

DOCKET NUMBER: 40-3392

LICENSE NUMBER: SUB-526

LICENSEE: Honeywell International, Inc.

SUBJECT: SAFETY EVALUATION REPORT REGARDING 2015
DECOMMISSIONING COST ESTIMATE, HONEYWELL
METROPLIS WORKS (CAC NO. L34349)

1.0 BACKGROUND

Nuclear facilities licensed under Title 10 of the *Code of Federal Regulations* (10 CFR), Part 40, are required to provide adequate financial assurance for decommissioning, decontamination and reclamation pursuant to 10 CFR 40.36, "Financial Assurance and Recordkeeping for Decommissioning." Honeywell International, Inc. (Honeywell or the licensee) is a holder of Source Material License SUB-526. Pursuant to 10 CFR 40.36(d) and License Condition (LC) 25, Honeywell is required to submit the decommissioning funding plan and financial assurance every 3 years for U.S. Nuclear Regulatory Commission (NRC) review and approval.

By letter dated January 6, 2016 (Agencywide Documents Access and Management System [ADAMS] Accession Number ML16008A088), Honeywell submitted its 2015 decommissioning cost estimate for its Metropolis Works (MTW) facility, as required by 10 CFR 40.36(d).

The NRC staff utilizes NUREG-1757, Vol. 3, Rev. 1, "Consolidated Decommissioning Guidance Financial Assurance, Recordkeeping, and Timeliness" as guidance to evaluate the decommissioning funding plans submitted by 10 CFR Part 40 licensees.

2.0 REGULATORY REQUIREMENTS

Honeywell remains responsible for the current status and future decommissioning of the licensed site and facility; will continue to abide by all commitments and representations previously made to NRC; and will continue to abide by all constraints, conditions, requirements, representations, and commitments identified in the license. Additionally, as required by LC 25, consistent with 10 CFR 40.36(d), Honeywell must continue to submit an updated cost estimate for decommissioning for NRC's review at intervals not to exceed 3 years. After resolution of any NRC comments on the estimate, Honeywell must submit a signed original of the financial instrument reflecting an amount sufficient to cover the approved cost estimate. Honeywell remains liable for any decommissioning costs not covered by the financial instrument referenced above.

Enclosure

3.0 STAFF EVALUATION

Honeywell's 2015 decommissioning cost estimate (DCE) submittal, as transmitted by letter dated January 6, 2016, updates the 2012 DCE submittal as transmitted by letter dated January 8, 2013 (ADAMS Accession Number ML13029A103), which was reviewed and approved by the NRC on July 23, 2013 (ADAMS Accession Number ML13191A901). In its submittal dated January 6, 2016, Honeywell proposed a DCE of \$254,238,000, which is an increase of approximately \$56.9 million over its previous cost estimate (i.e., 2012 DCE) of \$197,354,356.

By letter dated April 12, 2016 (ADAMS Accession Number ML16102A116), the staff sent a request for additional information (RAI) pertaining to the 2015 DCE. The RAI covered the following three main areas: (1) frequency and methodology by which the licensee updated costs in its DCE; (2) basis for labor costs; (3) volumes of contaminated soil; (4) the volume of waste associated with buildings and structures, and (5) plan for disposition of inventory. By letter dated April 25, 2016 (ADAMS Accession Number ML16120A279), Honeywell responded to the staff's RAI. Upon reviewing the licensee's RAI responses, the NRC staff found the DCE acceptable as it meets the regulatory requirements of 10 CFR 40.36(d). Specifically, Honeywell submitted a detailed cost estimate (ADAMS Accession Number ML16120A280) for decommissioning which: (1) reflects the cost of an independent contractor to perform decommissioning activities; (2) is based on unrestricted use; (3) includes an adequate contingency factor; and (4) identifies and provides justification for key assumptions.

4.0 ENVIRONMENTAL REVIEW

Approval of the DCE is subject to the categorical exclusion provided in 10 CFR 51.22(c)(10)(i). The NRC has previously found, as stated in 10 CFR 51.22(a), that this is a category of action that does not individually or cumulatively have a significant effect on the human environment. Therefore, in accordance with 10 CFR 51.22(b), neither an Environmental Assessment nor an Environmental Impact Statement is required for the proposed action.

5.0 CONCLUSION

Based on the review of the January 6, 2016, DCE submittal and Honeywell's April 25, 2016, responses to the staff's RAI, the NRC staff finds that the submitted DCE is based on reasonable and documented assumptions, and that it reasonably estimates the cost, at this time, to decommission the MTW facility. Accordingly, the staff considers that Honeywell's 2015 DCE satisfies the requirements of 10 CFR 40.36(d), LC 25, and is consistent with NUREG-1757, Volume 3, Rev. 1. Therefore, the NRC staff concludes that Honeywell's 2015 DCE of \$254,238,000 is acceptable. Honeywell shall appropriately revise its financial assurance mechanisms and Certification of Financial Assurance and submit them for NRC review within 30 days from the NRC approval date of the 2015 DCE.

The NRC staff concludes that there is reasonable assurance that the proposed 2015 DCE would continue to provide adequate protection of public health, safety, safeguards, security, and the protection of the environment. Therefore, the NRC staff finds that the proposed update is acceptable and meets the regulatory requirements to provide financial assurance, as set forth in 10 CFR 40.36(d). The licensee remains liable for any costs not covered by the financial instrument(s).

6.0 PRINCIPAL CONTRIBUTOR

K. Kline, NMSS