

January 28, 2011

Mr. Mark P. Elliott, Director
Quality, Safety and Safeguards
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

SUBJECT: NUCLEAR FUEL SERVICES, INC., AMENDMENT 93, ONE-TIME EXEMPTION
FROM MEASURING HEELS IN 2S URANIUM HEXAFLUORIDE CYLINDERS
(TAC NO. L32950)

Dear Mr. Elliott:

In accordance with your application dated December 31, 2009, and pursuant to Parts 70 and 74 to Title 10 of the *Code of Federal Regulations* (10 CFR), Materials License SNM-124 is hereby amended to grant a one-time exemption from the requirement to measure heels in 2S uranium hexafluoride cylinders. Accordingly, Safety Condition S-1 has been revised to add the date of December 31, 2009. In addition, a new Safeguards Condition SG-4.38 has been added to read as follows:

SG-4.38 Notwithstanding the requirements of 10 CFR 74.59(d)(1) and Section 4.3 of the facility's Fundamental Nuclear Material Control Plan identified in Condition SG-5.1 to measure the uranium element and isotope content of all strategic special nuclear materials, the licensee shall provide assigned values for the 2S cylinder heels identified in the December 31, 2009, request letter. This one-time exemption will expire when all of these cylinders are shipped from the site.

All other conditions of this license shall remain the same.

Enclosed are copies of the revised Materials License SNM-124 (Enclosure 1) and the Safeguards Evaluation Report (Enclosure 2).

In accordance with 10 CFR 2.390 of the U.S. Nuclear Regulatory Commission's (NRC) "Rules of Practice," a copy of this letter, the safety evaluation report and the non-sensitive portion of the license will be available electronically for public inspection in the NRC Public Document Room and the Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible through the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). The sensitive conditions to the license will be withheld from the public.

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M. Elliott

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If you have any questions regarding this matter, please contact Kevin Ramsey of my staff at (301) 492-3123 or by e-mail to kevin.ramsey@nrc.gov.

Sincerely,

/RA/

Michael D. Tschiltz, Acting Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
and Safeguards

Enclosures:
As stated

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

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M. Elliott

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If you have any questions regarding this matter, please contact Kevin Ramsey of my staff at (301) 492-3123 or by e-mail to kevin.ramsey@nrc.gov.

Sincerely,

/RA/

Michael D. Tschiltz, Acting Director
Division of Fuel Cycle Safety
and Safeguards
Office of Nuclear Material Safety
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