

August 23, 2002

Mr. Mark Peifer
Site Vice-President
Duane Arnold Energy Center
Nuclear Management Company, LLC
3277 DAEC Road
Palo, IA 52324

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN
DUANE ARNOLD ENERGY CENTER

Dear Mr. Peifer:

On July 31, 2002, the NRC staff completed its mid-cycle plant performance assessment of Duane Arnold Energy Center. In accordance with NRC Inspection Manual Chapter 0305 "Operating Reactor Assessment Program," the mid-cycle review involved the participation of all technical divisions in evaluating the performance of your Duane Arnold Energy Center facility for the first half of the current assessment cycle, January 1 - December 31, 2002. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

Plant performance for the most recent quarter was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct only baseline inspections at your facility through September 30, 2003.

The enclosed inspection plan details the inspections scheduled through September 30, 2003. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspection plan for the last 6 months is tentative and may be revised at the end-of-cycle review.

In addition, the NRC is in the process of finalizing a Temporary Instruction (TI) that will be used to review implementation of the Interim Compensatory Measures required by the Agency's Security Order to all commercial nuclear power plants dated February 25, 2002. Schedules have not yet been finalized, but it is anticipated that these inspections will begin within the next calendar quarter. Once finalized, the details will be communicated by separate correspondence.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 630/829-9629 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Bruce Burgess, Chief
Branch 2
Division of Reactor Projects

Docket No. 50-331
License No. DPR-49

Enclosure: Duane Arnold Energy Center Inspection/Activity Plan

See Attached Distribution

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cc w/encl: E. Protsch, Executive Vice President -
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State Liaison Officer
The Honorable Charles W. Larson, Jr.
Iowa State Representative
Chairperson, Iowa Utilities Board
E. Bresht, Chairman, Benton County Supervisors
K. Popenhagen, Benton County Sheriff
Scott Hansen, Coordinator of Emergency Services
The Honorable Robert Wenger
The Honorable Rick Grimm
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W. Wright, Linn County Emergency
Management Coordinator
The Honorable James Arneal
The Honorable Vaughn Holmes
The Honorable Paul Pate
The Honorable Thomas Patterson
The Honorable Victor Klopfenstein
J. Schott, City Manager, Marion
The Honorable John Stuelke
The Honorable Robbi Kane
D. McGhee, Bureau of Radiological Health
The Honorable Charles W. Larson, Jr.
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Duane Arnold
Inspection / Activity Plan
09/01/2002 - 09/30/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End		Inspection Type
	FY 2003 - DUANE ARNOLD INIT PREP 10/2002		2			
1	W90055	OL - INITIAL EXAM - DUANE ARNOLD - OCT/NOV 2002		10/07/2002	10/11/2002	Not Applicable
	IP 71114 - EP BASELINE INSPECTION (EXERCISE)		3			
1	IP 7111401	Exercise Evaluation		10/21/2002	10/25/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/21/2002	10/25/2002	Baseline Inspections
	71111.11 - LIC OPERATOR REQUAL PROGRAM EVALUATION		2			
1	IP 7111111B	Licensed Operator Requalification		10/28/2002	11/01/2002	Baseline Inspections
	IP 71121 - ALARA & RP ACCESS CTRL INSPECTION		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		11/04/2002	11/08/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		11/04/2002	11/08/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		11/04/2002	11/08/2002	Baseline Inspections
	FY 2003 - DUANE ARNOLD INIT EXAM 11/2002		2			
1	W90055	OL - INITIAL EXAM - DUANE ARNOLD - OCT/NOV 2002		11/18/2002	11/22/2002	Not Applicable
	FPI - TRIENNIAL FIRE PROTECTION		3			
1	IP 7111105T	Fire Protection		01/27/2003	02/14/2003	Baseline Inspections
	71152B - BIENNIAL PI&R INSPECTION		2			
1	IP 71152B	Identification and Resolution of Problems		02/03/2003	02/21/2003	Baseline Inspections
	IP 71121 - OUTAGE ALARA INSPECTION		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/10/2003	03/14/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/10/2003	03/14/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/10/2003	03/14/2003	Baseline Inspections
	ISI - ISI FOR UNIT 2		1			
1	IP 7111108	Inservice Inspection Activities		03/31/2003	04/04/2003	Baseline Inspections
	MR - MAINTANANCE RULE		1			
1	IP 7111112B	Maintenance Effectiveness		06/23/2003	06/27/2003	Baseline Inspections
	MOD50.59 - MODIFICATIONS & 50.59		3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		08/25/2003	08/29/2003	Baseline Inspections
1	IP 711117B	Permanent Plant Modifications		08/25/2003	08/29/2003	Baseline Inspections