

**SAFEGUARDS INFORMATION**

June 20, 2003

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

SUBJECT: DUANE ARNOLD ENERGY CENTER  
NRC SAFEGUARDS INSPECTION OF COMPLIANCE WITH ORDER  
INSPECTION REPORT 50-331/03-07

Dear Mr. Peifer:

On May 1, 2003, the NRC completed an inspection at your Duane Arnold Energy Center. The enclosed report documents the inspection findings which were discussed on May 1, 2003, with you and other members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with an Order issued on February 25, 2002, which required your site to implement specific measures related to the security of your facility. The inspection utilized Temporary Instruction 2515/148, "Inspection of Nuclear Reactor Safeguards Interim Compensatory Measures," to verify implementation of the Order as clarified in your responses dated March 18, 2002, and June 11, 2002. Within these areas, the inspection consisted of selected examination of procedures and representative records, observations of activities, and interviews with personnel.

On the basis of the results of this inspection, no findings of significance were identified.

The material enclosed herewith contains Safeguards Information as defined by 10 CFR 73.21 and its disclosure to unauthorized individuals is prohibited by Section 147 of the Atomic Energy Act of 1954, as amended. Therefore, the material will not be placed in the Public Document Room.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, without 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).

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M. Peifer

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Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

*/RA/*

James R. Creed  
Safeguards Program Manager  
Division of Reactor Safety

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

Enclosure: Inspection Report 50-331/03-07(DRS);  
(SAFEGUARDS INFORMATION)

cc w/encl: E. Protsch, Executive Vice President -  
Energy Delivery, Alliant;  
President, IES Utilities, Inc.  
J. Cowan, Chief Nuclear Officer  
J. Forbes, Senior Vice President  
J. Bjorseth, Plant Manager  
S. Catron, Manager, Regulatory Affairs  
J. Rogoff, Esquire General Counsel  
B. Lacy, Nuclear Asset Manager  
NSIR/DNS/RSOS

cc w/encl w/o SAFEGUARDS  
INFORMATION: D. McGhee, Iowa Department of Commerce  
Chairman, Linn County Board of Supervisors  
State Liaison Officer  
Chairperson, Iowa Utilities Board  
The Honorable Charles W. Larson, Jr.  
Iowa State Representative

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**/RA/**

James R. Creed  
Safeguards Program Manager  
Division of Reactor Safety

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INFORMATION: D. McGhee, Iowa Department of Commerce  
Chairman, Linn County Board of Supervisors  
State Liaison Officer  
Chairperson, Iowa Utilities Board  
The Honorable Charles W. Larson, Jr.  
Iowa State Representative

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M. Peifer

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U. S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket Nos: 50-331  
License Nos: DPR-49

Report No: 50-331/03-07(DRS)

Licensee: Alliant, IES Utilities, Inc.

Facility: Duane Arnold Energy Center

Location: 3277 DAEC Road  
Palo, Iowa 52324-9785

Dates: April 28 - May 1, 2003

Inspectors: J. Belanger, Senior Physical Security Inspector  
G. Pirtle, Physical Security Inspector  
J. Maynen, Physical Security Inspector  
T. Ploski, Senior Emergency Preparedness Inspector

Approved by: James R. Creed  
Safeguards Program Manager  
Division of Reactor Safety

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### **SUMMARY OF FINDINGS**

IR 0500050-331-03-07(DRS); IES Utilities, Inc.; on 4/28-5/1/2003, Duane Arnold Energy Center. TI 2515/148, Verification of Compliance with Interim Compensatory Measures Order.

The inspection was conducted by three regional physical security inspectors and one regional emergency preparedness inspector.

#### **Cornerstone: Physical Security and Emergency Preparedness**

- On February 25, 2002, the NRC imposed by Order, Interim Compensatory Measures to enhance physical security. The inspectors determined that the licensee appropriately incorporated the Interim Compensatory Measures into the site protective strategy and access authorization program; developed and implemented relevant procedures; ensured that the emergency plan could be implemented; and established and effectively coordinated interface agreements with offsite organizations.
- The inspectors identified an unresolved item related to duties of personnel required by Item B.4.e of the Order. This item remains open pending review of the Office of Nuclear Security and Incident Response (Section III.A.2).

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