiation levels; and (ii) Concentrations or quantities of residual radioactivity; and (iii) The potential radiological hazards of the radiation levels and residual radioactivity detected." Regulatory Guide 4.22 explains this requirement stating that licensees should, "periodically conduct surveys that are reasonable under the circumstances in accordance with 10 CFR 20.1501(a) to identify the horizontal and vertical extent of significant residual radioactivity throughout the site taking into consideration the temporal distribution of radioactive contaminants. The survey design should consider areas likely to contain residual radioactivity, such as, but not limited to [s]ubsurface media, especially around building footers, subsurface pipes and conduits, pipe tunnels linking building that process radioactive materials, and below-grade tank." The results of these survey activities could affect the DCE. Specifically, NUREG-1757, Volume 3, Rev. 1, Appendix A, Section A.3.5 states that contamination in piping should be included in the facility description, which is the basis for a portion of the DCE.

Section 3.4.4 of the DCE states that "characterization activities excluded subsurface piping systems to eliminate disruptions to plant operations." To ensure that adequate funding is available during decommissioning, the staff requests the licensee to revise the DCE to include a description and associated costs to cover the level of contamination in subsurface piping or otherwise provide justification why it is reasonable to exclude subsurface piping from the DCE.

D-RAI 3

Provide additional detail regarding administrative fees (NUREG-1757, Volume 3, Appendix A, Section A.3.6). NUREG-1757, Volume 3, Rev. 1, Appendix A, Section A.3.6 states that administrative fees should be included in the estimated costs for decommissioning planning and preparation. Administrative fees (cited in NUREG-1757, Rev. 1, Volume 3, Appendix A, Section A.3.6) include, but are not limited to, "procurement fees for third-party contractor, legal fees, local permits, utilities, financial assurance fees, and NRC staff review of these items." Section 4.0 of the DCE states that costs for "Honeywell Oversight & Licensing" are estimated to be \$2.2

million. The DCE does not provide further detail explaining what activities were included under “Honeywell Oversight & Licensing.” To ensure that adequate funding is available during decommissioning, the staff requests the licensee provide additional detail to verify the estimated costs of administrative fees are included in the DCE.