



NUCLEAR FUEL SERVICES, INC.
a subsidiary of The Babcock & Wilcox Company

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21G-11-0207
GOV-01-55-04
ACF-11-0336

November 21, 2011

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

- Reference:
- 1) Docket No. 70-143; SNM License 124
 - 2) Letter from B. Marie Moore to the NRC, dated June 30, 2009, (21G-09-0104), Renewal of Special Nuclear Material (SNM) License 124
 - 3) Letter from NRC to Mark P. Elliott dated June 15, 2010, (TAC No. L32830), Request for Additional Information Concerning License Renewal
 - 4) Letter from Mark P. Elliott to NRC, dated August 16, 2010, (21G-10-0163), Response to the Request for Additional Information Concerning License Renewal for SNM-124
 - 5) Letter from Peyton S. Baker to the NRC, dated May 6, 2011, Request for Additional Information Concerning License Renewal for SNM-124

Subject: Supplemental Information to Support the NFS Response to RAI Question 1.9 for Renewal of License SNM-124

Dear Sir:

As you are aware, Nuclear Fuel Services, Inc. (NFS) was acquired by a subsidiary of The Babcock & Wilcox Company (B&W), effective December 31, 2008. B&W is a leader in clean energy technology and services, primarily for the nuclear, fossil and renewable power markets as well as a premier advanced technology and mission critical defense contractor. B&W is listed on the New York Stock Exchange, has locations worldwide, and employs approximately 12,000 people, in addition to approximately 10,000 joint venture employees.

NFS has been providing fuel for our nation's vital Naval Nuclear Propulsion Program for over 50 years and also processes HEU in a highly secure (Category 1) facility. NFS' history, licensing, and processing capabilities were all key factors in B&W's decision to acquire NFS. As part of this acquisition, B&W performed due diligence and concluded that NFS had strategic value for B&W and its shareholders, as well as for our nation's critical defense programs.

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Attachment 1 contains a summary of recent and near-term plans for capital investments. B&W will continue to exercise prudent and responsible financial discipline in evaluating these and future loans, capital contributions, and other investments in NFS. In evaluating these future investments, B&W and our stakeholders must consider significant factors that may impact our long-term viability, and our NRC license term is one of the most significant of those factors. The NRC license term influences the potential return on these investments and is one of the pillars of confidence needed to reassure our stakeholders that these investments are sound and prudent. Therefore, the license term requested in Attachment 2 is considered to be vitally important to NFS and B&W, and is fully supported by our finalized renewal application and the associated "Environmental Assessment" and "Finding of No Significant Impact" issued by the NRC on October 26, 2011.

The information in Attachment 1 is considered proprietary in nature as set forth in the enclosed affidavit. Therefore, NFS requests that this information be withheld from public disclosure.

Finally, please note that Attachment 2 contains a replacement page for Page 1-11 of Chapter 1 that was submitted September 9, 2011. The change is denoted with a line in the right hand margin of the page.

If you or your staff have any questions, require additional information, or wish to discuss this, please contact me, or Mr. Mark Elliott, Quality, Safety, and Safeguards Director, at (423) 743-1705. Please reference our unique document identification number (21G-11-0207) in any correspondence concerning this letter.

Sincerely,

NUCLEAR FUEL SERVICES, INC.



Joseph G. Henry
President

JKW/pdj

Enclosure: Affidavit

Attachment 1: Capital Investment Summary

Attachment 2: SNM-124, Chapter 1, Revision 1, Page 1-11, dated September 9, 2011

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Enclosure

Affidavit

(2 pages to follow)

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ENCLOSURE

**AFFIDAVIT
FINANCIAL INFORMATION**

I, Mark P. Elliott, Director of Quality, Safety, and Safeguards, 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: Attachment 1 to letter (21G-11-0207) dated November 21, 2011.

CAPITAL INVESTMENT SUMMARY

- 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

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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.



11/21/11

Mark P. Elliott

Date

Director of Quality, Safety, and Safeguards

I certify the above named person appeared before me and executed this document on this the 21st day of November, 2011



My commission expires:

7-30-14

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Attachment 2

SNM-124, Chapter 1, Revision 1, Page 1-11

dated September 9, 2011

(1 page to follow)

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SPECIAL NUCLEAR MATERIAL LICENSE
SNM-124
CHAPTER 1

1.2.4.3 General Services Operations

1. Storage of special nuclear material compounds and mixtures in areas with containers arranged specifically for maintenance of radiological and nuclear safety.
2. Maintenance and repair of special nuclear materials processing equipment and auxiliary systems.
3. Decontamination of equipment and materials, including personnel protective clothing and respiratory devices.

1.2.4.4 Research and Development Operations

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

1.2.4.5 Waste Treatment and Disposal

1. Decontamination of materials and equipment.
2. Volume reduction, treatment, packaging and storage of both liquid and solid wastes contaminated with or containing non-recoverable uranium and plutonium.
3. Shipment of radioactive waste to licensed facilities or to licensed burial sites for disposal.
4. Treatment, packaging, and storage of hazardous or mixed waste for off-site disposal.

1.2.4.6 Period of License

This license application applies to the renewal of License No. SNM-124 (expiration date July 31, 2009) and meets the 30-day timely renewal criterion of 10 CFR 70.38. The requested renewal period is twenty-five (25) years. |