

September 16, 2016

Mr. Richard J. Freudenberger, Director  
Safety and Safeguards  
Nuclear Fuel Services, Inc.  
P.O. Box 337, MS 123  
Erwin, TN 37650

SUBJECT: NUCLEAR FUEL SERVICES, INC. INTERIM APPROVAL OF  
DECOMMISSIONING COST ESTIMATE AMOUNT  
(COST ACTIVITY CODE L33400)

Dear Mr. Freudenberger:

We have reviewed your updated decommissioning cost estimate submitted by letter dated November 30, 2015, and supplemented by letters dated May 31, 2016 and August 30, 2016. We approve the updated estimate of \$414,160,000 for the cost of decommissioning. Specifically, we find that the cost estimate is based on reasonable and documented assumptions, it is based on the costs of a third party contractor, and does not take credit for any salvage value, includes a 25 percent contingency factor and adequately estimates the cost to carry out required decommissioning activities before license termination. We request that you proceed with obtaining assurances for funds in this amount and submit them within 60 days of the date of this letter.

Your submittal was assigned Cost Activity Code (CAC) L33400. The CAC is considered **CLOSED**. A new CAC will be assigned for the review and approval of updated financial assurance instruments and an updated certification of financial assurance. Our Safety Evaluation Report is enclosed.

In accordance with Title 10 of the *Code of Federal Regulations* Section 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the U.S. Nuclear Regulatory Commission (NRC) Public Document Room or from the Publicly Available Records System component of the NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at: <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

R. Freudenberger

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If you have any questions concerning this letter, please contact me at (301) 415-7506, or via e-mail to [Kevin.Ramsey@nrc.gov](mailto:Kevin.Ramsey@nrc.gov).

Sincerely,

**/RA RJohnson for/**

Kevin M. Ramsey, Project Manager  
Fuel Manufacturing Branch  
Division of Fuel Cycle Safety, Safeguards,  
and Environmental Review  
Office of Nuclear Material Safety  
and Safeguards

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

Enclosure: Safety Evaluation Report

R. Freudenberger

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