

SAFEGUARDS INFORMATION

October 28, 2004

Mr. Mark A. Peifer
Site Vice President
c/o Mr. Ben Kindred
Nuclear Management Company, LLC
Duane Arnold Energy Center
3277 DAEC Road
Palo, Iowa 52324-9785

SUBJECT: DUANE ARNOLD ENERGY CENTER - ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSE IN CONJUNCTION WITH THE COMMISSION ORDER EA-03-086 REGARDING REVISED DESIGN BASIS THREAT (DBT); AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATION PLAN, AND SAFEGUARDS CONTINGENCY PLAN (TAC NO. MC2917)

Dear Mr. Peifer:

By letter dated April 29, 2004, Nuclear Management Company, LLC submitted a supplemental response in accordance with Order EA-03-086, the Order requiring compliance with the revised design basis threat, dated April 29, 2003, (DBT Order) for the Duane Arnold Energy Center. Section III.A of the DBT Order required licensees to revise physical security plans (PSPs), training and qualification plans (T&Q Plans), and safeguards contingency plans (SCPs) in order to provide protection against the revised DBT set forth in Attachment 2 to the DBT Order. These revised plans, along with an implementation schedule, were required to be submitted to the Nuclear Regulatory Commission (NRC or the Commission) for review and approval no later than April 29, 2004.

In the revised security plans for Duane Arnold Energy Center, you included information related to the independent spent fuel storage installation (ISFSI) co-located at the site. The DBT Order did not require this information to be included in the revised security plans for Duane Arnold Energy Center. However, Order EA-02-104, dated October 16, 2002, required licensees to comply with the requirements, set forth in an attachment to the Order, that described the compensatory measures necessary to protect the ISFSI as a result of the heightened threat environment following the September 11, 2001, terrorist attacks. On September 10, 2004, the NRC staff requested that you clarify whether the information provided in the revised security plans for Duane Arnold Energy Center related to the ISFSI, modified the response you provided to Order EA-02-104. By letter dated **September 24, 2004**, you indicated that **no modifications or revisions have been made which decrease the effectiveness of the implementation of the ISFSI-related security provisions carried out in response to the ISFSI ICM Orders.** NRC staff

NOTICE: Enclosure 2 contains Safeguards Information. Upon separation from Enclosure 2, this letter and Enclosure 1 are DECONTROLLED.

SAFEGUARDS INFORMATION

Orders. NRC staff review of the changes made to the ISFSI related security information provided in your revised security plans is currently in progress and NRC staff findings regarding this information will be provided to you under separate correspondence.

The NRC staff's review of the Duane Arnold Energy Center PSP, SCP, and T&Q Plan submitted in your letter dated April 29, 2004, as supplemented on **July 29, August 5, and August 25, 2004, August 27, 2004, September 30, and** October 18, 2004, has focused on ensuring the necessary programmatic elements are contained in these plans in order to provide high assurance that activities involving special nuclear material are not inimical to the common defense and security and do not constitute an unreasonable risk to the public health and safety.

The NRC staff has determined that subject to subsequent inspection and evaluation, these plans contain the necessary programmatic elements that, when effectively implemented, will provide the required high assurance that Duane Arnold Energy Center will be protected against the revised DBT. The NRC staff, therefore approves the **PSP, SCP, and T&Q Plan** for Duane Arnold Energy Center. However, ultimately the effectiveness of these plans will be judged on your ability to meet regulatory requirements through facility implementing procedures and site practices. As such your facility implementing procedures and practices will continue to be subject to future NRC review and inspection, including NRC-conducted force-on-force exercises.

In addition, the NRC staff noted that your PSP included alternatives to certain requirements of Title 10 of the *Code of Federal Regulations* (10 CFR) Section 73.55. In each case, the NRC staff found that the alternative measures provide an equivalent level of protection to that of the associated requirement and meets the high assurance objective of 10 CFR 73.55(a). The NRC staff, therefore, approves the alternatives shown in the table below. The NRC staff's evaluation is discussed further in the enclosed Safety Evaluation (SE).

Approved Alternatives to the Requirements of 10 CFR Part 73

SE Section	PSP Section	Alternative to 10 CFR	Description
3.6.2	6.2	73.55(c)(3)	Isolation Zones
3.9.4.3	9.4.3	73.55(d)(4)	Protected area (PA) vehicle search requirements
3.9.4.4	9.4.4	73.55(d)(1)	PA personnel search requirements
3.9.5.2	9.5	73.55(d)(1) 73.55(d)(4)	PA access control requirements
3.10.1	10.1	73.55(c)(5)	PA illumination requirements
3.13.1	14.1	73.55(c)(1) 73.55(d)(7)(i)(B)	Temporary reclassification of Vital Areas to PA status (devitalization)

Finally, consistent with the DBT Order, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. DPR-49 is being made to incorporate the reference to the revised PSP, SCP, and T&Q Plan required by the DBT Order. This change complies with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

Please replace the enclosed page to your FOL as indicated in Enclosure 1.

A copy of our SE with regard to your security plans (designated as Safeguards Information) is provided in Enclosure 2.

Sincerely,

/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosures: 1. Administrative Change to FOL No. DPR-49
2. Safety Evaluation Regarding the Security Plans. (**SAFEGUARDS
INFORMATION**)

cc w/encl 1 only: See mailing list 1
cc w/encls 1 and 2: Ben Kindred

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John A. Nakoski, Chief
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cc w/encl 1 only: See mailing list 1
 cc w/encls 1 and 2: Ben Kindred

DISTRIBUTION: w/o Enclosure 2

PUBLIC	SPRT R/F	OGC	ACRS	THarris	DBeaulieu
LRaghavan	WRuland	GHill (2)	DLPM DPR	TBoyce	SReynolds, RIII

Accession No.: ML043120028

OFFICE	SPRT/TL	SPRT/PM	SPRT/LA	SPRT/PL	OGC	NSIR/SC	NRR/SC
NAME	MBurrell	BVaidya	CRaynor	JPeralta	SCole	SMorris	JNakoski
DATE	10/22/04	10/22/04	10/22/04	10/22/04	10/27/04	10/28/04	10/28/04

OFFICIAL RECORD COPY

Duane Arnold Energy Center

cc w/o encl.:

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NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-331

DUANE ARNOLD ENERGY CENTER

ADMINISTRATIVE LICENSE CHANGE TO FACILITY OPERATING LICENSE

License Nos. DPR-49

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. Consistent with Order EA-03-086, the Order requiring compliance with revised design basis threat, (DBT Order) issued on April 29, 2003, conforming administrative changes to Facility Operating Licenses (FOLs) are required to ensure implementation of DBT Order requirements. Therefore, an administrative license change to FOL No. DPR-49 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the DBT Order. These changes comply with the standards and requirements of the Atomic Energy Act (the Act) of 1954, as amended and the Commission's rules and regulations set forth in 10 CFR Chapter;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this administrative license change can be conducted without endangering the health and safety of the public, and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this administrative license change will not be inimical to the common defense and security or to the health and safety of the public; and
 - E. The issuance of this administrative license change is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

Enclosure 1

2. Accordingly, the FOL is changed, as indicated in the attachment.
3. This administrative license change is effective as of its date of issuance and shall be implemented on or before October 29, 2004.

FOR THE NUCLEAR REGULATORY COMMISSION
/RA/

John A. Nakoski, Chief
Security Plan Review Team
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the FOL

Date of Issuance: October 28, 2004

CHANGES TO FACILITY OPERATING LICENSE NO. DPR-49

DOCKET NO. 50-331

Replace the following page of the Facility Operating License DPR-49 with the attached revised page as indicated. The revised page is identified by order number and contains marginal lines indicating the area of change.

Remove Page

4

Insert Page

4

- (a) For Surveillance Requirements (SRs) whose acceptance criteria are modified, either directly or indirectly, by the increase in authorized maximum power level in 2.C.(1) above, in accordance with Amendment No. 243 to Facility Operating License DPR-49, those SRs are not required to be performed until their next scheduled performance, which is due at the end of the first surveillance interval that begins on the date the Surveillance was last performed prior to implementation of Amendment No. 243.
- (b) The licensee will perform the generator load reject and full main steamline isolation valve closure transient tests required by the General Electric Licensing Topical Report for Extended Power Uprate (NEDC-32424P-A) - ELTR-1, including the allowances described in Section L.2.4 (2) of ELTR-1 regarding credit for unplanned plant transient events, using the thermal power level (1658 MWt) to establish ELTR-1 power level limits. The testing shall be performed at an initiating power level greater than the steady-state operation power level exceeding the respective ELTR-1 power level limit for each transient.

(3) Fire Protection

NMC shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the Duane Arnold Energy Center and as approved in the SER dated June 1, 1978, and Supplement dated February 10, 1981, subject to the following provision:

NMC may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

- (4) The licensee is authorized to operate the Duane Arnold Energy Center following installation of modified safe-ends on the eight primary recirculation system inlet lines which are described in the licensee letter dated July 31, 1978, and supplemented by letter dated December 8, 1978.

(5) Physical Protection

NMC shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Nuclear Management Company Duane Arnold Energy Center Physical Security Plan, Revision 0" submitted by letter dated October 18, 2004.

Amendment No. 43, 47, 50, 63, 65, 74, 112, 152,
190, 198, 214, 223, ~~232, 243~~

Revised by Letter Dated October 28, 2004