



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET, SW, SUITE 23T85
ATLANTA, GEORGIA 30303-8931

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December 26, 2007

Nuclear Fuel Services, Inc.
ATTN: Mr. Dwight Ferguson
President
P. O. Box 337, MS 123
Erwin, TN 37650

SUBJECT: NUCLEAR FUEL SERVICES, INC. - NRC INSPECTION REPORT NO.
07000143/2007-405

Dear Mr. Ferguson:

This refers to the inspection conducted December 3 - 7, 2007, at your Erwin, Tn. facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the inspector discussed the findings with members of your staff.

Areas examined during the inspection included physical security protection programs. Within these areas, the inspection consisted of selective examinations of procedures and representative records, interviews with personnel, and observation of activities in progress. Based on the results of this inspection, no violation of NRC requirements was identified.

This letter contain sensitive unclassified security-related information and will not be available for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) components of NRC's document system (ADAMS).

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Should you have any questions concerning this letter, please contact us.

Sincerely,

/RA James C. Shehee for/

Joel T. Munday, Chief
Plant Support Branch 2
Division of Reactor Safety

Docket No. 70-143
License No. SNM-124

Enclosure: NRC Inspection Report No. 70143/2007-405
w/Attachment: Supplemental Information (**OUO**)

cc: See Page 3

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cc w/encl:

B. Marie Moore
Vice President
Safety and Regulatory Management
Nuclear Fuel Services Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

cc w/o encl:

Debra Shults, Manager
Technical Services
Division of Radiological Health
3rd Floor, LNC Annex
401 Church Street
Nashville, TN 37243-1532