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10 CFR 74.13(a)

U.S. Nuclear Regulatory Commission
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Duane Arnold Energy Center (DAEC)
Docket 50-331
License No. DPR-049
Reporting Identification Symbol: RIS-YZN

Response to NRC Bulletin 2003-04: Rebaselining of Data in the Nuclear Materials Management and Safeguards System

Reference 1: NRC Letter to NMC, "NRC Bulletin 2003-04: Rebaselining of Data in the Nuclear Materials Management and Safeguards System," dated October 8, 2003

Reference 2: Mr. Matt Brandt, NMC – DAEC, to Nuclear Assurance Corporation (NAC) International, "Nuclear Material Status Report", September 30, 2003, NG-03-0694 letter with attached diskette

Reference 3: NMC e-mail from Mr. Brian Huxtable to Mr. Ron Bonifay, NAC International, "Inventory Inquiry to Support NRC Bulletin 2003-04 for NMC Fleet," dated November 4, 2003

Reference 4: NMMSS News Special Edition "NRC BULLETIN 2003-04: Rebaselining of Data in the Nuclear Materials Management and Safeguards Systems," dated October 2003

Reference 5: Fax from Mr. Merl Trimpe, NMC – DAEC, to Mr. Jay Riggins, NAC International, "Signed 741 revisions for Monticello Depleted U," [Transaction No.: YZN-YZN-090201], dated December 9, 2003

On October 8, 2003, the U.S. Nuclear Regulatory Commission (NRC) issued Bulletin 2003-04 (Reference 1) to inform licensees of performance concerns associated with the reporting of data to and the resulting materials balances contained in the Nuclear Materials Management and Safeguards System (NMMSS) database. Bulletin 2003-04 requested licensees perform a one-time reporting, within 90 days of the date of the bulletin, of inventory holdings of special nuclear material (SNM) and/or foreign obligated source material in their possession as well as other Government-owned materials

specified in the bulletin. The Bulletin requested licensees to submit the results of this one-time reporting of the balances of the requested material types directly to NMMSS and to coordinate with NMMSS staff resolution of any discrepancies that become evident. Subsequently, additional guidance was provided in the NMMSS News Special Edition dated October 2003 (Reference 4) and via an e-mail from Donna Hinton of NAC International to bulletin recipients, dated December 9, 2003. This letter is consistent with that guidance.

Nuclear Management Company, LLC (NMC) reported the last annual inventory for the Duane Arnold Energy Center (DAEC), reporting identification symbol (RIS)-YZN, on September 30, 2003, (Reference 2) as required by 10 CFR 74.13(a). NMC contacted NMMSS on November 4, 2003, (Reference 3) to validate the reported quantities of SNM, foreign obligated source material, and other types of Government-owned materials as specified in Bulletin 2003-04 in accordance with the additional guidance of NMMSS News Special Edition (Reference 4). Phone conversations and e-mails between NMC – DAEC and NMMSS clarified the discrepancy between the reported inventory values and the values recorded in the NMMSS database. A Material Transaction Report resolving this discrepancy was faxed between NMMSS and NMC – DAEC, signed, and returned to NMMSS on December 9, 2003, (Reference 5) reconciling the reported DAEC inventory values and the NMMSS database. Additionally, as requested, NMC is stating that DAEC has no holdings of Government-owned curium, neptunium, tritium, deuterium, americium, enriched lithium, californium or beryllium. Therefore, NMC has satisfied the intent of Bulletin 2003-04 for the DAEC, and additional one-time reporting of inventory holdings is not required.

This letter makes no new commitments. If you have any questions please contact Mr. Matthew Brandt, Reactor Engineering Team Lead (DAEC SNM Custodian), at 319-851-7314 or Mr. Rick Loeffler, Senior Regulatory Affairs Engineer, at 763-295-1247.



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cc: Administrator, Region III, USNRC
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