April 27, 2005

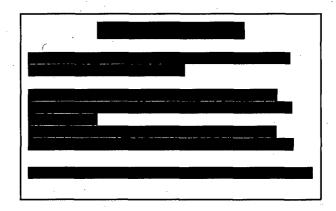
Ms. B. Marie Moore, Vice President Safety and Regulatory Nuclear Fuel Services, Inc. P.O. Box 337, MS 123 Erwin, TN 37650

SUBJECT:	NUCLEAR FUEL	SERVICES,	INC.,	ACCEPTANCE	OF F	INANCIAL
	ASSURANCE			(TAC L31879)		

Dear Ms. Moore:

,	and update to Chapter 9,
Appendix B, of SNM-124, dated March 18, 20 contained a decommissioning cost estimate a	
	. A
Statement of Intent, dated March 14, 2005, wa	as submitted separately
as the financial	assurance instrument to cover the costs of
decommissioning.	

The staff reviewed the cost estimate for conformance to NUREG-1757, "Consolidated NMSS Decommissioning Guidance, Vol. 3, Financial Assurance, Recordkeeping, and Timeliness." The Statement of Intent was reviewed for conformance with the exemption issued to Nuclear Fuel Services, Inc., in Amendment 45 to Materials License SNM-124 dated November 13, 2003.



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The cost estimate includes a breakdown of the dismantlement and disposal costs of the equipment. Labor rates and disposal unit costs are reasonable. General and administrative costs are included. A contingency factor is included. The cost estimate is acceptable.

Statement of Intent has no dollar limit, but commits to covering the full cost of decommissioning the equipment and facilities. The Statement of Intent is acceptable.

If you have any questions concerning this letter, please contact me at (301) 415-7887 or via e-mail to kmr@nrc.gov.

Sincerely,

/RA/

Kevin Ramsey, Project Manager Fuel Cycle Facilities Branch Division of Fuel Cycle Safety and Safeguards Office of Nuclear Material Safety and Safeguards

Docket No.: 70-143 License No.: SNM-124 2

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Sincerely,

/RA/

Kevin Ramsey, Project Manager Fuel Cycle Facilities Branch Division of Fuel Cycle Safety and Safeguards Office of Nuclear Material Safety and Safeguards

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

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