



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE NE, SUITE 1200
ATLANTA, GEORGIA 30303-1257

March 2, 2018

Mr. Jeff Fulks
Plant Manager
Honeywell Metropolis Works
P.O. Box 430
Metropolis, IL 62960

SUBJECT: HONEYWELL METROPOLIS WORKS – LICENSEE PERFORMANCE REVIEW
OF LICENSED ACTIVITIES (NUCLEAR REGULATORY COMMISSION
INSPECTION REPORT 40-3392/2018-001)

Dear Mr. Fulks:

The U.S. Nuclear Regulatory Commission (NRC) staff in our Region II Office and the Office of Nuclear Material Safety and Safeguards, and Office of Nuclear Security and Incident Response completed a periodic review of Honeywell Metropolis Works inspection results and facility performance in conducting NRC-licensed activities. The review covered the period from January 1, 2016, through December 31, 2017. The performance of Honeywell Metropolis Works was evaluated in the following areas: Safety Operations, Safeguards, Radiological Controls, Facility Support, and Other Areas. The enclosure to this letter provides the results of our review and constitutes the basis for establishing the NRC oversight program for your facility.

Overall, the staff determined that Honeywell Metropolis Works has continued to conduct its activities safely and securely, and in a manner that protects public health and the environment. Based on our review of activities, no areas needing improvement were identified in the areas of Safety Operations, Safeguards, Radiological Controls, Facility Support, and Other Areas. No separate letter will be issued addressing the Safeguards area.

In November 2017, Honeywell announced its plan to temporarily suspend uranium conversion activities in 2018 due to a worldwide oversupply of uranium hexafluoride (UF₆). On January 11, 2018, the NRC received a letter from MTW (ADAMS ML18023A384) describing that the facility will be maintained in a "ready-idle" status until market conditions improve. The "ready-idle" status would involve a reduction in UF₆ inventory on-site and minimal operation of the facility, while maintaining a state of readiness to return to normal uranium conversion activities.

On January 22, 2018, NRC staff from the Region II Office and NMSS visited the Honeywell Metropolis Works site to assess the applicability of the core inspection program requirements under the "ready-idle" status. The NRC staff discussed the current status of the facility and planned activities with you and other members of your staff. The NRC staff also performed walk-downs of the main production and storage areas to independently assess the status of the facility. Based on the information gathered during the visit, the NRC concluded that the core inspection program effort described in NRC IMC 2600, "Fuel Cycle Facility Operational Safety

and Safeguards Inspection Program,” for the Honeywell Metropolis Works site should be adjusted to reflect the “ready-idle” status. The adjusted inspection program will include a reduction in the nominal inspection effort commensurate with the applicable activities and hazards of the facility during “ready-idle.” The adjusted inspection program will be effective in the current 24-month performance assessment period, from January 1, 2018 to December 31, 2019. The Enclosure to this letter contains the results of NRC’s performance review, a summary of the inspection program adjustments, and the planned inspection schedule for 2018. The NRC will continuously evaluate the need for additional inspection program adjustments to address emergent plant performance issues and the need for operational readiness inspections prior to restart routine uranium conversion activities.

The results of our LPR process will be discussed with you at a meeting open to the public on May 3, 2018 at the Metropolis Community Center. During the meeting, you will have an opportunity to discuss your performance in the same major areas as evaluated by the NRC.

In accordance with Title 10 of the *Code of Federal Regulations*, Section 2.390, of the NRC’s “Rules of Practice and Procedure,” a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the NRC’s Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>.

Please refer questions and comments regarding your licensee performance review to Mr. Omar López-Santiago, Chief, Projects Branch 1, who can be reached by telephone at 404-997-4703.

Sincerely,

/RA/

Mark S. Lesser, Director
Division of Fuel Facility Inspection

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

Enclosures:

1. Licensee Performance Review For
Honeywell Metropolis Works
2. Honeywell Metropolis Works
Inspection Calendar

cc: (See page 3)

cc:

Jennifer Ricker, Interim Director
Illinois Emergency Management Agency
Central Office
2200 South Dirksen Parkway
Springfield, IL 62703

Michael Dosset, Director
Kentucky Emergency Management Agency
100 Minuteman Parkway
Frankfort, KY 40601-6188

Jerome Mansfield, Director
McCracken County Emergency Management Agency
3700 Coleman Road
Paducah, KY 42001

Keith E. Davis, Director
Metropolis Emergency Management Agency
213 West Seven Street
Metropolis, IL 62960

Matthew McKinley, Manager
Kentucky Department of Health and Family Services
Radiation Health Branch
275 East Main Street
Mail Stop HS-1CA
Frankfort, KY 40621

Peter Dessaulles, Program Manager
Office of Nuclear Materials Integration
NA-73-GTN
U. S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585-1290

Scott Deming, Director
Massac County Emergency Management Agency
1 Superman Square, Room 1B
P.O. Box 716
Metropolis, IL 62960-0716

**SUBJECT: HONEYWELL METROPOLIS WORKS – LICENSEE PERFORMANCE REVIEW
OF LICENSED ACTIVITIES (NUCLEAR REGULATORY COMMISSION
INSPECTION REPORT 40-3392/2018-001) – MARCH 1, 2018**

DISTRIBUTION:

B. Smith, NMSS
C. Erlanger, NMSS
E. Michel, RII
J. Rivera Ortiz, RII
J. Zimmerman, NMSS
M. Lesser, RII
N. Peterka, RII
O. Lopez, RII
O. Siruano, NMSS
T. Liu, NMSS
PUBLIC

☒ PUBLICLY AVAILABLE ☐ NON-PUBLICLY AVAILABLE ☐ SENSITIVE ☒ NON-SENSITIVE
ADAMS: ☒ Yes ACCESSION NUMBER: ML18064A065..... ☒ SUNSI REVIEW COMPLETE ☒ FORM 665 ATTACHED

OFFICE	RII:DFFI	RII:DFFI	HQ:NMSS	HQ:NMSS	HQ:NMSS
SIGNATURE	/RA/	/RA/	/RA/	/RA For JM/	/via email/
NAME	JRivera-Ortiz	OLopezSantiago	JZimmerman	MKotzalas	CErlanger
DATE	02/26/2018	02/26/2016	02/28/2016	02/28/2016	2/28/2018
E-MAIL COPY?	YES NO	YES NO	YES NO	YES NO	(YES) NO

OFFICIAL RECORD COPY: G:\DFFI\ASSESS LPR\2018\HONEYWELL LPR PUBLIC LETTER 2018.DOCX

**LICENSEE PERFORMANCE REVIEW FOR
HONEYWELL METROPOLIS WORKS
ASSESSMENT PERIOD: JANUARY 1, 2016 to DECEMBER 31, 2017**

The following is a summary of the performance of Honeywell Metropolis Works in the conduct of Nuclear Regulatory Commission (NRC) licensed activities.

PERFORMANCE AREA: SAFETY OPERATIONS

This area is comprised of plant operations and fire protection.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Safety Operations.

Recommended NRC Inspection Effort

- Adjust the implementation of NRC inspection procedures in the Safety Operations area to reflect the “ready-idle” status of the Honeywell Metropolis Works facility.

Inspection Procedure	Title	Core Frequency	Adjustments for “Ready-Idle”	DIE** (hrs)
88020	Operations Safety	Semi-Annual	This procedure will be implemented once a year, as applicable to the current status of safety controls in the facility. The level of effort for this inspection will be reduced commensurate with the applicable program activities.	18
88055	Fire Protection	Annual	The core annual frequency of this procedure will be maintained. Fire Protection Program activities will continue during “ready-idle” but with a reduced scope. Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities.	18
88054	Fire Protection	Triennial	The core triennial frequency of this procedure will be maintained. The last NRC inspection under this procedure was in 2017 and did not identify violations of significance. The next inspection is due in 2020. The NRC will evaluate the need to implement	26

Inspection Procedure	Title	Core Frequency	Adjustments for “Ready-Idle”	DIE** (hrs)
			this procedure at that time as part of the Licensee Performance Review process.	
IMC-2600 App. B Table 2	As Needed Inspection Procedures	As Needed	The procedures listed in Table 2 of IMC-2600 will remain applicable and can be implemented as necessary in accordance with NRC policies and procedures.	As Needed

**DIE = Estimated direct inspection effort resources; does not include preparation for and documentation of the inspection.

PERFORMANCE AREA: RADIOLOGICAL CONTROLS

This area is comprised of radiation protection, environmental protection, waste management, and transportation.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Radiological Controls.

Recommended NRC Inspection Effort

- Adjust the implementation of NRC inspection procedures in the Radiological Controls area to reflect the “ready-idle” status of the Honeywell Metropolis Works facility.

Inspection Procedure	Title	Core Frequency	Adjustments for “Ready-Idle”	DIE** (hrs)
88030	Radiation Protection, App A	Biennial	The core biennial frequency of this procedure will be maintained. Radiation Protection Program activities will continue during “ready-idle” but with a reduced scope. Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities. The last NRC inspection under this procedure was in 2017 and did not identify violations of significance. The next inspection is due in 2019.	26
88030	Radiation Protection, App B	Biennial	The core biennial frequency of this procedure will be maintained. Radiation Protection Program	26

Inspection Procedure	Title	Core Frequency	Adjustments for “Ready-Idle”	DIE** (hrs)
			activities will continue during “ready-idle” but with a reduced scope. Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities. The last NRC inspection under this procedure was in 2016 and did not identify violations of significance. The next inspection is due in 2018.	
88045	Effluent Control and Environmental Protection	Annual	The core annual frequency of this procedure will be maintained. Effluent Control and Environmental Protection Program activities will continue during “ready-idle” but with a reduced scope. Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities.	26
88035	Waste Management	Biennial	The core biennial frequency of this procedure will be maintained. Waste Management Program activities will continue during “ready-idle” but with a reduced scope. Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities. The last NRC inspection under this procedure was in 2016 and did not identify violations of significance. The next inspection is due in 2018.	26
86740	Transportation	Biennial	The core biennial frequency of this procedure will be maintained. Transportation Program activities will continue during “ready-idle” but with a reduced scope. Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities. The last NRC inspection under	4

Inspection Procedure	Title	Core Frequency	Adjustments for “Ready-Idle”	DIE** (hrs)
			this procedure was in 2017 and did not identify violations of significance. The next inspection is due in 2019.	
IMC-2600 App. B Table 2	As Needed Inspection Procedures	As Needed	The procedures listed in Table 2 of IMC-2600 will remain applicable and can be implemented as necessary in accordance with NRC policies and procedures.	As Needed

**DIE = Estimated direct inspection effort resources; does not include preparation for and documentation of the inspection.

PERFORMANCE AREA: FACILITY SUPPORT

This area is comprised of maintenance and surveillance, training, emergency preparedness, and permanent plant modifications and included licensing activities.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Facility Support.

Recommended NRC Inspection Effort

- Adjust the implementation of NRC inspection procedures in the Facility Support area to reflect the “ready-idle” status of the Honeywell Metropolis Works facility.

Inspection Procedure	Title	Core Frequency	Adjustments for “Ready-Idle”	DIE** (hrs)
88025	Maintenance and Surveillance of Safety Controls	Annual	<p>The core annual frequency of this procedure will be maintained. This procedure is expected to be implemented in conjunction with IP 88020, Operational Safety. Some Maintenance Program activities will continue during “ready-idle” but might not be applicable to NRC-regulated activities. Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities.</p> <p>The NRC will rely on the results of IP 88020 to identify maintenance</p>	8

Inspection Procedure	Title	Core Frequency	Adjustments for “Ready-Idle”	DIE** (hrs)
			activities on safety-significant safety controls that need to be inspected during “ready-idle.”	
88050	Emergency Preparedness	Annual	The core annual frequency of this procedure will be maintained. Emergency Preparedness activities will continue during “ready-idle” but with a reduced scope. Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities.	18
88051	Emergency Drill Evaluation	Biennial	The core biennial frequency of this procedure will be maintained. The Emergency Drill component of the Emergency Plan will remain active but with a limited scope due to the reduction in facility hazards and credible accident scenarios during “ready-idle.” Thus, the level of effort for this inspection will be reduced commensurate with the applicable program activities. The last NRC inspection under this procedure was in 2017 and did not identify violations of significance. The next inspection is due in 2019.	16
88070	Plant Modifications	Annual	This inspection will be implemented one time in 2018 to evaluate safety-significant changes made to the facility and to NRC-regulated programs in preparation to “ready- idle.” The last NRC inspection under this procedure was in 2017 and did not identify violations of significance. The implementation of this inspection in 2019 and forward will depend on whether safety-significant modifications are implemented during “ready-idle.”	8

Inspection Procedure	Title	Core Frequency	Adjustments for "Ready-Idle"	DIE** (hrs)
IMC-2600 App. B Table 2	As Needed Inspection Procedures	As Needed	The procedures listed in Table 2 of IMC-2600 will remain applicable and can be implemented as necessary in accordance with NRC policies and procedures.	As Needed

**DIE = Estimated direct inspection effort resources; does not include preparation for and documentation of the inspection.

PERFORMANCE AREA: SAFEGUARDS

This area is comprised of physical protection activities.

Program Area Needing Improvement

- No specific area needing improvement was identified in Safeguards.

Recommended NRC Inspection Effort

- Maintain the core inspection program in the Safeguards area, but with the possibility of adjustments in the inspection frequency commensurate with the "ready-idle" status of the Honeywell Metropolis Works facility.

Inspection Procedure	Title	Core Frequency	Adjustments for "Ready-Idle"	DIE** (hrs)
81431	Low Enrichment Uranium (LEU) Security Measures (PS2)	Triennial	The core triennial frequency of these procedures will be maintained. Plant Safeguards activities will continue during "ready-idle." The last NRC inspection in this area was in 2016 and the next inspection is due in 2019. However, the NRC may conduct these inspections in 2018 to verify that changes in the Safeguards area continue to meet the requirements in the NRC Order.	22
81810	Low Enrichment Uranium (LEU) Security Measures (PS2)	Triennial		2
IMC-2600 App. B Table 2	As Needed Inspection Procedures	As Needed	The procedures listed in Table 2 of IMC-2600 will remain applicable and can be implemented as necessary in accordance with NRC policies and procedures.	As Needed

**DIE = Estimated direct inspection effort resources; does not include preparation for and documentation of the inspection.

PERFORMANCE AREA: OTHER AREAS

This area is comprised of special issues.

Program Areas Needing Improvement

- No specific area needing improvement was identified in Other Areas.

Recommended NRC Inspection Effort

- Adjust the implementation of NRC inspection in Other Areas as deemed necessary to reflect the “ready-idle” status of the Honeywell Metropolis Works facility.

**HONEYWELL METROPOLIS WORKS
CALENDAR YEAR 2018 INSPECTION SCHEDULE**

Inspection 1

Dates	February 26 – March 1, 2018
Number of Inspectors	2
Inspection Procedures (IP)	IP 88020, Operational Safety IP 88025, Maintenance and Surveillance of Safety Controls IP 88035, Waste Management

Inspection 2

Dates	May 14 – 17, 2018
Number of Inspectors	2
Inspection Procedures	IP 88055, Fire Protection (Annual) IP 88050, Emergency Preparedness IP 88070, Plant Modifications

Inspection 3

Dates	August 27 - 30, 2018
Number of Inspectors	2
Inspection Procedures	IP 88030, Radiation Protection, App B IP 88045, Effluent Control and Environmental Protection