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

SUBJECT:

NUCLEAR FUEL SERVICES, INC. - ANNUAL UPDATE TO PART II - 2005 OF

SNM-124 (TAC L31927)

Dear Ms. Moore:

I am responding to your correspondence dated January 30, 2006 (NFS No. 21G-06-0011), by which you submitted the annual update to Part II, Safety Demonstration, of your license application. We have completed our review of the submitted changes, and have determined that the annual update was properly submitted in accordance with Safety Condition S-27 of your Materials License SNM-124.

Please reference the above TAC number in future correspondence related to this action.

If you have any questions concerning this letter, please contact Mike Lamastra of my staff at (301) 415-8139 or via e-mail to mxi2@nrc.gov.

Sincerely,

/RA/

Mary Adams, Acting Chief
Fuel Manufacturing Section
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 Ms. B. Marie Moore, Vice President Safety and Regulatory Nuclear Fuel Services, Inc. P.O. Box 337, MS 123 Erwin, TN 37650

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

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