

Honeywell

Performance Materials and Technologies
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May 3, 2016

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

SUB-526, Docket No. 40-3392

RE: Draft Alternate Financial Assurance Documents

On February 5, 2016, Honeywell submitted a Notice of Intent to Obtain Alternate Decommissioning Financial Assurance to the NRC. In that notice, Honeywell explained that it no longer meets the financial test for using a self-guarantee and would be providing alternate financial assurance within 120 days. Honeywell also explained that it would provide the NRC with draft alternate financial assurance documents within 90 days. The self-guarantee will remain in effect until an alternate financial assurance mechanism is in place.

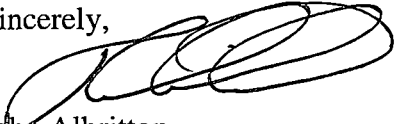
Honeywell intends to rely on letters of credit from six banks for decommissioning financial assurance. Each bank is regulated and examined by a Federal or State agency. The sum of the amounts of the letters of credit will meet the minimum decommissioning financial assurance amount, which is the currently-approved MTW decommissioning cost estimate (\$197,354,356). Each letter of credit will follow the template in Section A.6.4, *Model Letter of Credit*, in NUREG-1757, "Consolidated Decommissioning Guidance: Financial Assurance, Recordkeeping, and Timeliness; Final Report," Revision 1. Honeywell has not included a draft of each letter of credit because the issuing banks have not requested alternate language or other deviations from the NRC's model letter of credit. Honeywell will finalize the letters of credit and provide the NRC with executed documentation by June 4, 2016.

Honeywell will also include an amendment to the existing standby trust agreement with its alternate financial assurance mechanism submittal. A draft of the proposed amendment to reflect the use of letters of credit and a change in the cost of the standby trust is attached.

NM5520

Should you have any questions, or require additional information, please contact Mr. Mark Wolf, Nuclear Compliance Director, at (618) 309-5013.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Albritton', with a stylized, looping flourish at the end.

John Albritton
Plant Manager

Attachment: DRAFT Amendment No. 2 to Standby Trust Agreement

cc: Tilda Liu, Sr. Project Manager
Region II, US Nuclear Regulatory Commission
245 Peachtree Center Ave. NE, Suite 1200
Atlanta, GA 30303-1257

AMENDMENT NO. 2 TO STANDBY TRUST AGREEMENT

This AMENDMENT NO. 2 to STANDBY TRUST AGREEMENT, (the "Agreement") entered into as of April 1, 2010 by and between Honeywell International Inc., a Delaware corporation, herein referred to as the "Grantor," and Deutsche Bank Trust Company Americas, the "Trustee" is entered into as of [Month Day], 2016.

WHEREAS, the parties desire to amend the Agreement to reflect the use of letters of credit rather than a self-guarantee, as set forth below. All defined terms shall have the meanings assigned to them in the Agreement.

1. The second "WHEREAS" clause shall be amended to read as follows:

"WHEREAS, the Grantor has elected to use letters of credit to provide all of such financial assurance for the facilities identified herein; and"

2. The third "WHEREAS" clause shall be amended to read as follows:

"WHEREAS, when payment is made under a letter of credit, this standby trust shall be used for the receipt of such payment; and"

3. Schedule B to the Agreement shall be amended to read as follows:

"Schedule B

DOLLAR AMOUNT \$197,354,356

AS EVIDENCED BY: a letter of credit #[insert number] issued by [Name of Institution] in the amount of [insert amount], a letter of credit #[insert number] issued by [Name of Institution] in the amount of [insert amount], a letter of credit #[insert number] issued by [Name of Institution] in the amount of [insert amount], a letter of credit #[insert number] issued by [Name of Institution] in the amount of [insert amount], a letter of credit #[insert number] issued by [Name of Institution] in the amount of [insert amount], and a letter of credit #[insert number] issued by [Name of Institution] in the amount of [insert amount]."

4. There shall be no other changes to the Agreement, which remains in full force and effect.

This Amendment shall be administered, construed, and enforced according to the laws of the State of New York.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by the respective officers duly authorized and the incorporate seals to be hereunto affixed and attested as of the date first written above.

Honeywell International Inc. (Grantor)

By: [Name]
Its: [Title]

ATTEST: _____
By: [Name]
Its: [Title]

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
New York, NY 10005

By: [Name]
Its: [Title]

ATTEST: _____
By: [Name]
Its: [Title]

[Name of representative of Trustee, Title]

Acknowledged and Agreed:

Nuclear Regulatory Commission

By:
Its: