



*Nuclear Fuel Services, Inc.*

*1205 Banner Hill Road*

*P.O. Box 337, MS 123*

*Erwin, TN 37650*

*www.nuclearfuelservices.com*

*(423) 743-9141*

**21G-08-0163**

**GOV-01-55-04**

**ACF-08-0310**

October 9, 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) 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, dated August 8, 2008 (21G-08-0113) (TAC L32692)

**Subject: Letters From Credit Facilities Regarding Financial Assurance  
Instruments for NFS Decommissioning Activities**

Dear Sir:

In Reference 2, Nuclear Fuel Services, Inc. (NFS) stated that it would provide the NRC with letters from credit facilities confirming that the indirect change in control of NFS would not affect the current financial instruments issued by those facilities relative to funding of decommissioning activities at the NFS Erwin site. Such letters are provided in the Enclosure.

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-08-0163) in any correspondence concerning this letter.

Sincerely,

**NUCLEAR FUEL SERVICES, INC.**

A handwritten signature in black ink, appearing to read 'BMMoore', is written over the printed name.

B. Marie Moore

Vice President, Safety and Regulatory

RPD/pdj  
Enclosure

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

**21G-08-0163**  
**GOV-01-55-04**  
**ACF-08-0310**

Enclosure

**Letters From Credit Facilities  
Regarding Financial Assurance Instruments  
for NFS Decommissioning Activities**

**(2 pages)**



Scott C. Folsom  
President - Northeast Market

SunTrust Bank  
207 Mockingbird Lane  
Johnson City, Tennessee 37604  
Tel 423.461.1076  
Fax 423.461.1150  
Scott.Folsom@SunTrust.com

September 19, 2008

Mr. Kenneth M. Kline  
Division of Waste Management &  
Environmental Protection / FSME  
U.S. Nuclear Regulatory Commission  
11545 Rockville Pike  
Rockville, MD 20852

**Subject: Financial Assurance Instruments for Nuclear Fuel Services, Inc.**

Dear Sir:

The purpose of this letter is to provide the U.S. Nuclear Regulatory Commission (NRC) with the assurance that the current financial instruments issued by SunTrust Bank relative to funding of decommissioning activities at the Nuclear Fuel Services, Inc. (NFS) Erwin site will not be affected by the pending indirect change in control of NFS from NFS Services, LLC. to NOG-Erwin Holdings, Inc. NOG-Erwin Holdings, Inc. will be a wholly owned subsidiary of The Babcock & Wilcox Company whose parent company is McDermott International.

Whenever a Letter of Credit established in your favor is drawn on under and in compliance with the terms of the Letter of Credit we shall duly honor such draft upon presentation to us within 30 days, and we shall deposit the amount of the draft directly into the standby trust fund of NFS in accordance with your instructions.

Please let me know if you have additional questions or if I can assist you in any way.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Folsom", is written over the typed name.

Scott C. Folsom  
President - Northeast Market  
SunTrust Bank, East Tennessee



Freddie H. Malone  
Vice President

September 24, 2008

Mr. Kenneth M. Kline  
Division of Waste Management &  
Environmental Protection / FSME  
U.S. Nuclear Regulatory Commission  
11545 Rockville Pike  
Rockville, MD 20852

**Subject: Financial Assurance Instruments for Nuclear Fuel Services, Inc.**

Dear Sir:

The purpose of this letter is to provide the U.S. Nuclear Regulatory Commission (NRC) with the assurance that the current financial instruments issued by First Tennessee relative to funding of decommissioning activities at the Nuclear Fuel Services, Inc. (NFS) Erwin site will not be affected by the pending indirect change in control of NFS from NFS Services, LLC. to NOG-Erwin Holdings, Inc. It is my understanding that NOG-Erwin Holdings, Inc. will be a wholly owned subsidiary of The Babcock & Wilcox Company whose parent company is McDermott International.

This assurance is subject to the condition that the structure of the Letters of Credit remain unchanged in that they are secured by cash held in deposit or trust accounts. In addition, First Tennessee requests that the documentation relative to all accounts be updated to evidence the change in control.

Subject to the above, whenever a Letter of Credit established in your favor is drawn on under and in compliance with the terms of that Letter of Credit First Tennessee shall duly honor such draft upon presentation to us within 30-days, and shall deposit the amount of the draft directly into the standby trust fund of NFS in accordance with your instructions.

Please let me know if there are questions regarding this commitment, or if you would like for the specific instruments to be detailed. My contact information is below.

Sincerely,

A handwritten signature in black ink, appearing to read "Freddie H. Malone".

Freddie H. Malone  
Vice President

**First Tennessee Bank National Association**  
P. O. Box 1596, Johnson City, TN 37605  
Phone: 423-461-1288 Fax: 423-461-1208  
E-mail: [fhmalone@firsttennessee.com](mailto:fhmalone@firsttennessee.com)