



*Nuclear Fuel Services, Inc.*  
*1205 Banner Hill Road*  
*P.O. Box 337, MS 123*  
*Erwin, TN 37650*  
*www.nuclearfuelservices.com*  
*(423) 743-9141*  
**21G-08-0113**  
**GOV-01-55-04**  
**ACF-08-0208**

August 8, 2008

Director  
Office of Nuclear Material Safety and Safeguards  
U.S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, DC 20555

References: 1) Docket No. 70-143; SNM License 124  
2) Docket No. 71-0249; Quality Assurance Program Approval 0249

**Subject: Application for NRC Consent to the Indirect Transfer of Control of NFS' License and Quality Assurance Program Approval, and Request for NRC Approval of a License Amendment to Effectuate Such Transfer**

Dear Sir:

Nuclear Fuel Services, Inc. (NFS) requests that the NRC consent to the indirect transfer of control of the referenced licensing documents from NFS Services, LLC, to NOG-Erwin Holdings, Inc., effective upon the closing of the transaction described in Enclosure 1. NFS further requests the NRC approve a conforming amendment (Enclosure 2) to its SNM license necessary to effectuate such transfer.

The proposed transaction requires NRC approval under the provisions of 10 CFR 70.36. Closing of the transaction cannot take place until receipt of NRC approval. Therefore, NFS requests that the NRC provide its written consent to the transfer, prior to and effective as of the Closing Date of the transaction. It is currently anticipated that the Closing Date will be on or about December 15, 2008; therefore, we request NRC approval on or before December 1, 2008. NFS will keep the NRC informed of any changes to the timetable established for the Closing Date.

Page changes needed in Part I of the referenced SNM license, due to this transaction, are contained in Enclosure 2. The NFS Safety and Safeguards Review Council (SSRC) has reviewed and approved the proposed changes. For your convenience, vertical lines in the margin of affected license pages denote changes, and complete chapters or sections have been included to better manage revision control. Associated changes to Part II of the license will be included in the annual update to be submitted in January 2009. No changes are needed at this time to the

referenced Part 71 document as a result of the transaction; however, position titles in the organization chart will likely be revised in the future and submitted for NRC review.

Information contained in Exhibit F of Enclosure 1 is considered proprietary information, as set forth in the affidavit in Exhibit G; therefore, NFS requests that this information be withheld from public disclosure.

If you or your staff have any questions, require additional information, or wish to discuss this, please contact me, or Mr. Rik Droke, Licensing and Compliance Director at (423) 743-1741. Please reference our unique document identification number (21G-08-0113) in any correspondence concerning this letter.

Sincerely,

**NUCLEAR FUEL SERVICES, INC.**



B. Marie Moore  
Vice President, Safety and Regulatory

RPD/pdj  
Enclosures

copy:  
Regional Administrator  
U.S. Nuclear Regulatory Commission  
Region II, Atlanta Federal Center  
61 Forsyth Street, SW, Suite 23T85  
Atlanta, GA 30303

Mr. Manuel Crespo, Project Inspector  
U.S. Nuclear Regulatory Commission  
Region II, Atlanta Federal Center  
61 Forsyth Street, SW, Suite 23T85  
Atlanta, GA 30303

Mr. Kevin Ramsey, Project Manager  
Fuel Manufacturing Branch, FCSS, NMSS  
U.S. Nuclear Regulatory Commission  
Washington, DC 20555

Mr. Stephen Burris  
U.S. Nuclear Regulatory Commission  
Senior Resident Inspector.

Enclosure 1

**Application for NRC Consent to an  
Indirect Change of Control With Respect To  
Materials License SNM-124 and a  
Quality Assurance Program Approval**

**(31 pages)**

**APPLICATION FOR NRC CONSENT TO AN INDIRECT CHANGE OF CONTROL WITH RESPECT  
TO MATERIALS LICENSE SNM-124 AND A QUALITY ASSURANCE PROGRAM APPROVAL**

**August 8, 2008**

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**I. INTRODUCTION**

Nuclear Fuel Services, Inc. ("NFS") submits this application as required by Section 184 of the Atomic Energy Act of 1954 (as amended) (42 U.S.C. §2234) and the provisions of 10 CFR §70.36 and requests the U.S. Nuclear Regulatory Commission ("NRC") to grant its consent to the indirect change in control of NFS from NFS Services, LLC ("NFS Services") to NOG-Erwin Holdings, Inc. ("NOG"), a newly-formed subsidiary of Babcock & Wilcox Nuclear Operations Group, Inc. (see Exhibit A(1) - Certificate of Incorporation).

NFS is currently the holder of Materials License SNM-124 ("License") and a Part 71 Quality Assurance Program Approval ("QAPA") and operates thereunder at facilities located in Erwin, Tennessee. The License and QAPA applicable to this Application are listed on Exhibit B.

NFS Services has entered into a Stock Purchase Agreement with NOG, whereby NFS Services will sell to NOG all of its interest in NFS Holdings, Inc ("NFS Holdings"). This transfer will be accomplished through a stock purchase and sale agreement between NFS Services and NOG, more fully described below (the "Transaction"), and will result in an indirect transfer of control of NFS and its License and QAPA from NFS Services to NOG.

NFS requests that the NRC consent to the indirect transfer of control of the License from NFS Services to NOG, effective upon the closing of the transaction. NFS further requests the NRC approve conforming amendments to the License and QAPA as necessary to effectuate such transfer.

The proposed transaction requires the notification or approval of other U.S. federal and state regulatory agencies in addition to the NRC, including Hart-Scott-Rodino review and the Tennessee Department of Environment and Conservation. Closing of the transaction cannot take place until receipt of NRC approval. Therefore, NFS requests that the NRC provide its written consent to the transfer, prior to and effective as of the Closing Date of the transaction. It is currently anticipated that the Closing Date will be on or about December 15, 2008; therefore, we request NRC approval on or before December 1, 2008. NFS will keep the NRC informed of any changes to the timetable established for the Closing Date.

From and after the Closing Date, as discussed herein, NFS will continue to be technically and financially qualified to be the holder of the License and QAPA as amended and will fulfill the responsibilities of such a holder. As of the Closing Date, individuals responsible for the licensed materials that are the subject of this Request will remain employees of NFS and will continue to be responsible for such activities with the exception of the current President and CEO. The indirect change of control will not affect the organizational or operational structure described in the License and QAPA. Further, there will be no change in operating organizations, locations, facilities, equipment or procedures associated with the licensed activities; and there will be no change in the use, possession, locations or storage of licensed materials as a result of the closing of the Transaction. Licensed activities will continue in their current form without interruption of any kind resulting from the indirect change of control. NOG's confirmation to accept and conform to the current commitments is reflected by the letter contained in Exhibit C.

## **II. THE TRANSACTION**

NFS is a wholly-owned subsidiary of NFS Holdings, Inc., a Delaware corporation (see Exhibit A(2)) which in turn is a wholly-owned, and an indirect subsidiary of NFS Services. NFS was originally incorporated in Maryland in 1962 and subsequently changed the State of incorporation to Delaware in 2007 (see Exhibit A(3)).

NOG, a holding company, was incorporated in 2008 (see Exhibit A(1)) and is a wholly-owned subsidiary of Babcock & Wilcox Nuclear Operations Group, Inc. ("B&W NOG"), which was incorporated in Delaware in November 2007. B&W NOG is a wholly-owned subsidiary of BWX Technologies, Inc. ("BWXT"). BWXT is a wholly-owned subsidiary of The Babcock & Wilcox Company, ("B&W").

On August 8, 2008, NFS Services and NOG entered into a stock purchase and sale agreement to purchase the stock of NFS Holdings, which owns 100% of NFS. Upon closing of the transaction, NFS Holdings will be a wholly-owned subsidiary of NOG and will operate under the same name. NFS will be an indirect subsidiary of NOG and will also continue to operate under the same name. (See the enclosed Organization Charts in Exhibits D-1 and D-2 to reflect the ownership of NFS Holdings and NFS before and after the transaction.) The transaction will involve the indirect transfer of control of the NRC-issued License and QAPA as set forth in Exhibit B.

## **III. DESCRIPTION OF LICENSED ACTIVITIES AFFECTED BY TRANSFERS**

The NRC licensed activities described in the current License and QAPA affected by the transfer will be the same before and after the transfer.

**IV. INFORMATION REQUIRED FOR TRANSFER OF LICENSES, APPROVALS AND CERTIFICATES**

**Information Provided Pursuant to NRC Information Notice 89-25, Rev. 1**

Set forth below is information in response to NRC regulations and NRC Information Notice 89-25, Rev. 1, dated December 7, 1994, to support the transfer of the License and QAPA covered by this Request.

**1. *The new name of the licensed organization***

The licensee will continue to be known as Nuclear Fuel Services, Inc.

**2. *The new licensee contact and telephone number(s) to facilitate communications***

The contact for NFS will continue to be as follows:

B. Marie Moore  
P.O. Box 337  
Erwin, TN 37650  
Telephone: (423) 743-1737  
Facsimile: (423) 743-6995  
e-mail: bmmoore@nuclearfuelservices.com

Also, for information regarding this application, please contact any of the following in addition to the above contact:

For NFS:

Rik P. Droke  
P.O. Box 337  
Erwin, TN 37650  
Telephone: (423) 743-1741  
Facsimile: (423) 743-6995  
e-mail: rpdroke@nuclearfuelservices.com

For NOG:

Mark P. Elliott  
P.O. Box 785  
Lynchburg, VA 24505  
Telephone: (434) 522-5214  
Facimile: (434) 522-5374  
Mobile: (434) 665-5214  
e-mail: mpelliott@babcock.com

OR

M. Beth Colling, Esq.  
2016 Mt. Athos Road  
Lynchburg, VA 24504  
Telephone: (434) 522-5641  
Facimile: (434) 522-6123  
Mobile: (434) 546-5057  
Email: mbcolling@babcock.com

**3. Any changes in personnel having control of licensed activities (e.g., officers of a corporation) and any changes in personnel named in the license such as radiation safety officer, authorized users or any other persons identified in previous license applications as responsible for radiation safety or use of licensed material. The licensee should include information concerning the qualifications, training, and responsibilities of new individuals.**

NFS will remain a wholly-owned subsidiary corporation of NFS Holdings which will be a wholly-owned subsidiary of NOG and thus an indirect subsidiary of B&W Nuclear Operations Group, Inc. (see Exhibit D-2).

Effective on the Closing Date, the new President will be David Kudsin. He is a citizen of the United States. Attached, as Exhibit E, is a resume for your reference.

Except as previously noted, there will be no change in the management or technical personnel responsible for licensed activities. The current safety and licensing organizations within NFS will remain unchanged. For day-to-day matters, B. Marie Moore, Safety and Regulatory, will continue to report to Timothy Lindstrom, General Manager, NFS.

**4. An indication of whether the transferor will remain in business without the license.**

NFS Services will survive as a separate company after the transaction but it will not be involved in licensed activities.

**5. A complete, clear description of the transactions, including any transfer of stock or assets, mergers, etc., so that legal counsel is able, when necessary, to differentiate between name changes and changes of ownership.**

See description of the transaction set forth in Section II above. At the conclusion of the transaction NFS will not change its name. NFS' ownership will change through a stock purchase agreement from NFS Services to NOG.

**6. A complete description of any planned changes in organization, location, facility, equipment, or procedures (i.e., changes in operating or emergency procedures).**

There are no planned changes in the operational organization, location, facilities, equipment, or procedures associated with the License as a result of the transaction. Additionally, there will be no changes in operating or emergency procedures. For changes in company organization, see the response to 3. above and 8. below.

**7. A detailed description of any changes in the use, possession, location or storage of the licensed materials.**

There will be no change in the uses, possession, location, or storage of licensed materials as a result of this transaction.

**8. Any changes in organization, location, facilities, equipment, procedures or personnel that would require a license amendment even without the change in ownership.**

No changes are planned to the operational organization, location, facilities, equipment, procedures, or personnel as a result of this transaction that would require a license amendment.

**9. An indication of whether all surveillance items and records (e.g., calibrations, leak tests, surveys, inventories, and accountability requirements) will be current at the time of transfer. A description of the status of all surveillance requirements and records should also be provided.**

All licensed activities will continue without interruption from and after the time of transfer of the License. All surveillance items and records will be maintained in their existing state and will be current at the time of transfer in accordance with applicable regulations and license conditions.

**10. Confirmation that all records concerning the safe and effective decommissioning of the facility pursuant to 10 CFR 30.35(g) 40.36(f), 70.25(g) and 72.30(d); public dose; and waste disposal by release to sewers, incineration, radioactive material spills, and on-site burials, have been transferred to the new licensee, if license activities will continue at the same location, or to the NRC for license termination.**

The licensee remains the same; therefore, this transaction does not require the physical transfer of any records. All records concerning the safe and effective decommissioning of the facility, public dose and waste disposal will remain physically located, maintained and available at the Erwin site and will remain the property of NFS upon the closing of the transaction.

**11. A description of the status of the facility. Specifically, the presence or absence of contamination should be documented. If contamination is present, will decontamination occur before transfer? If not, does the successor company agree to assume full liability for the decontamination of the facility or site?**

Contamination at the Erwin Site from NRC licensed activities, and the decontamination thereof, will be managed under the License in accordance with the same plans and schedules that would have applied if the transaction did not occur. Except for such decontamination previously planned and approved, decontamination will not occur before the Closing of the transaction. From and after the Closing Date, NFS will maintain full liability for the costs associated with such decontamination.

**12. A description of any decommissioning plans, including financial assurance arrangements of the transferee, as specified in 10 CFR 30.35, 40.36 and 70.25. This should include information about how the transferee and transferor propose to divide the transferor's assets, and responsibility for any cleanup needed at the time of transfer.**

The indirect change of control will not affect NFS' continued compliance with requirements for financial assurance for decommissioning. NFS has in place an approved decommissioning funding plan, including financial assurance arrangements as set forth in the License. The decommissioning funding plan will continue to be implemented by NFS following the indirect change of control.

NFS provides decommissioning financial assurance to meet the NRC's requirements in the form of letters of credit, escrow agreement, and Government guarantees for specified contracts for which exemptions have been granted. NFS intends to keep in place the existing financial instruments that are already on file and have already been accepted by the NRC. NFS will provide the NRC with letters from the credit facilities within approximately thirty days of the date of this submittal to confirm that the Transaction will not affect the current financial instruments. No cleanup or decommissioning will be required at the time of the closing of the transaction and there will be no division of NFS' assets or liabilities. As a wholly-owned subsidiary of NOG, NFS will remain a solvent, stand-alone entity, continuing to maintain its own financial statements and existing financial assurance arrangements. See also response to item 11. above and 13. below. Financial projections for NFS are included in Exhibit F for your review. Due to the proprietary and sensitive nature of this information, NFS is requesting the NRC withhold this information from public disclosure in accordance with 10 CFR 2.390. A supporting affidavit is attached as Exhibit G.

**13. Confirmation that the transferee agrees to abide by all commitments and representations previously made to the NRC by the transferor. These include, but are not limited to: maintaining decommissioning records required by the 10 CFR 30.35(g); implementing decontamination activities and**

*decommissioning of the site; and completing corrective actions for open inspection items and enforcement actions.*

*With regard to contamination of facilities and equipment, the transferee should confirm, in writing, that it accepts full liability for the site, and should provide evidence of adequate resources to fund decommissioning; or the transferor should provide a commitment to decontaminate the facility before change of control or ownership.*

*With regard to open inspection items, etc., the transferee should confirm, in writing, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions; or the transferee proposes alternative measures for meeting the requirements; or the transferor provides a commitment to close out all such actions with NRC before license transfer.*

As set forth in Exhibit C, NOG confirms its agreement, as of the Closing Date, to abide by all commitments and representations previously made to the NRC by NFS under the License, including all responsibility for decontamination and decommissioning at the Erwin site resulting from NRC license activities. NOG also confirms, as of the Closing Date, that it accepts full responsibility for open inspection items and/or any resulting enforcement actions in connection with operations currently conducted by NFS under the License.

**14. Documentation that the transferor and transferee agree to the change in ownership or control of the licensed material and activity, and the conditions of transfers; and the transferee is made aware of all open inspection items and its responsibility for possible resulting enforcement actions.**

By entering into the transaction, NFS Services evidences its agreement to the change in ownership or control as described herein. NOG will be made aware by NFS Services via NFS of open inspection items and the responsibility for possible resulting enforcement actions prior to closing.

**15. A commitment by the transferee to abide by all constraints, conditions, requirements, representations and commitments identified in the existing license. If not, the transferee must provide a description of its program to ensure compliance with the license and regulations.**

As set forth in Exhibit C, NOG will abide by all constraints, conditions, requirements, representations, and commitments identified in the License.

## **V. FOREIGN OWNERSHIP, CONTROL OR INFLUENCE**

As a result of this transaction, except as indicated regarding the President and CEO, there will be no changes in personnel named as responsible for the License and QAPA being transferred herein. NFS will remain a Delaware corporation and all of its principal officers are United States citizens. BWXT, as previously identified

herein as an affiliated company, is also a holder of a Materials License (SNM-42) issued pursuant to 10 CFR Part 70. All of the principal officers of BWXT and its subsidiaries are U.S. citizens.

As a result of this transaction, there will be no foreign nationals who gain access to Restricted Data and/or other classified information, sensitive nuclear technology or export controlled data (not covered by NRC export licenses). Thus, NFS believes this transaction does not create any concerns regarding foreign ownership, control or influence over the Erwin site and is not inimical to the common defense and security of the United States and does not constitute unreasonable risk to public health and safety.

## VI. CONCLUSION

For the reasons stated above, NFS requests that the NRC consent to the indirect change in control from NFS Services, LLC to NOG-Erwin Holdings, Inc. by December 1, 2008. NFS also requests a conforming amendment to the License issued to make the changes as indicated herein.

**Nuclear Fuel Services, Inc.**

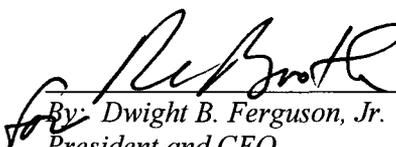
  
By: *Dwight B. Ferguson, Jr.*  
President and CEO

EXHIBIT A(1)

Certificate of Incorporation for NOG-Erwin Holdings, Inc.

(3 pages to follow)

# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "NOG-ERWIN HOLDINGS, INC.", FILED IN THIS OFFICE ON THE THIRTIETH DAY OF JULY, A.D. 2008, AT 5:57 O'CLOCK P.M.

A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.



4581900 8100

080832749

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)

*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 6764554

DATE: 07-31-08

**CERTIFICATE OF INCORPORATION**

**OF**

**NOG-ERWIN HOLDINGS, INC.**

**FIRST:** The name of the Corporation is:  
**NOG-ERWIN HOLDINGS, INC.**

**SECOND:** The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

**THIRD:** The purpose of the Corporation is to engage in any lawful act or activity for which corporations may, now or hereafter, be organized under the General Corporation Law of Delaware.

**FOURTH:** The total number of shares of stock which the Corporation shall have authority to issue is one thousand (1,000), and the par value of each of such shares is one dollar (\$1.00).

**FIFTH:** The name and mailing address of the incorporator is as follows:

| <u>NAME</u>      | <u>MAILING ADDRESS</u>                          |
|------------------|---|
| Robert E. Stumpf | 777 N. Eldridge Parkway<br>Houston, Texas 77079 |

The power of the incorporator as such incorporator shall terminate upon the filing of this Certificate of Incorporation.

**SIXTH:** The names and mailing addresses of the persons who are to serve as directors until the first annual meeting of stockholders or until their successors are elected and qualify are set forth below:

| <u>NAME</u>     | <u>MAILING ADDRESS</u>                     |
|-----------------|--|
| John A. Fees    | 800 Main Street<br>Lynchburg, VA 24504     |
| Winfred D. Nash | 2016 Mt. Athos Road<br>Lynchburg, VA 24505 |

**SEVENTH:** Except to the extent otherwise specifically provided in the By-Laws of the Corporation, the Board of Directors may adopt, amend or repeal the By-Laws of the Corporation. The books of the Corporation may be kept (subject to the provisions of the laws of

the State of Delaware) outside of the State of Delaware at such places as may be designated from time to time by the Board of Directors.

EIGHTH: Election of Directors need not be by written ballot unless the By-Laws of the Corporation so require.

NINTH: (a) The Corporation shall, to the full extent permitted by the General Corporation Law of the State of Delaware, as amended from time to time, indemnify each person whom it may indemnify pursuant thereof.

(b) The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and incurred by him in any such capacity or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of the General Corporation Law of the State of Delaware.

TENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter permitted under the General Corporation Law of Delaware, and all rights and powers conferred herein on stockholders and Directors are subject to this reserved power.

IN WITNESS WHEREOF, I have hereunto signed my name this 30<sup>th</sup> day of July, 2008.

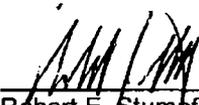
  
\_\_\_\_\_  
Robert E. Stumpf, Incorporator

EXHIBIT A(2)

Certificate of Incorporation for NFS Holdings, Inc.

(2 pages to follow)

**CERTIFICATE OF INCORPORATION  
OF  
NFS HOLDINGS, INC.**

**ARTICLE I**

The name of the corporation is NFS Holdings, Inc. (the "Corporation").

**ARTICLE II**

The address of the Corporation's registered agent in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the registered agent of the Corporation at such address is The Corporation Trust Company.

**ARTICLE III**

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

**ARTICLE IV**

The total number of shares of capital stock which the Corporation shall have authority to issue is 100,000 shares of capital stock, all of which shall be designated "Common Stock" and which shall have a par value equal to \$0.01 per share. Each share of Common Stock shall entitle the holder thereof to one vote, and the shares of Common Stock shall have unlimited voting rights and shall be entitled to all of the net assets of the Corporation upon liquidation or dissolution.

**ARTICLE V**

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation in the manner now or hereinafter prescribed by the laws of the State of Delaware.

**ARTICLE VI**

The election of directors of the Corporation need not be by written ballot unless the Bylaws of the Corporation so provide.

**ARTICLE VII**

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this Article shall not eliminate or limit the liability of a director (i) for any breach of his or her duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derives an improper personal benefit.

If the Delaware General Corporation Law is hereafter amended to authorize corporate action further limiting or eliminating the personal liability of directors, then the liability of the director to the Corporation shall be limited or eliminated to the fullest extent permitted by the Delaware General Corporation Law, as so amended from time to time. Any amendment, repeal or modification of this Article shall be prospective only, and shall not adversely affect any right or protection of a director of the Corporation under this Article VII in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

#### ARTICLE VIII

The name and mailing address of the incorporator is as follows:

Thomas V. Chorey, Jr.  
Chorey, Taylor & Feil  
A Professional Corporation  
The Lenox Building, Suite 1700  
3399 Peachtree Road, N.E.  
Atlanta, Georgia 30326-1148

#### ARTICLE IX

Each reference in this Certificate of Incorporation to any provision of the Delaware General Corporation Law refers to the specified provision of the Delaware General Corporation Law, as the same now exists or as it may hereafter be amended or superseded.

#### ARTICLE X

The Corporation reserves the right at any time and from time to time to amend or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred on stockholders, directors or any other persons herein are granted subject to this reservation.

The undersigned, for the purpose of forming a corporation under the Delaware General Corporation Law, does hereby make, file, and record this Certificate and does hereby certify that the facts herein stated are true, and accordingly has set his hand this 20<sup>th</sup> day of September, 2007.

  
Thomas V. Chorey, Jr.,  
Incorporator

EXHIBIT A(3)

Certificate of Incorporation for Nuclear Fuel Services, Inc.

(2 pages to follow)

**CERTIFICATE OF INCORPORATION  
OF  
NUCLEAR FUEL SERVICES, INC.**

**ARTICLE I**

The name of the corporation is Nuclear Fuel Services, Inc. (the "Corporation").

**ARTICLE II**

The address of the Corporation's registered agent in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the registered agent of the Corporation at such address is The Corporation Trust Company.

**ARTICLE III**

The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

**ARTICLE IV**

The total number of shares of capital stock which the Corporation shall have authority to issue is Five Thousand (5,000) shares of capital stock, all of which shall be designated "Common Stock" and which shall have a par value equal to \$0.01 per share. Each share of Common Stock shall entitle the holder thereof to one vote, and the shares of Common Stock shall have unlimited voting rights and shall be entitled to all of the net assets of the Corporation upon liquidation or dissolution.

**ARTICLE V**

In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation in the manner now or hereinafter prescribed by the laws of the State of Delaware.

**ARTICLE VI**

The election of directors of the Corporation need not be by written ballot unless the Bylaws of the Corporation so provide.

**ARTICLE VII**

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this Article shall not eliminate or limit the liability of a director (i) for any breach of his or her duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derives an improper personal benefit.

If the Delaware General Corporation Law is hereafter amended to authorize corporate action further limiting or eliminating the personal liability of directors, then the liability of the director to the Corporation shall be limited or eliminated to the fullest extent permitted by the Delaware General Corporation Law, as so amended from time to time. Any amendment, repeal or modification of this Article shall be prospective only, and shall not adversely affect any right or protection of a director of the Corporation under this Article VII in respect of any act or omission occurring prior to the time of such amendment, repeal or modification.

#### ARTICLE VIII

The name and mailing address of the incorporator is as follows:

Thomas V. Chorey, Jr.  
Chorey, Taylor & Feil  
A Professional Corporation  
The Lenox Building, Suite 1700  
3399 Peachtree Road, N.E.  
Atlanta, Georgia 30326-1148

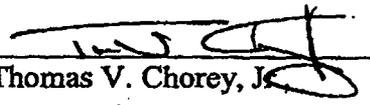
#### ARTICLE IX

Each reference in this Certificate of Incorporation to any provision of the Delaware General Corporation Law refers to the specified provision of the Delaware General Corporation Law, as the same now exists or as it may hereafter be amended or superseded.

#### ARTICLE X

The Corporation reserves the right at any time and from time to time to amend or repeal any provision contained in this Certificate of Incorporation in the manner now or hereafter prescribed by the laws of the State of Delaware, and all rights conferred on stockholders, directors or any other persons herein are granted subject to this reservation.

The undersigned, for the purpose of forming a corporation under the Delaware General Corporation Law, does hereby make, file, and record this Certificate and does hereby certify that the facts herein stated are true, and accordingly has set his hand this 20<sup>th</sup> day of September, 2007.

  
Thomas V. Chorey, Jr.  
Incorporator

## EXHIBIT B

### NFS Licenses and Program Approvals

U.S. Nuclear Regulatory Commission Materials License Number SNM-124, as amended (Docket No. 70-143)

U.S. Nuclear Regulatory Commission Quality Assurance Program Approval Number 0249, as revised (Docket No. 71-0249)

EXHIBIT C

NOG Commitment Letter

(2 pages to follow)



**babcock & wilcox nuclear operations group**

▀ 2016 mt. athos road ▀ lynchburg, va 24505-5447 usa

▀ phone 434.522.6000 ▀ fax 434.522.6805 ▀ www.babcock.com

July 28, 2008

Document Control Desk  
US Nuclear Regulatory Commission  
Washington, DC 20555

Subject: Nuclear Fuel Services, Inc. -- Application for Consent to an Indirect Change of Control with Respect to a Materials License SNM-124 and a Quality Assurance Program Approval ("Application").

Gentlemen:

This letter is in furtherance of and a part of the Application for Consent to an Indirect Change of Control with Respect to Materials License SNM-124 ("License") and a Quality Assurance Program Approval ("QAPA"). The need for the requested NRC consent arises from the sale by NFS Services, LLC ("NFS Services") to NOG-Erwin Holdings, Inc. ("NOG") of NFS Services' entire interest in Nuclear Fuel Services, Inc. (the "Transaction"). Included in the Transaction, as more fully described in the Application, is the transfer by NFS Services of 100% of the stock of NFS Holdings, Inc., a Delaware corporation and its wholly-owned subsidiary, Nuclear Fuel Services, Inc. ("NFS"), a Delaware corporation which is the holder of the License, to NOG-Erwin Holdings, Inc. ("NOG"), a newly formed subsidiary of Babcock & Wilcox Nuclear Operations Group, Inc, a Delaware corporation, which is a wholly-owned subsidiary of BWX Technologies, Inc., a Delaware corporation, which in turn is a wholly-owned subsidiary of The Babcock & Wilcox Company, a Delaware Corporation. Thus, the transaction will result in the indirect change of control of NFS, the holder of the License and QAPA, from NFS Services to NOG.

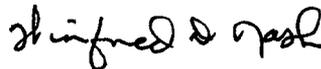
In accordance with NUREG-1556, Volume 15, section 5.6, dated November 2000, and in order to support NFS's request for NRC consent to the indirect change of control of NFS from NFS Services to NOG as it relates to the License and QAPA held by NFS, NOG hereby makes the following statements and representations:

1. I am the President of the NOG-Erwin Holdings, Inc. and the Babcock & Wilcox Nuclear Operations Group, Inc. and am authorized to file this letter with the NRC on behalf of NOG.
2. After the closing of the Transaction discussed above, NOG will become the indirect owner of and have 100% controlling interest in NFS, which will remain the licensee and holder of the License and QAPA set forth in the Application.
3. Except for the President and CEO, the Transaction will result in no changes in NFS personnel or management having direct operational responsibility for, and control of, licensed activities, personnel listed in the License and QAPA, or in personnel responsible for radiation safety or use of licensed material.

4. The Transaction will not result in changes in NFS's operational organization, location, facilities, equipment or procedures related to the NFS's License and QAPA except as described in item 3 above. There will be no changes in the use, possession, location or storage of the licensed material as a result of the indirect change of control under the Transaction.
5. NOG, as the new owner of NFS, will abide by all constraints, license conditions, requirements, representations, and commitments identified in and attributed to NFS in its existing License and QAPA.
6. NOG agrees to accept responsibility for the provision by NFS of the decommissioning financial assurance required by the NRC with respect to the License as set forth in the Application. NFS will continue to provide decommissioning financial assurance through appropriate financial instruments compliant with the NRC's requirements upon the closing of the indirect change of control described in the Application.
7. NOG concurs in NFS's request that the NRC provide its consent to the indirect change of control of NFS from NFS Services to NOG as it relates to the License and QAPA listed in the Application, with such consent to be effective as of the Closing Date of the Transaction.

NOG would be pleased to respond to any further questions that the NRC may have with regard to this letter.

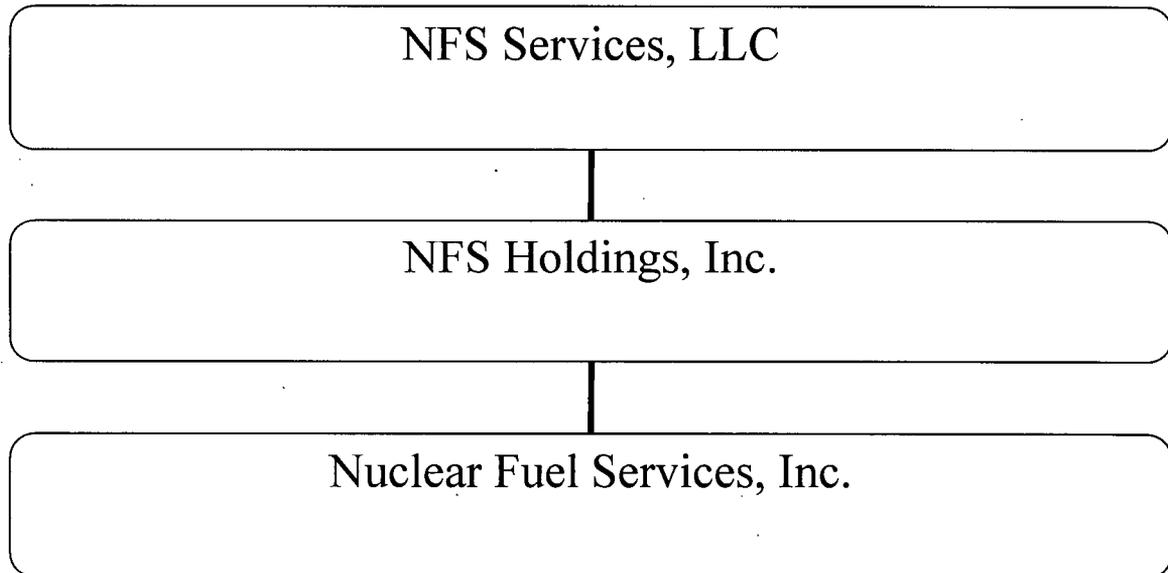
Respectfully,



Winfred D. Nash  
President

EXHIBIT D (1)

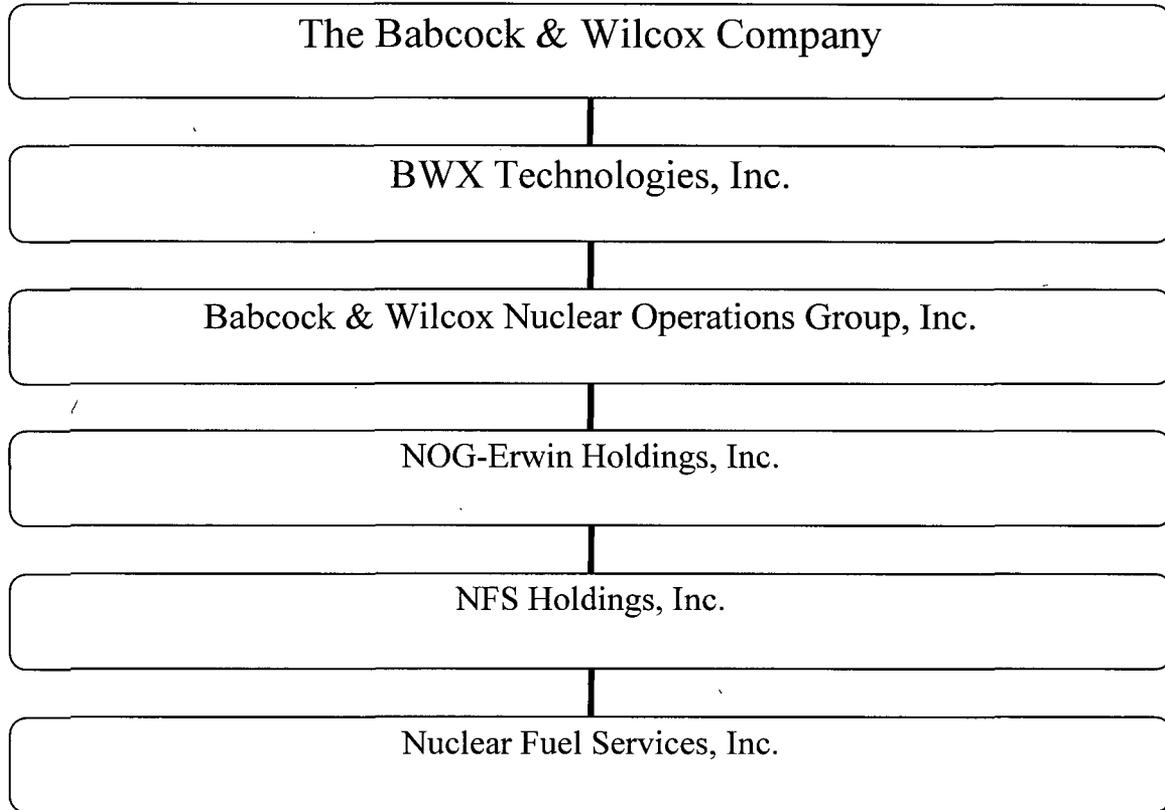
Organization BEFORE transaction



NOTE: This chart is a simplified organization chart that is intended to depict NFS Services, LLC pre-transaction ownership of NFS Holdings, Inc. and Nuclear Fuel Services, Inc. and does not include certain subsidiary companies that are not relevant to understanding the transaction as it relates to the indirect change in control of Nuclear Fuel Services, Inc.

EXHIBIT D (2)

Organization AFTER Transaction



NOTE: This chart is a simplified organization chart that is intended to depict NOG-Erwin Holdings, Inc. post-transaction ownership of NFS Holdings, Inc. and Nuclear Fuel Services, Inc. and does not include certain affiliate companies that are not relevant to understanding the transaction as it relates to the indirect change in control of Nuclear Fuel Services, Inc.

## EXHIBIT E

### Resume of David Kudsin

Phone: 208.526.6755  
Fax: 208.526.1646  
E-Mail: [kudsin@cablone.net](mailto:kudsin@cablone.net)

### David L. Kudsin

**Education:** 1980 George Washington University Lynchburg, Virginia  
**Masters, Engineering Administration**

1975 Wayne State University Detroit, Michigan  
**Bachelor of Science, Metallurgical Engineering**

#### Professional Experience:

##### **Director, Specific Manufacturing Capability Project, Idaho National Laboratory (INL)**

2005 – Present Battelle Energy Alliance, Idaho Falls, ID  
1999 – 2005 Bechtel, BWXT Idaho, Idaho Falls, ID  
1996 – 1999 Lockheed Martin Idaho Technologies Co., Idaho Falls, ID

- The Specific Manufacturing Capability Project is a Special Access Program, Work for Other project which supports the research, development and manufacture of depleted uranium based, heavy armor for the Army's main battle tank program. Several project material processing and fabrication areas are designated as Category 3 Nuclear Facilities based on Department of Energy requirements.
- Manage the overall program at the INL's, Specific Manufacturing Capability facility, which includes seven (7) direct reports and 245 employees. Areas of responsibility include Engineering, Product Development, Production Operations, Maintenance, Facility Operations, Environmental, Health and Safety, Quality Assurance, Business Management, Security, and Training.
- Active Clearances: DOE (Level Q)

1995 – 1996 Lockheed Martin Idaho Technologies Co., Idaho Falls, ID

##### **Manager, Engineering and Product Development, Specific Manufacturing Capability**

- Managed the Engineering and Research and Development programs at LMITCO's, Specific Manufacturing Capability facility, which included five (5) direct reports and forty-nine (49) employees. Areas of responsibility included Engineering, Product Development, Manufacturing and Industrial Engineering, Systems Engineering, Analytical Laboratory, and a Prototype Machine Shop.

EXHIBIT E  
(continued)

1993 – 1995 ERI Operations, Babcock & Wilcox, Indianapolis, IN  
**Manager, Operations and Engineering**

- Managed the Operations and Engineering programs at B&W's ERI Operations facility, which included fifteen (15) direct reports and sixty-five (65) hourly manufacturing people. Operations and Engineering includes all facilities, manufacturing labor, production, NC programming, manufacturing engineering, and process functions for the manufacturing and assembly of precision metal and composite components for defense and commercial products. Major product lines include twelve (12) defense programs including warheads for most conventional missile and torpedo programs and large projectiles.

1988 – 1993 ERI Operations, Babcock & Wilcox, Indianapolis, IN  
**Manager, Quality Assurance**

- Managed a twenty-five (25) member group including Quality Engineering, Quality Supervision, and Inspection personnel. Responsibilities included defining production quality and practices, directing all audit functions, quality performance monitoring, and vendor quality oversight, and acting as the primary customer and resident government representatives contact on all quality matters.

1985 – 1988 Naval Nuclear Fuel Division, Babcock & Wilcox, Lynchburg, VA  
**Project Manager**

- Managed all division activities including contract performance, financial, and schedule criteria for Naval Nuclear Propulsion component contracts valued at over \$100M. In addition to "standard" fuel components, this contract included first-of-a-kind material development, fuel component, and steam generator development programs.

1984 – 1985 Naval Nuclear Fuel Division, Babcock & Wilcox, Lynchburg, VA  
**Manager, Filler and Element Engineering**

- Managed the lower-tier fuel component engineering section comprised of several units and twenty-five (25) engineers and technicians.

1982 – 1984 Naval Nuclear Fuel Division, Babcock & Wilcox, Lynchburg, VA  
**Division Planner**

- Responsible for directing the development of the annual Comprehensive Business Plan for the 2,400 employee division with annual revenues of over \$200M.

1980 – 1982 Naval Nuclear Fuel Division, Babcock & Wilcox, Lynchburg, VA  
**Manager, Materials Engineering**

EXHIBIT E  
(continued)

- Managed eight (8) person engineering unit, which included Engineering, Technician, Planning and Vendor resident personnel with technical responsibility for procurement of in-core materials and vendor fabricated components valued at over \$40M annually.

1975 – 1980 Naval Nuclear Fuel Division, Babcock & Wilcox, Lynchburg, VA

**Materials Engineer**

- Provided technical support for the purchasing department for all in-core structural, fuels, and poison materials.

EXHIBIT F

NFS Balance Sheet Forecast FY 2007-1012  
and Income Statement FY 2003-2012

(2 pages to follow)

EXHIBIT G

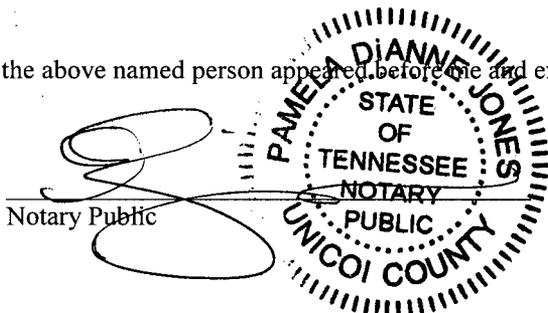
AFFIDAVIT  
FINANCIAL INFORMATION

I, B. Marie Moore, Vice President, Safety and Regulatory, at Nuclear Fuel Services, Inc. (NFS), that to the best of my knowledge and beliefs, make the following representation contained herein:

- A. The following document(s) which Nuclear Fuel Services, Inc. (NFS) wishes to have withheld from public disclosure is: *EXHIBIT F, "NFS Balance Sheet Forecast FY 2007-2012 and Income Statement FY 2003-2012," from the NFS Application for NRC Consent to an Indirect Change of Control With Respect to Materials License SNM-124 and a Quality Assurance Program Approval, (Document # 21G-08-0113)*
- B. The information contained in the document(s) cited in A above has been held in confidence by Nuclear Fuel Services, Inc. (NFS), or its contractor, in that it contains financial information as specified in Title 10, Code of Federal Regulations, Part 2.390(a). The basis for requesting that this document(s) be withheld from public disclosure is explicitly marked on the cover page to each of the aforementioned documents and/or the top of each affected page in accordance with 10 CFR 2.390(b)(i)(B).
- C. The information contained in the document(s) cited in A above is the intellectual property of Nuclear Fuel Services, Inc. (NFS), or its contractor, and as such is customarily held in confidence by Nuclear Fuel Services, Inc. (NFS). As such, Nuclear Fuel Services, Inc. (NFS) has customarily submitted privileged and confidential information of this type to the Nuclear Regulatory Commission (NRC) and to its predecessor, the Atomic Energy Commission (AEC), in confidence.
- D. The information contained in the document(s) cited in A above has not been made available to public sources by Nuclear Fuel Services, Inc. (NFS), nor has Nuclear Fuel Services, Inc. (NFS) authorized that it be made available. In accordance with Nuclear Fuel Services, Inc. (NFS) policies governing the protection and control of information, proprietary information contained herein has been made available, on a limited basis, to others outside NFS only as required and under suitable agreement providing for nondisclosure and limited use of the information.
- E. The public disclosure of the information contained in the document(s) cited in A above is likely to cause substantial economic harm to the competitive advantage held by Nuclear Fuel Services, Inc. (NFS). The basis for withholding said information is that it is vital to a competitive advantage held by Nuclear Fuel Services, Inc. (NFS), would be helpful to competitors of NFS, and would likely cause substantial harm to the competitive position of Nuclear Fuel Services, Inc. (NFS).
- F. The proprietary information that Nuclear Fuel Services, Inc. (NFS) requests to be withheld from public disclosure is contained in the entire document(s) as so marked.

B Marie Moore 7/30/08  
 B. Marie Moore Date  
 Vice President  
 Safety & Regulatory

I certify the above named person appeared before me and executed this document on this the 30<sup>th</sup> day of July, 2008.



My commission expires: 9-28-2010

**Enclosure 2**

**Request for License Amendment  
to Reflect the Indirect Transfer of Control  
of SNM-124**

**(14 pages)**

***Page Changes to SNM-124***

**Part I**

**Page Index  
Chapter 1  
Chapter 1, Appendix D**

**SPECIAL NUCLEAR MATERIAL LICENSE**

**SNM-124**

(08/08/2008)

**PAGE INDEX (Submitted)**

Part I

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**SNM-124**  
**CHAPTER 1**

**STANDARD CONDITIONS AND SPECIAL AUTHORIZATIONS**

**1.1 Name, Address, and Corporate Information**

This licensing information document is filed by Nuclear Fuel Services, Inc., (NFS), incorporated in the State of Delaware. NFS' Corporate Offices are located on 1205 Banner Hill Road, Erwin, Tennessee 37650-9718. NFS is a subsidiary of NFS Holdings, Inc., which is a subsidiary of NOG-Erwin Holdings, Inc., which is a wholly-owned subsidiary of Babcock & Wilcox Nuclear Operations Group, Inc., incorporated in Delaware. A summary listing of NFS affiliates is provided in Appendix D, along with a figure (Figure D-1) showing the reporting relationships.

**1.2 Site Location**

The NFS facilities are located in the city of Erwin, in Unicoi County, Tennessee. At this site, NFS maintains buildings for administrative, laboratory, manufacturing, and support activities. The activities described in Section 1.5 are performed at 1205 Banner Hill Road, 1080 S. Industrial Drive, and 200 Oxide Lane. These locations are in Erwin, Tennessee.

**1.3 License Number and Period of License**

The NFS License number is SNM-124 (Docket 70-143). NFS requests a license renewal for a ten-year period commencing from the time that the Nuclear Regulatory Commission completes final action on this matter. In order to remain current with respect to changes in processes, equipment, and facilities, NFS will submit revisions to Part II (Demonstration of Safety) of this license application every two years during the term of the license.

**1.4 Possession Limits**

The following types, quantities, and forms of special nuclear material (SNM) are authorized:

**1.4.1 Uranium Enriched in the <sup>235</sup>U Isotope**

Maximum quantity on site – [REDACTED];

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Isotopic content – any, up to maximum enrichment and up to an average of  $10^{-6}$  grams of plutonium per gram of uranium, 0.25 millicuries of fission products per gram of uranium, and  $1.5 \times 10^{-5}$  grams of transuranic materials (including plutonium) per gram of uranium, as contaminants;

Chemical and physical forms – as described in Appendix B to this chapter, excluding pyrophoric forms.

**1.4.2 Uranium Enriched in the  $^{233}\text{U}$  Isotope**

**1.4.2.1**

Maximum quantity on site – [REDACTED];

Isotopic content – any, up to maximum enrichment;

Chemical and physical forms – any form, but limited to residual contamination from past operational activities.

**1.4.2.2**

Maximum quantity on site – [REDACTED];

Isotopic content – any, up to maximum enrichment;

Chemical and physical forms – any form, as received for analysis and/or for input into development studies.

**1.4.3 Plutonium**

**1.4.3.1 Counting and Calibration Standards**

Maximum quantity on site – [REDACTED];

**1.4.3.2 Residual Contamination and Mixed Oxide Process Holdup**

Buildings 110 and 234

The possession limits, including quantity, isotopic content and chemical and physical forms, for plutonium residual contamination and mixed oxide holdups for Buildings 110 and 234 were previously described in letters dated October 17, 1988; and January 21, 1994. In addition, NFS is authorized to possess approximately 500 grams of residual

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**SNM-124**  
**CHAPTER 1**

plutonium contamination that is known to exist in approximately 100 containers and contaminated soil at Building 234.

Site-Wide Decommissioning

NFS is authorized to possess residual plutonium contamination, as-is from former plutonium operations, in in-situ soil and debris, as well as waste and waste holdups that will be generated during NFS plant site decommissioning activities, including Building 234.

**1.4.3.3 Materials Input to R&D Studies**

Maximum quantity on site – [REDACTED];

Chemical and physical forms – any form, except pyrophoric, plutonium received for analysis and/or for input into development studies.

**1.4.3.4 Materials Received for Decontamination and Volume Reduction**

Maximum quantity on site – [REDACTED];

Chemical and physical forms – any form, except pyrophoric, as contamination on equipment and materials received for decontamination and volume reduction.

**1.5 Authorized Activities**

This application requests authorization to receive, possess, use, store, and ship authorized special nuclear material pursuant to 10 CFR Part 70.

**1.5.1 Product Processing Operations**

**1.5.1.1 UF<sub>6</sub> Conversion**

Conversion of highly enriched uranium hexafluoride to other uranium compounds.

**1.5.1.2 Fuel Manufacture**

Production of fuel containing highly enriched uranium.

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**1.5.1.3 Scrap Recovery**

Facilities are available for recovery and purification of the following materials from process scrap either internally generated or generated at other facilities:

- low-enriched uranium
- high-enriched uranium

**1.5.1.4 Enrichment Blending and Conversion**

Facilities and equipment are available for the enrichment blending of highly-enriched liquid UNH to produce a low-enriched UNH solution, and conversion of downblended UNH solution to uranium oxide ( $U_xO_x$ ).

**1.5.2 Laboratory Operations**

Laboratories are equipped to perform wet chemical and instrumental analyses and a wide variety of physical tests on material consisting of and/or containing special nuclear materials.

**1.5.3 General Services Operations**

Storage of special nuclear material compounds and mixtures in areas with containers arranged specifically for maintenance of radiological and nuclear safety.

Maintenance and repair of special nuclear materials processing equipment and auxiliary systems.

Decontamination of equipment and materials, including personnel protective clothing and respiratory devices.

**1.5.4 Research and Development Operations**

Research and development work is performed on source and special nuclear material compounds and mixtures in areas with containers arranged specifically for maintenance of radiological and nuclear safety.

**1.5.5 Waste Treatment and Disposal**

Decontamination of materials and equipment. Volume reduction, treatment, packaging and storage of both liquid and solid wastes contaminated with or containing nonrecoverable uranium and plutonium. Shipment of radioactive waste to licensed facilities or to licensed burial sites for disposal. Treatment of waste and scrap material

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containing uranium enriched in the  $^{235}\text{U}$  isotope by incineration is subject to other license conditions and 10 CFR 20.

**1.5.6 Sealed Source Leak Test**

Sealed uranium, plutonium, and plutonium-alpha sources authorized by this license shall be subject to the leak testing and actions specified in Appendix C to this chapter. Records of test results shall be maintained for a minimum of 2 years.

**1.6 Exemptions and Special Authorizations**

**1.6.1 Criticality Monitoring**

Special Nuclear Material stored in authorized shipping containers complying with the requirements of the Code of Federal Regulations, Title 10, Part 71, and which are in isolated arrays or on a transport vehicle and which are no more reactive than that approved for transport are exempt from criticality monitoring requirements of 10 CFR 70.24.

**1.6.2 Posting and Labeling**

NFS requests exemption from the requirements of 10 CFR 20.1904(a). Instead, NFS commits to posting signs at all entrances and gates into the protected area bearing the legend, "Caution, Radioactive Material, Every container or vessel in this area may contain Radioactive Material."

**1.6.3 Recovery Incinerator Operation**

Pursuant to 10 CFR 20.2004, NFS is authorized to process waste and scrap material containing uranium enriched in the  $^{235}\text{U}$  isotope by incineration subject to compliance with the other conditions of this license.

**1.6.4 Contamination-Free Articles**

NFS is authorized to use the limits specified in "Guidelines for Decontamination of Facilities and Equipment Prior to Release for Unrestricted Use or Termination of Licenses for Byproduct, Source, or Special Nuclear Material," U.S. Nuclear Regulatory Commission, April, 1993 (See Appendix A of this chapter) for determining contamination levels on facilities released to uncontrolled areas, and on equipment released for unrestricted use.

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**1.6.5 Decommissioning Funding Plan**

NFS requests exemption from the requirements of 10 CFR 70.25(f) for a financial assurance plan using one of the specified methods. The financial arrangements to assure that decommissioning funds will be available are set forth in Chapter 7.

**1.6.5.1**

The exemption stated above is applicable to the decommissioning activities for which the U.S. Government has assumed liability per Appendix A of Chapter 9 of this license. The NFS/USDOE Contract language in said Appendix A makes it necessary for NFS to establish a cost estimate and a financial assurance plan for those decommissioning activities not covered by the Government. The financial arrangements for funding such decommissioning activities are set forth in Chapter 7.

**1.6.5.2**

The exemption stated above is also applicable to the decommissioning activities for which the U.S. Government has assumed liability per the U.S. Department of Energy and Tennessee Valley Authority Interagency Agreement described in Appendix B of Chapter 9 of this license. The financial arrangements for funding such decommissioning activities are set forth in Chapter 7.

**1.6.6 Decommissioning-Related Activities**

Facilities or grounds may be remediated/decontaminated on a project-by-project basis prior to the end of plant life. These projects will address portions of the facility no longer in use or in need of decontamination to protect the environment. The portions of the NFS plant subject to these operations may be used for future licensed activities, require clean-up to protect the environment, or be conducted as a precursor to decommissioning an area under a NRC approved final status survey and release plan. These operations may include:

1. Dismantlement of contaminated buildings and equipment;
2. Pumping and treatment of contaminated groundwater/surface water;
3. Washing, spraying, stripping, vacuuming, or otherwise cleaning the surfaces of structures or equipment;
4. Scabbling, scaling, or otherwise decontaminating structural and equipment surfaces;
5. Characterization efforts; and,
6. Source reduction measures, including removal of soil and debris.

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Changes to approved processes, procedures, facilities, and equipment necessary to perform decommissioning-related activities will be implemented in accordance with the change process discussed in Chapter 11 (Sections 11.7.7 and 11.7.8).

NOTE: The activities authorized in this section will not directly result in license termination for any portion of the site. The process of license termination will commence by submitting a final status survey and release plan for NRC review/approval and in a manner consistent with applicable regulations and guidance.

## **1.7 Definitions**

Definitions for terms specific to a particular safety function may be given in the corresponding chapter on that function. Definitions for several terms used throughout license conditions are set forth below:

### **1.7.1 Discipline Manager**

The discipline manager is the manager who is responsible for implementation of safety requirements in the area assigned to him by the appropriate discipline vice-president; e.g., operations discipline manager or security discipline manager. As used in this license renewal application, the general title "discipline manager" does not necessarily refer to the title of any specific position in NFS' system of organization and position nomenclature.

### **1.7.2 <sup>235</sup>U Enrichments**

As used in this application for license renewal, the term "low enriched uranium" is defined as any compound of uranium in which the enrichment in the isotope uranium-235 is less than 20 percent by weight. The terms "high enriched uranium" or "highly enriched uranium" are defined as any compound of uranium in which the enrichment in the isotope uranium-235 is equal to or greater than 20 percent by weight.

### **1.7.3 Nuclear Safety**

Nuclear criticality safety.

### **1.7.4 Operating Procedure**

An operating procedure is a written set of instructions for production and support groups used in the handling, processing, and storage of Special Nuclear Material. Operating procedures contain the limits and controls set up by the Safety Discipline (see below).

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Operating procedures are approved by the initiating discipline manager, the safety discipline manager, and the appropriate safety review committee members, as selected by the safety review committee chair (or designee).

**1.7.5 Safety Procedure**

A safety procedure is a written approved instruction used for the conduct of safety function activities required by this license. Safety procedures are approved by the safety discipline manager.

**1.7.6 Safety Discipline**

All of the following functions: radiation safety and protection, criticality safety, industrial safety, and environmental protection, as further defined in Section 2.2.3.

**1.7.7 Will, Shall, Should, May, and Are**

Will and shall mean a requirement; should means a recommendation; and may means permission (optional), neither a requirement nor a recommendation. Are means an existing practice for which there is a requirement to continue.

**1.7.8 Annual (Year)**

An interval not to exceed 14 months. (Also, the multiplier used in biennial-every two years, etc. requirements, e.g. Biennial =  $2 \times 14 = 28$  mo.)

**1.7.9 Semiannual**

An interval not to exceed 7 months.

**1.7.10 Quarterly**

An interval not to exceed 4 months.

**1.7.11 Criticality Control**

The administrative and technical requirements established to minimize the probability of achieving inadvertent criticality in the environment analyzed.

**1.7.12 Audits and Inspections**

Examinations made to verify that operations are being conducted according to established criteria. Audits are formal examinations made to verify that operations are being

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conducted according to established criteria. Inspections are routine reviews to check that operations are being conducted according to approved procedures. Audits are more formal and less frequent than inspections.

**1.7.13 Work Area Air Samples**

Work area air samples are stationary air samplers demonstrated to be representative of workers breathing air. If stationary air samplers have not been demonstrated to be representative, the results of lapel air samplers will constitute work area air samples.

**1.7.14 Discipline Vice-President**

The discipline vice-president is the vice-president who is responsible for implementation of safety requirements in the area assigned to him by the president; e.g. production discipline vice-president, safety discipline vice-president. As used in this license renewal application, the general title "discipline vice-president" does not necessarily refer to the title of any specific position in NFS' system of organization and position nomenclature.

**1.7.15 Equivalent Experience**

For the purpose of meeting educational requirements, two (2) years experience is considered to be equivalent to one (1) year of post-secondary education. For example, two (2) years of post-secondary education (associate degree) in a relevant field and four (4) years experience will satisfy the requirement for a B.S. degree (4 years of post-secondary education).

**1.7.16 U-233 Action Levels**

The action levels used for U-233 shall be those used for highly enriched uranium (HEU).

**1.7.17 Protected Area**

A Protected Area is a site area bounded by a double fence, separated by an exclusion zone, designed to provide physical security. The area contains radioactive material processing, storage, and laboratory areas, as well as support function.

**1.7.18 Restricted Area**

A Restricted Area is a site area in which individuals may be exposed to radiation or radioactive material at levels or concentrations in excess of that allowed the general public (See definition in 10 CFR 20.1003). This could include any location at the NFS Erwin Facility, depending upon activities conducted and the exposure potential as evaluated by the safety function.

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**1.7.19 Controlled Area**

A Controlled Area is a site area where uncontained radioactive material is present, such that contamination levels are likely to be encountered in excess of acceptable levels for unrestricted use. This type of area, designated for contamination control purposes, requires various levels of protective clothing and other personnel protective actions. It could include any location within the Restricted Area either on a permanent or temporary basis.

**1.7.20 Uncontrolled Area**

An Uncontrolled Area is a site area where radioactive materials may be handled in the form of sealed sources, in packages or closed containers, in small amounts (air samples, bioassay samples, etc.), or not at all. This type of area is designated for contamination control purposes and is not likely to have contamination at levels in excess of those acceptable for unrestricted use.

**1.7.21 Safety-Related Equipment**

Safety-Related Equipment (SRE) are active or passive engineered safety controls that prevent or mitigate accidents or upset conditions that could result in significant consequences. Significant consequences are defined as:

- Criticality
- Greater than 5 rem (TEDE) exposure to a member of the public
- Intake of 30 milligrams of uranium in soluble form by a member of the public
- An exposure to hydrogen fluoride in air equivalent to immersion for 30 minutes in a concentration of 25 milligrams per cubic meter to a member of the public
- An employee exposure greater than 100 rem (TEDE)

The quantifying and estimating of consequences will be performed in accordance with written, approved procedures.

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**NUCLEAR FUEL SERVICES, INC.**

**AFFILIATES**

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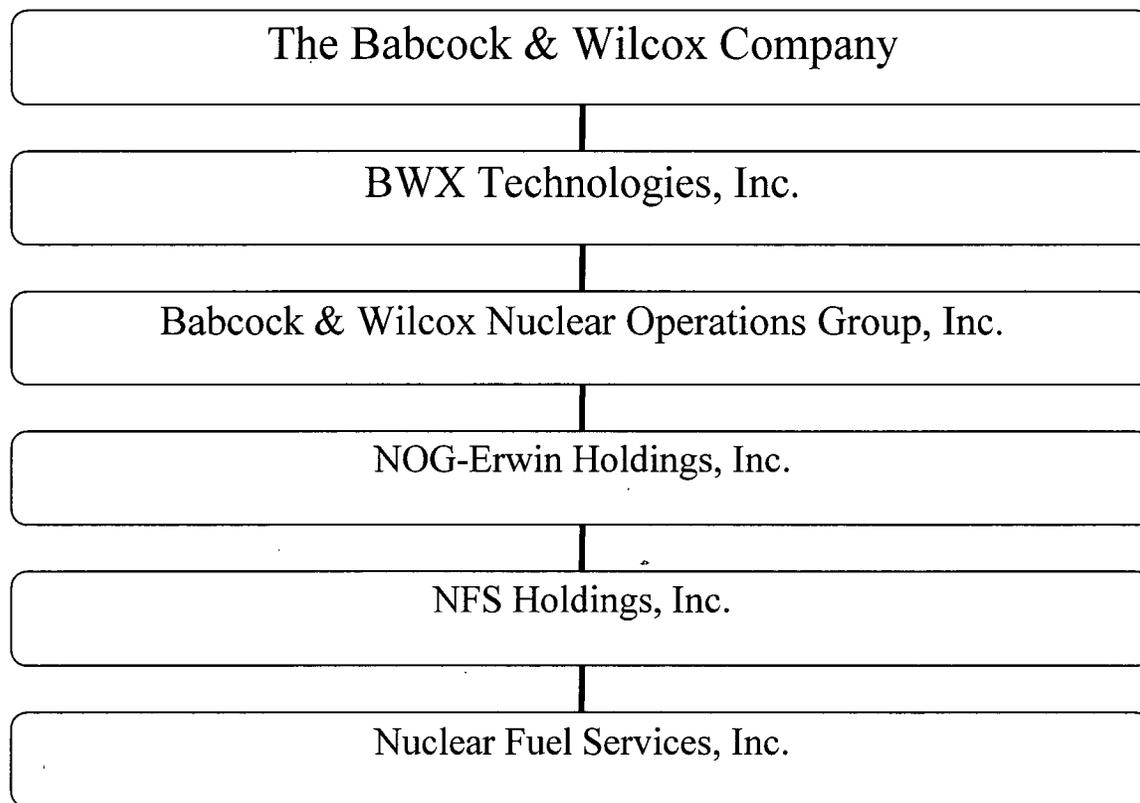
**NUCLEAR FUEL SERVICES, INC.**  
**AFFILIATES**

1. **The Babcock & Wilcox Company** is a corporation that owns 100% of the stock of BWX Technologies, Inc.
2. **BWX Technologies, Inc.**, is a corporation that owns 100% of the stock of Babcock & Wilcox Nuclear Operations Group, Inc.
3. **Babcock & Wilcox Nuclear Operations Group, Inc.**, is a corporation that owns 100% of the stock of NOG-Erwin Holdings, Inc.
4. **NOG-Erwin Holdings, Inc.**, is a corporation which owns 100% of the stock of NFS Holdings, Inc.
5. **NFS Holdings, Inc.**, is a corporation which owns 100% of the stock of Nuclear Fuel Services, Inc.
6. **Nuclear Fuel Services, Inc. (NFS)**, is a manufacturer and processor of specialty nuclear fuels which is also engaged in decontamination, decommissioning, and remediation services for the chemical and nuclear industry. These services are performed both at NFS' Erwin, Tennessee, location and at other facilities.

**NOTE:** This listing does not include certain affiliate companies that are not relevant to licensed activities.

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**Figure D-1**  
**NFS Corporate Structure**



**NOTE:** This chart is a simplified organization chart and does not include certain affiliate companies that are not relevant to licensed activities.