



NUCLEAR FUEL SERVICES, INC.

a subsidiary of The Babcock & Wilcox Company

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21G-10-0129
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ACF-10-0175

June 17, 2010

Mr. Luis A. Reyes, Regional Administrator
U.S. Nuclear Regulatory Commission, Region II
245 Peachtree Center Avenue NE, Suite 1200
Atlanta, GA 30303-1257

- References:
- 1) Docket No. 70-143; SNM-124
 - 2) Confirmatory Action Letter (CAL No. 2-2010-001), dated January 7, 2010, Mr. Luis A. Reyes (NRC) to Mr. David L. Kudsin (NFS)
 - 3) Letter (21G-10-0061), dated March 11, 2010, Mr. David Amerine (NFS) to Mr. Luis Reyes (NRC)
 - 4) Letter, dated May 19, 2010, Mr. Luis A. Reyes (NRC) to Mr. David B. Amerine (NFS)

Subject: NFS Approach to Start-up of Ferrous Sulfamate in the BPF Solvent Extraction Process Line

Dear Sir:

In accordance with Reference 2, per the clarifications made in Reference 3 describing our conservative, measured approach to restart one line of production at a time, and in accordance with your request in Reference 4, Nuclear Fuel Services, Inc. (NFS) has confirmed its readiness to start the use of Ferrous Sulfamate in the Blended Low Enriched Uranium Preparation Facility (BPF) Solvent Extraction Process. NFS respectfully requests NRC commence their review of our readiness to start this process.

NFS' confidence in its readiness to start this process in the BPF is based on a period of deliberate actions and evaluations. The success of the restart of the Naval Production Product Line (NPPL) and the BPF U-Metal/Oxide process line has provided a substantial basis and demonstration that the requested additional start-up is appropriate.

After receiving NRC authorization on March 23, 2010, to resume NPPL operations, NFS initiated a "pause" to reflect on the changes made and the expected behaviors during the impending restart. Using our improved approach to conduct of operations, the NPPL was then restarted on March 25, 2010, one process area at a time. Subsequent operations were monitored and assessed by Senior Engineering Watch personnel, as well as by senior management observers and executive management. In addition, a "Way Point Evaluation" was conducted to assess the performance of the NPPL operations. The results demonstrated the necessary improvement in the areas of management oversight, communications, questioning attitude, and safety over production and that continued operation was warranted. These results also indicated that we were ready to restart the first BPF line.

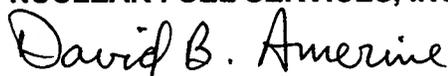
Since receiving NRC authorization to restart the BPF U-Metal/Oxide line on May 19, 2010 (Reference 4), NFS has continued the behaviors that have provided safe and successful operations since the restart of the NPPL in March. NFS also completed another Way Point Evaluation on June 10, 2010 that confirmed our sustained performance in the areas of management oversight, communications, questioning attitude, and safety over production and that continued operation was warranted.

The engineering design for the physical modifications of the Solvent Extraction process was managed under ENG-EPS-A-001, the Capital Project Execution process. Customers and Stakeholders were involved early in the project in order to document the requirements that needed to flow down throughout the performance of the project. The safety reviews of the modifications, which also included revisions to procedures, were managed under NFS-GH-44, the Internally Authorized Change process. Peer and/or technical reviews of the engineering design and the safety reviews were performed as required by internal procedures. The NFS Readiness Assessment process has verified the system is ready to operate.

Therefore, taking all of the above mentioned items into consideration, I have concluded that the use of Ferrous Sulfamate in the BPF Solvent Extraction process line is ready for start-up.

If you or your staff have any questions, require additional information, or wish to discuss this further, please contact me at (423) 743-1702, or Mr. Mark Elliott, Director of Quality, Safety & Safeguards, at (423) 743-1705. Please reference our unique document identification number (21G-10-0129) in any correspondence concerning this letter.

Sincerely,
NUCLEAR FUEL SERVICES, INC.



David B. Amerine
President

JKW/smd

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