

March 4, 2003

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

SUBJECT: ANNUAL ASSESSMENT LETTER - DUANE ARNOLD ENERGY CENTER
(REPORT 331/03-01)

Dear Mr. Peifer

On February 12, 2003, the NRC staff completed its end-of-cycle plant performance assessment of Duane Arnold Energy Center. The end-of-cycle review for Duane Arnold Energy Center involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1, 2002, through December 31, 2002. This letter is to inform you of our assessment of your safety performance during this period. In addition, we are providing 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.

Overall, Duane Arnold Energy Center operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as the first three quarters of the assessment cycle, 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 March 31, 2004.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. 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 inspections in the last 6 months of the inspection plan are tentative and may be revised at the mid-cycle review meeting. Not listed in the plan are inspections we will conduct in the area of dry cask storage. You will be notified by phone when the inspection schedule for dry cask storage is finalized.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For

calendar year 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

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/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this 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
Reactor Projects Branch 2
Division of Reactor Projects

Docket Nos. 50-331,
Licensee Nos. DRP-49

Enclosure: Duane Arnold Energy Center Inspection/Activity Plan

See Attached Distribution

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/RA/

Bruce Burgess, Chief
Reactor Projects Branch 2
Division of Reactor Projects

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M. Peifer

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cc w/encl: E. Protsch, Executive Vice President -
Energy Delivery, Alliant;
President, IES Utilities, Inc.
Robert G. Anderson, Plant Manager
State Liaison Officer
The Honorable Charles W. Larson, Jr.
Iowa State Senator
Chairperson, Iowa Utilities Board
R. Buch, Chairman, Benton County Supervisors
K. Popenhagen, Benton County Sheriff
S. Hansen, Coordinator of Emergency Services
The Honorable Shawn Steffen
The Honorable Rick Grimm
The Honorable Lloyd Benson
J. Houser, Board of Supervisors
L. Langston, Linn County Supervisor
D. Zeller, Linn County Sheriff
L. Barron, Chairman, Board of Supervisors
R. Foubert, Linn County Safety Director
W. Wright, Linn County Emergency
Management Coordinator
The Honorable Randy Fouts
The Honorable Tom Svoboda
The Honorable Paul Pate
The Honorable Thomas Patterson
The Honorable Victor Klopfenstein
J. Schott, City Manager, Marion
The Honorable Tom Neenan
The Honorable Larry Dauenbaugh
INPO

Distribution:

DFT

H. Nieh, OEDO

Project Director, NRR

Project Mgr., NRR

RidsNrrDipmlipb

J. Caldwell, RIII

G. Grant, RIII

B. Clayton, RIII

R. Lickus, RIII

SRI Duane Arnold

DRPIII

DRSIII

PLB1

JRK1

Duane Arnold
Inspection / Activity Plan
03/01/2003 - 03/31/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	ISI - ISI		1			
1	IP 7111108G	Inservice Inspection Activities - BWR		03/31/2003	04/04/2003	Baseline Inspections
	IP 71121 - OUTAGE ALARA INSPECTION		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/31/2003	04/04/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/31/2003	04/04/2003	Baseline Inspections
	TI 148 - TI2515/148 SECURITY ICMS		2			
1	IP 2515/148	Inspection of Nuclear Reactor Safeguards - Interim Compensatory Measures		04/28/2003	05/02/2003	Safety Issues
	71152B - BIENNIAL PI&R INSPECTION		1			
1	IP 71152B	Identification and Resolution of Problems		05/19/2003	06/06/2003	Baseline Inspections
	IP 71122 - RADIOLOGICAL ENVIRONMENTAL MONITORING		1			
1	IP 7112203	Radiological Environmental Monitoring Program		06/23/2003	06/27/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/23/2003	06/27/2003	Baseline Inspections
	MR - MAINTENANCE RULE		1			
1	IP 7111112B	Maintenance Effectiveness		06/23/2003	06/27/2003	Baseline Inspections
	INSP - NON-EXERCISE EP INSP		1			
1	IP 7111402	Alert and Notification System Testing		07/07/2003	07/11/2003	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		07/07/2003	07/11/2003	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		07/07/2003	07/11/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/07/2003	07/11/2003	Baseline Inspections
	7112101 - RP ACCESS CONTROLS/ALARA		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/21/2003	07/25/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/21/2003	07/25/2003	Baseline Inspections
	MOD50.59 - MODIFICATIONS & 50.59		4			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		08/25/2003	08/29/2003	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		08/25/2003	08/29/2003	Baseline Inspections
	7112101 - RP ACCESS CONTROLS		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/20/2003	10/24/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/20/2003	10/24/2003	Baseline Inspections
	HT SNK B - HEAT SINK BIENNIAL (DRS)		1			
1	IP 7111107B	Heat Sink Performance		10/20/2003	10/24/2003	Baseline Inspections
	SSDI - SAFETY SYSTEM DESIGN AND PERFORMANCE INS		6			
1	IP 7111121	Safety System Design and Performance Capability		01/26/2004	02/13/2004	Baseline Inspections
	71122.02 - RADIOACTIVE MATERIAL TRANSPORTATION		1			
1	IP 7112202	Radioactive Material Processing and Transportation		02/02/2004	02/06/2004	Baseline Inspections

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Duane Arnold
Inspection / Activity Plan
03/01/2003 - 03/31/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
71121.02 - ALARA PLANNING AND CONTROL			1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/01/2004	03/05/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/01/2004	03/05/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/01/2004	03/05/2004	Baseline Inspections

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