



December 21, 2004

L-HU-04-047
10 CFR 73.21(g)(3)

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Director, Division of Nuclear Security
Office of Nuclear Security and Incident Response
Washington, DC 20555-0001

Duane Arnold Energy Center
Dockets 50-331 and 72-32
License No. DPR-49

Monticello Nuclear Generating Plant
Docket 50-263
License No. DPR-22

Kewaunee Nuclear Power Plant
Docket 50-305
License No. DPR-43

Point Beach Nuclear Plant Units 1 and 2
Dockets 50-266, 50-301 and 72-5
License Nos. DPR-24 and DPR-27

Palisades Nuclear Plant
Dockets 50-255 and 72-7
License No. DPR-20

Prairie Island Nuclear Generating Plant Units 1 and 2
Dockets 50-282, 50-306 and 72-10
License Nos. DPR-42, DPR-60 and SNM-2506

Reference: 1) Letter from NRC to NMC, "Use of Encryption Software for Secure Transmission of Safeguards Information," dated July 6, 2004

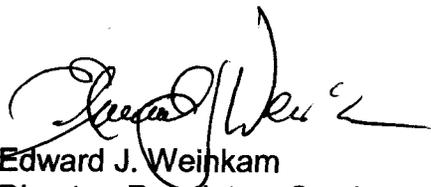
Use of Encryption Software for Electronic Transmission of Safeguards Information

On July 6, 2004, the NRC authorized Nuclear Management Company, LLC (NMC) to use PGP Software Corporate Desktop Version 8.0 for encryption and electronic transmission of safeguards information (SGI) (Reference 1).

This letter provides notification that NMC will begin using PGP Software Corporate Desktop Version 8.0.3 that was developed with PGP Software Development Kit (SDK) 3.0.3. National Institute of Standards and Technology (NIST) Certificate Number 394 validates compliance of this software development tool with Federal Information Processing Standard (FIPS) 140-2 requirements.

Submittal of this letter meets the requirement in Reference 1 that the NRC be notified 30 days before "first use" of new software.

This letter makes no new commitments or changes to existing commitments.

A handwritten signature in black ink, appearing to read 'Edward J. Weinkam', with a stylized flourish at the end.

Edward J. Weinkam
Director, Regulatory Services
Nuclear Management Company, LLC