

January 02, 2002

Mr. Gary Van Middlesworth  
Site General Manager  
Duane Arnold Energy Center  
Nuclear Management Company, LLC  
3277 DAEC Road  
Palo, IA 52324-0351

SUBJECT: DUANE ARNOLD ENERGY CENTER - ISSUANCE OF AMENDMENT  
(TAC NO. MA9346)

Dear Mr. Van Middlesworth:

The U.S. Nuclear Regulatory Commission has issued the enclosed Amendment No. 244 to Facility Operating License No. DPR-49 for the Duane Arnold Energy Center. This amendment is in response to your application dated June 14, 2000, as supplemented December 19, 2001.

The amendment changes the operating license to reflect a change in the name of IES Utilities, Inc., a co-owner of the Duane Arnold Energy Center and licensee, to Interstate Power and Light Company.

A copy of the safety evaluation is also enclosed. Notice of Issuance will be included in the Commission's next biweekly *Federal Register* notice.

Sincerely,

*/RA/*

Brenda L. Mozafari, Project Manager, Section 1  
Project Directorate III  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosures: 1. Amendment No. 244 to  
License No. DPR-49  
2. Safety Evaluation

cc w/encls: See next page

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OFFICIAL RECORD COPY

Duane Arnold Energy Center

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3277 DAEC Road  
Palo, IA 52324

NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-331

DUANE ARNOLD ENERGY CENTER

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 244  
License No. DPR-49

1. The U.S. Nuclear Regulatory Commission (the Commission) has found that:
  - A. The application for amendment by IES Utilities, Inc., dated June 14, 2000, as supplemented December 19, 2001, adopted by Nuclear Management Company, LLC, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
  - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
  - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
  - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public; and
  - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the license is amended by changes to Facility Operating License No. DPR-49 as indicated in the attachment to this license amendment.

3. The license amendment is effective as of January 1, 2002, and shall be implemented within 30 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

***/RA/ by SBajwa***

William D. Reckley, Acting Chief, Section 1  
Project Directorate III  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Attachment: Changes to the Operating License

Date of Issuance: January 02, 2002

ATTACHMENT TO LICENSE AMENDMENT NO. 244

FACILITY OPERATING LICENSE NO. DPR-49

DOCKET NO. 50-331

Replace the following pages of the operating license with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Remove

Page 1  
Page 2

Insert

Page 1  
Page 2

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION  
RELATED TO AMENDMENT NO. 244 TO FACILITY OPERATING LICENSE NO. DPR-49  
NUCLEAR MANAGEMENT COMPANY, LLC  
DUANE ARNOLD ENERGY CENTER  
DOCKET NO. 50-331

## 1.0 INTRODUCTION

By application dated June 14, 2000, as supplemented December 19, 2001, IES Utilities Inc. (IES) submitted a request to amend Facility Operating License DPR-49 for the Duane Arnold Energy Center (DAEC or the facility). The proposed amendment would change the operating license to reflect a change in the name of IES, a licensed co-owner of the facility, to Interstate Power and Light Company (IP&L). The application was submitted on behalf of IES and its parent, Alliant Energy Corporation (AEC), with the knowledge and concurrence of another utility owned by AEC, Interstate Power Company (IPC).

The December 19, 2001, supplemental letter provided notification that (1) the required regulatory approvals for the merger had been received and (2) the projected schedule for the merger is January 1, 2002. The supplemental letter did not change the staff's initial proposed no significant hazards consideration determination and did not expand the application beyond the scope of the respective Federal Register notice.

## 2.0 BACKGROUND

IES is the principal owner of DAEC, holding a 70 percent share. The remaining 30 percent is held by co-owners Central Iowa Power Cooperative and the Corn Belt Power Cooperative. AEC is the parent holding company of both IES and IPC. In the application dated June 14, 2000, IES stated that AEC plans to merge and consolidate IPC with IES, effective early 2001, and the name of the surviving corporation, IES, would be changed to IP&L. AEC would continue to be the parent holding company of IP&L following the merger.

By Order dated May 15, 2000, the Nuclear Regulatory Commission (NRC) approved the transfer of operating authority, then held by IES under the DAEC operating license, to Nuclear Management Company, LLC. At that time, the NRC also approved, but did not issue, a related conforming amendment regarding the transfer of operating authority pending receipt of other regulatory approvals and proof of certain required insurance. By letters dated May 19, August 4, and August 7, 2000, IES and NMC notified the NRC that all required regulatory approvals for the transfer of operating authority had been received, provided proof that all required insurance had been obtained, and confirmed that the closing of the transfer would occur on August 7, 2000. On August 7, 2000, the NRC issued a conforming amendment

(Amendment No. 232) reflecting the transfer of operating authority under the license to NMC. The application for license amendment dated June 14, 2000, was endorsed and adopted by NMC in a letter to the NRC dated October 5, 2000. In reviewing the application dated June 14, 2000, and processing the changed pages for the resulting amendment, the NRC recognizes the subsequent issuance of Amendment No. 232.

In a letter dated December 27, 2000, the NRC staff informed NMC of the results of the NRC staff's threshold review of the planned merger of IPC and IES in consideration of 10 CFR Section 50.80. The NRC staff concluded that the proposed merger and subsequent name change does not involve a transfer, direct or indirect, of the operating license for DAEC. The NRC staff also concluded that the merger will not adversely affect the financial qualifications of IES (to be renamed IP&L) with respect to the ownership and decommissioning of DAEC, and that there do not appear to be any problematic foreign ownership issues related to the proposed merger and associated transactions. Thus, the NRC staff concluded that the proposed merger will not affect the qualifications of IES (to be renamed IP&L) as a holder of the license, and that the proposed merger otherwise appears to be consistent with applicable provisions of law, regulations, and orders issued by the Commission. The NRC staff also noted in its letter of December 27, 2000, that the associated license amendment to revise the name of the principal owner of DAEC from IES to IP&L in accordance with the planned merger would be addressed by separate correspondence.

Although the June 14, 2000, application stated that the IES/IPC merger was expected to be effective in early 2001, as mentioned above, and thus the name change would occur at that time, by letter dated December 19, 2001, from NMC, the NRC staff was informed that the merger and name change of IES was to occur on January 1, 2002. The staff confirmed that the merger and name change did in fact occur on January 1, 2002.

### 3.0 EVALUATION

As previously stated in its letter of December 27, 2000, and discussed above (Section 2), the NRC staff has concluded that the merger of IES with IPC, and the renaming of the surviving corporation, IES, as IP&L, does not involve a transfer, direct or indirect, of the operating license for DAEC. The proposed amendment to replace the IES name in the operating license with the new name IP&L is purely an administrative action. No substantive changes to the licensee's arrangements or ability to own or decommission DAEC will result from amending the license to reflect the name change. Therefore, the NRC staff concludes that the application to amend the license to reflect the name change should be approved. Specifically, the NRC staff finds that pages 1 and 2 of Facility Operating License DRP-49 should be changed by replacing "IES Utilities Inc." (or variations thereof) with "Interstate Power and Light Company." The affected areas of the license are in the title and in paragraphs 1A, 1E, 2, 2A, and 2B1.

### 4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Iowa State official was notified of the proposed issuance of the amendment. The State official had no comments.



## 5.0 ENVIRONMENTAL CONSIDERATION

Pursuant to 10 CFR 51.21, 51.32, and 51.35, an environmental assessment and finding of no significant impact has been prepared and published in the Federal Register on January 10, 2001 (66 FR 2009). Accordingly, based upon the environmental assessment, the NRC staff has determined that the issuance of this amendment will not have a significant effect on the quality of the human environment.

## 6.0 CONCLUSION

The Commission has concluded based on the considerations discussed above, that (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: D. Hood

Date: January 02, 2002