FPL Energy

An FPL Group Company

November 28, 2005

Docket Nos. 50-331
72-32

10 CFR 50.80
10 CFR 50.90
10 CFR 72.210

U.S. Nuclear Regulatory Commission
Attention: Document Control Desk
Washington, DC 20555

Subject: Response to Staff Request for Additional Information re: Application for Order and Conforming Amendments for License Transfer (TAC No. MC8026)

Reference: (1) Letter, G. Van Middlesworth (NMC) and J.A. Stall (FPLE) to USNRC, "Application for Order and Conforming Amendments for License Transfer," NG-05-0419, August 1, 2005.

(2) Letter, J.A. Stall (FLPLE) to USNRC, "Response to Staff Request for Additional Information re: Application for Order and Conforming Amendments for License Transfer (TAC No. MC8026), November 1, 2005.

Dear Sir or Madam,

In the referenced application, Nuclear Management Company, LLC, Interstate Power and Light Company, and FPL Energy Duane Arnold, LLC ("FPLE Duane Arnold") submitted an application to the Nuclear Regulatory Commission ("NRC") for an order and conforming amendments consenting to the transfer of Facility Operating License No. DPR-49 for Duane Arnold Energy Center. On October 20, 2005, the NRC Staff transmitted by facsimile a set of questions regarding this application. Reference (2) provided FPLE Duane Arnold's proprietary response to questions 6a and 6b. The enclosure to this letter contains a redacted, non-proprietary version of that response.

Sincerely,

J.A. Stall
Senior Vice President, Nuclear and
FPL Energy Duane Arnold, LLC

Enclosure: Redacted Response to NRC Questions 6a and 6b

cc: Administrator, Region III, USNRC
Project Manager, Duane Arnold Energy Center, USNRC
Resident Inspector, Duane Arnold Energy Center, USNRC
Director, Spent Fuel Project Office
State of Iowa - D. McGhee

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Redacted Response to NRC Questions 6a and 6b
Re: Application for Order and Conforming Amendments
for License Transfer (TAC No. MC8026)

6. For the Projected Income Statement:

a. Provide sensitivity analyses on operating revenue for a 10% reduction in payments received from FPL Group (if applicable) and a 10% decrease in generating capacity,
b. Explain the derivation of operating revenue.

<u>FPLE Duane Arnold Response:</u>

a. The table below provides the operating revenue projected when the assumed capacity factor is decreased from 90% to 80%. There are no payments from FPL Group in the revenue projections. The derivation of the revenue items is explained in the response to part b of this question.

Operating Revenue (80% Capacity Factor)	2006	2007	2008	2009	2010
			($000)		
PPA Capacity Revenues					
PPA Energy Revenues					
Merchant Capacity					
Merchant Energy Revenues					
Fee Revenue from Partners					
Total Operating Revenue					

b. The projected operating revenue assuming a 90% capacity factor consists of the following:

Operating Revenue (80% Capacity Factor)	2006	2007	2008	2009	2010
			($000)		
PPA Capacity Revenues					
PPA Energy Revenues					
Merchant Capacity					
Merchant Energy Revenues					
Fee Revenue from Partners					
Total Operating Revenue					

PPA Capacity Revenues consist of Capacity Payments and Adjustment Payments. Capacity Payments are calculated according to Section 3.1(a) of the Power Purchase Agreement. Adjustment Payments are calculated according to Section 3.2 of the Power Purchase Agreement.

PPA Energy Revenues are calculated according to Section 3.1(b) of the Power Purchase Agreement.

Fee Revenue for Partners are derived from management fees charged to the co-owners, corresponding to their share of corporate management, support and related overhead costs.