

February 3, 2000

Mr. Eliot Protsch
President
IES Utilities Inc.
200 First Street, SE.
P.O. Box 351
Cedar Rapids, IA 52406-0351

SUBJECT: NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF OPERATING AUTHORITY UNDER FACILITY OPERATING LICENSE AND CONFORMING AMENDMENT, AND OPPORTUNITY FOR A HEARING - DUANE ARNOLD ENERGY CENTER (TAC NO. MA7318)

Dear Mr. Protsch:

Enclosed is a copy of a "Notice of Consideration of Approval of Transfer of Operating Authority Under Facility Operating License and Conforming Amendment, and Opportunity for a Hearing" related to the application dated November 24, 1999, filed by IES Utilities Inc. The application (pursuant to 10 CFR 50.80) seeks approval of the proposed transfer of operating authority under the Duane Arnold Energy Center Facility Operating License No. DPR-49, from IES Utilities Inc., to a new operating company called Nuclear Management Company, LLC. The application also seeks (pursuant to 10 CFR 50.90) the issuance of a conforming amendment to the license to reflect the transfer.

This notice is being forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Carl F. Lyon, Project Manager, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-331

Enclosure: Notice

cc w/encl: See next page

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Duane Arnold Energy Center

cc:

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Cedar Rapids, IA 52406

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UNITED STATES NUCLEAR REGULATORY COMMISSION

IES UTILITIES INC.

DUANE ARNOLD ENERGY CENTER

DOCKET NO. 50-331

NOTICE OF CONSIDERATION OF APPROVAL OF TRANSFER OF OPERATING
AUTHORITY UNDER FACILITY OPERATING LICENSE AND CONFORMING AMENDMENT,
AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering the issuance of an order under 10 CFR 50.80 approving the transfer of operating authority under Facility Operating License No. DPR-49 for the Duane Arnold Energy Center (DAEC), currently held by IES Utilities Inc. The transfer would be to a new operating company called Nuclear Management Company, LLC (NMC). The Commission is also considering amending the license for administrative purposes to reflect the proposed transfer.

By application dated November 24, 1999, seeking approval of the transfer, the Commission was informed that IES Utilities Inc., has entered into a Nuclear Power Plant Operating Services Agreement with NMC. Under this Agreement, NMC would assume exclusive responsibility for the operation and maintenance of DAEC. Ownership of DAEC will not be affected by the proposed transfer of operating authority; IES Utilities Inc., the Central Iowa Power Cooperative, and the Corn Belt Power Cooperative will retain their respective current ownership interests, according to the application. Likewise, the three owners' entitlement to capacity and energy from DAEC will not be affected by the proposed transfer of

operating authority. No physical changes to the facility or operational changes are being proposed in the application.

The proposed amendment would reflect the transfer of authority under the license to operate DAEC from IES Utilities Inc., to NMC.

Pursuant to 10 CFR 50.80, no license, or any right thereunder, shall be transferred, directly or indirectly, through transfer of control of the license, unless the Commission shall give its consent in writing. The Commission will approve an application for the transfer of a license, if the Commission determines that the proposed transferee is qualified to hold the license, and that the transfer is otherwise consistent with applicable provisions of law, regulations, and orders issued by the Commission pursuant thereto.

Before issuance of the proposed conforming license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations.

As provided in 10 CFR 2.1315, unless otherwise determined by the Commission with regard to a specific application, the Commission has determined that any amendment to the license of a utilization facility which does no more than conform the license to reflect the transfer action involves no significant hazards consideration. No contrary determination has been made with respect to this specific license amendment application. In light of the generic determination reflected in 10 CFR 2.1315, no public comments with respect to significant hazards considerations are being solicited, notwithstanding the general comment procedures contained in 10 CFR 50.91.

The filing of requests for hearing and petitions for leave to intervene, and written comments with regard to the license transfer application, are discussed below.

By February 24, 2000, any person whose interest may be affected by the Commission's action on the application may request a hearing, and, if not the applicants, may petition for leave to intervene in a hearing proceeding on the Commission's action. Requests for a hearing and petitions for leave to intervene should be filed in accordance with the Commission's rules of practice set forth in Subpart M, "Public Notification, Availability of Documents and Records, Hearing Requests and Procedures for Hearings on License Transfer Applications," of 10 CFR Part 2. In particular, such requests and petitions must comply with the requirements set forth in 10 CFR 2.1306, and should address the considerations contained in 10 CFR 2.1308(a). Untimely requests and petitions may be denied, as provided in 10 CFR 2.1308(b), unless good cause for failure to file on time is established. In addition, an untimely request or petition should address the factors that the Commission will also consider, in reviewing untimely requests or petitions, set forth in 10 CFR 2.1308(b)(1)-(2).

Requests for a hearing and petitions for leave to intervene should be served upon Alvin H. Gutterman, counsel for IES Utilities Inc., at Morgan, Lewis & Bockius LLP, 1800 M Street, NW, Washington, DC 20036-5869 (tel: 202-467-7468; fax: 202-467-7176; e-mail: ahgutterman@mlb.com); and the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555 (e-mail address for filings regarding license transfer cases only: OGCLT@NRC.gov); and the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, in accordance with 10 CFR 2.1313.

The Commission will issue a notice or order granting or denying a hearing request or intervention petition, designating the issues for any hearing that will be held and designating the Presiding Officer. A notice granting a hearing will be published in the FEDERAL REGISTER and served on the parties to the hearing.

As an alternative to requests for hearing and petitions to intervene, by March 6, 2000, persons may submit written comments regarding the license transfer application, as provided for in 10 CFR 2.1305. The Commission will consider and, if appropriate, respond to these comments, but such comments will not otherwise constitute part of the decisional record. Comments should be submitted to the Secretary, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, and should cite the publication date and page number of this FEDERAL REGISTER notice.

For further details with respect to this action, see the application dated November 24, 1999, available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>).

Dated at Rockville, Maryland this 31st day of January 2000.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Claudia M. Craig, Chief, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation