



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION II
245 PEACHTREE CENTER AVENUE N.E., SUITE 1200
ATLANTA, GEORGIA 30303-1200

June 8, 2023

Ron Dailey
President
Nuclear Fuel Services, Inc.
P.O. Box 337, MS 123
Erwin, TN 37650

**SUBJECT: NUCLEAR FUEL SERVICES – MATERIAL CONTROL AND ACCOUNTING
PROGRAM INSPECTION REPORT 07000143/2023402 AND NOTICE OF
VIOLATION**

Dear Ron Dailey:

On May 11, 2023, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at Nuclear Fuel Services and discussed the results of this inspection with Tim Knowles and other members of your staff. The results of this inspection are documented in the enclosed report.

Based on the results of this inspection, the NRC has determined that a Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the subject inspection report. The violation is being cited in the Notice because it was repetitive as a result of inadequate corrective action consistent with Section 2.3.2 of the NRC Enforcement Policy.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. If you have additional information, you believe the NRC should consider, you may provide it in your response to the Notice. The NRC's review of your response will also determine whether further enforcement action is necessary to ensure your compliance with regulatory requirements.

Enclosure(s) transmitted herewith contain(s) SUNSI. When separated from enclosure(s), this transmittal document is decontrolled.
--

R. Dailey

2

This letter will be made available for public inspection and copying at <http://www.nrc.gov/reading-rm/adams.html> and at the NRC Public Document Room in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR) 2.390, "Public Inspections, Exemptions, Requests for Withholding."

However, the material enclosed herewith contains Security-Related Information in accordance with 10 CFR 2.390(d)(1) and its disclosure to unauthorized individuals could present a security vulnerability. Therefore, the material in the enclosure will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. If Security-Related Information is necessary to provide an acceptable response, please mark your entire response Security-Related Information in accordance with 10 CFR 2.390(d)(1) and follow the instructions for withholding in 10 CFR 2.390(b)(1). In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response.

Sincerely,



Rivera Ortiz, Joel signing on behalf
of Williams, Robert
on 06/08/23

Robert E. Williams, Jr., Chief
Projects Branch 1
Division of Fuel Facility Inspection

Docket No. 07000143
License No. SNM-124

Enclosure:

1. ~~Notice of Violation~~
2. ~~NRC Material Control and Accounting IR 07000143/2023402~~

OFFICIAL USE ONLY – SECURITY-RELATED INFORMATION

R. Dailey

3

SUBJECT: NUCLEAR FUEL SERVICES – MATERIAL CONTROL AND ACCOUNTING PROGRAM INSPECTION REPORT 07000143/2023402 AND NOTICE OF VIOLATION Dated June 08, 2023

DISTRIBUTION:

L. Harris, RII
J. Rivera Ortiz, RII
J. Downs, NMSS
J. Rubenstone, NMSS
G. Tuttle, NMSS
RIDSNRRDIRS
R2EICS
PUBLIC

ADAMS ACCESSION NUMBER: ML23158A297 (Cover letter)

Cover Letter Only: x SUNSI Review		x Non-Sensitive <input type="checkbox"/> Sensitive			x Publicly Available <input type="checkbox"/> Non-Publicly Available	
OFFICE	RII/DFFI	NMSS	RII/OE	RII/DFFI		
NAME	N. Peterka	G. Tuttle	M. Toth	J. Rivera		
DATE	06/08/2023	06/08/2023	06/08/2023	06/08/2023		

OFFICIAL RECORD COPY

2