October 29, 2004

Ms. B. Marie Moore, Vice President Safety and Regulatory Nuclear Fuel Services, Inc. P.O. Box 337, MS 123 Erwin, TN37650

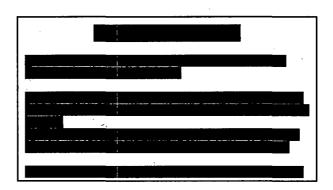
SUBJECT: NUCLEAR FUEL SERVICES, INC., - ANNUAL UPDATE TO PART II OF

SNM-124 (TAC L31850)

Dear Ms. Moore:

I am responding to your correspondence dated June 28, 2004 (NFS No. 21Y-04-0005), and June 30, 2004 (NFS No. 21G-04-0097), by which you submitted the annual update to Part II, Safety Demonstration, of your license application. We have determined that the annual update was properly submitted in accordance with Safety Condition S-27 of your license SNM-124.

If you have any questions regarding this letter, please contact me at (301) 415-8098 or via e-mail to <u>iao@nrc.gov</u>.





Sincerely,

/RA/

Julie A. Olivier, Senior Project Manager Fuel Cycle Facilities Branch Division of Fuel Cycle Safety and Safeguards Office of Nuclear Material Safety and Safeguards

Docket No.: 70-143 License No.: SNM-124 2

October 29,2004



Sincerely,

/RA/

Julie A. Olivier, Senior Project Manager Fuel Cycle Facilities Branch Division of Fuel Cycle Safety and Safeguards Office of Nuclear Material Safety and Safeguards

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

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K.Ramsey

D.Ayres, RII

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W.Gloersen, RII

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*see previous concurrence

OFC	FCFB	FCFB	FCFB	FCSS
NAME	J. Olivier*	J. Muszkiewicz	M. Lamastra	J. Lubinski
DATE	10/27/04	10/28/04	10/28/04	10/29/04

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