

[REDACTED]
April 27, 2005

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., ACCEPTANCE OF FINANCIAL
ASSURANCE [REDACTED] (TAC L31879)

Dear Ms. Moore:

We have reviewed your financial assurance [REDACTED] and update to Chapter 9,
Appendix B, of SNM-124, dated March 18, 2005 (NFS No. 21G-05-0041). The submittal
contained a decommissioning cost estimate and a section of the [REDACTED]

[REDACTED]. A
Statement of Intent, dated March 14, 2005, was submitted separately [REDACTED]
[REDACTED] as the financial assurance instrument to cover the costs of
decommissioning.

The staff reviewed the cost estimate for conformance to NUREG-1757, "Consolidated NMSS
Decommissioning Guidance, Vol. 3, Financial Assurance, Recordkeeping, and Timeliness."
The Statement of Intent was reviewed for conformance with the exemption issued to Nuclear
Fuel Services, Inc., in Amendment 45 to Materials License SNM-124 dated November 13, 2003.

[REDACTED]

[REDACTED]

[REDACTED]

B. M. Moore

2

The cost estimate includes a breakdown of the dismantlement and disposal costs of the equipment. Labor rates and disposal unit costs are reasonable. General and administrative costs are included. A contingency factor is included. The cost estimate is acceptable.

[REDACTED] Statement of Intent has no dollar limit, but commits [REDACTED] to covering the full cost of decommissioning the equipment and facilities. The Statement of Intent is acceptable.

If you have any questions concerning this letter, please contact me at (301) 415-7887 or via e-mail to kmr@nrc.gov.

[REDACTED]

Sincerely,

/RA/

Kevin Ramsey, 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

[REDACTED]

[REDACTED]

B. M. Moore

2

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[REDACTED]

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/RA/

Kevin Ramsey, Project Manager
Fuel Cycle Facilities Branch
Division of Fuel Cycle Safety
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Office of Nuclear Material Safety
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Docket No.: 70-143
License No.: SNM-124

CLOSES TAC L31879

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