

August 30, 2004

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 August 11, 2004, the NRC staff completed its mid-cycle plant performance assessment of Duane Arnold Energy Center. The mid-cycle review for Duane Arnold Energy Center involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. 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 that 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 reactor oversight process (ROP) baseline inspections at your facility through March 31, 2006.

The enclosed inspection plan details the inspections scheduled through March 31, 2006. 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 12 months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

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).

M. Peifer

-2-

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

cc w/encl: E. Protsch, Executive Vice President -
Energy Delivery, Alliant;
President, IES Utilities, Inc.
C. Anderson, Senior Vice President, Group Operations
J. Cowan, Executive Vice President and Chief Nuclear Officer
J. Bjorseth, Plant Manager
S. Catron, Manager, Regulatory Affairs
J. Rogoff, Vice President, Counsel, & Secretary
B. Lacy, Nuclear Asset Manager
Chairman, Linn County Board of Supervisors
Chairperson, Iowa Utilities Board
The Honorable Charles W. Larson, Jr.
Iowa State Senator
D. McGhee - Department of Public Health

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S. Catron, Manager, Regulatory Affairs
J. Rogoff, Vice President, Counsel, & Secretary
B. Lacy, Nuclear Asset Manager
Chairman, Linn County Board of Supervisors
Chairperson, Iowa Utilities Board
The Honorable Charles W. Larson, Jr.
Iowa State Senator
D. McGhee - Department of Public Health

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Duane Arnold
Inspection / Activity Plan
09/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71114	- BASELINE EP EXERCISE INSP	2			
1	IP 7111401	Exercise Evaluation		10/18/2004	10/22/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/18/2004	10/22/2004	Baseline Inspections
	INSPECT	- REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program		10/18/2004	10/22/2004	Baseline Inspections
	71111.11	- LIC OPERATOR REQUAL PROGRAM EVALUATION	2			
1	IP 7111111B	Licensed Operator Requalification Program		11/01/2004	11/05/2004	Baseline Inspections
	FY 2005	- DUANE ARNOLD INIT PREP 01/2005	3			
1	W90113	OL - INITIAL EXAM - DUANE ARNOLD - JAN/FEB 2005		01/10/2005	01/14/2005	Not Applicable
	INSPECT	- PRE OUTAGE ACCESS CONTROL AND ALARA	1			
1	IP 7112102	ALARA Planning and Controls		01/10/2005	01/14/2005	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/10/2005	01/14/2005	Baseline Inspections
	FY 2005	- DUANE ARNOLD INIT EXAM 01/02/2005	3			
1	W90113	OL - INITIAL EXAM - DUANE ARNOLD - JAN/FEB 2005		01/31/2005	02/04/2005	Not Applicable
	ISI	- ISI INSPECTION	1			
1	IP 7111108G	Inservice Inspection Activities - BWR		04/04/2005	04/08/2005	Baseline Inspections
	INSPECT	- ACCESS CONTROL AND ALARA	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/04/2005	04/08/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/04/2005	04/08/2005	Baseline Inspections
	71114	- BASELINE EP INSP	1			
1	IP 7111402	Alert and Notification System Testing		04/25/2005	04/29/2005	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		04/25/2005	04/29/2005	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		04/25/2005	04/29/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/25/2005	04/29/2005	Baseline Inspections
	PI&R	- BIENNIAL PI&R	1			
1	IP 71152B	Identification and Resolution of Problems		05/16/2005	06/03/2005	Baseline Inspections
	MAINT	- BIENNIAL MAINTENANCE RULE INSPECTION	1			
1	IP 7111112B	Maintenance Effectiveness		06/13/2005	06/17/2005	Baseline Inspections
	HEATSKB	- BIENNIAL HEAT SINK INSPECTION	1			
1	IP 7111107B	Heat Sink Performance		06/13/2005	06/17/2005	Baseline Inspections
	MOD/5059	- MODIFICATIONS/50.59 INSPECTION	3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		11/28/2005	12/02/2005	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		11/28/2005	12/02/2005	Baseline Inspections
	SSDPC	- SAFETY SYSTEM DESIGN AND PERFORMANCE	5			
1	IP 7111121	Safety System Design and Performance Capability		01/16/2006	02/03/2006	Baseline Inspections

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