

January 27, 2006

Mr. J. A. Stall
Senior Vice President
Nuclear and FPL Energy Duane Arnold LLC
PO Box 14000
Juno Beach, FL 33408-0420

and

Mr. Gary Van Middlesworth
Site Vice President
Duane Arnold Energy Center
Nuclear Management Company, LLC
3277 DAEC Road
Palo, Iowa 52324-0351

SUBJECT: DUANE ARNOLD ENERGY CENTER - ISSUANCE OF CONFORMING
AMENDMENT RE: TRANSFER OF THE FACILITY OPERATING LICENSE
AND OPERATING AUTHORITY (TAC NO. MC9610)

Dear Mr. Stall and Mr. Van Middlesworth:

By Order dated December 23, 2005, the Nuclear Regulatory Commission (NRC) approved the transfer of Facility Operating License No. DPR-49, to the extent held by Interstate Power and Light Company (IPL) as owner, and Nuclear Management Company, LLC, (NMC) as licensed operator of Duane Arnold Energy Center (DAEC) to FPL Energy Duane Arnold, LLC (FPLE Duane Arnold), a subsidiary of FPL Energy, LLC (FPLE) and approved a conforming amendment, pursuant to 10 CFR 50.80 and 10 CFR 50.90. The Order was published in the *Federal Register* on December 30, 2005 (70 FR 77431). By letter dated January 19, 2006, FPLE notified the NRC of the target date of January 26, 2006, closing date for the license transfer. Proof that the required insurance had been obtained was received by letter dated August 18, 2005. The American Nuclear Insurers letter of August 18, 2005, and the FPLE letter of January 19, 2006, satisfied required conditions of the Order.

Accordingly, the Commission has issued the enclosed Amendment No. 260 to Facility Operating License No. DPR-49 for Duane Arnold Energy Center (Enclosure 1). The safety evaluation supporting the conforming amendment was attached to the above mentioned Order, issued on December 23, 2005.

Enclosure 2 contains Indemnity Agreement No. B-68, Amendment No. 14, which is required in connection with the transfer of the license. Please keep this for your records.

J. Stall and G. Van Middlesworth

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The Notice of Issuance will be included in the Commission's biweekly *Federal Register* notice.

Sincerely,

/RA/

Deirdre W. Spaulding, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosures:

1. Amendment No. 260 to DPR-49
2. Indemnity Agreement

cc w/encls: See next page

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Sincerely,

/RA/

Deirdre W. Spaulding, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosures:

- 1. Amendment No. 260 to DPR-49
- 2. Indemnity Agreement

cc w/encls: See next page

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- ADAMS Accession Number: **ML060260362** (Package)
- ADAMS Accession Number: **ML060260357** (Letter)
- ADAMS Accession Number: **ML060320160** (Additional Conditions)
- ADAMS Accession Number: **ML060300158** (Indemnity Agreement)

OFFICE	LPL3-1/PM	LPL3-1/LA	LPL3-1/BC (A)
NAME	DSpaulding	THarris	TKobetz
DATE	1/27/06	1/27/06	1/27/06

OFFICIAL RECORD COPY

Duane Arnold Energy Center

cc:

Michael B. Sellman
President and Chief Executive Officer
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

John Bjorseth
Plant Manager
Duane Arnold Energy Center
3277 DAEC Road
Palo, IA 52324

Steven R. Catron
Manager, Regulatory Affairs
Duane Arnold Energy Center
3277 DAEC Road
Palo, IA 52324

U. S. Nuclear Regulatory Commission
Resident Inspector's Office
Rural Route #1
Palo, IA 52324

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
Suite 210
2443 Warrenville Road
Lisle, IL 60532-4351

Jonathan Rogoff
Vice President, Counsel & Secretary
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Bruce Lacy
Nuclear Asset Manager
Alliant Energy/Interstate Power
and Light Company
3277 DAEC Road
Palo, IA 52324

Daniel McGhee
Utilities Division
Iowa Department of Commerce
Lucas Office Buildings, 5th floor
Des Moines, IA 50319

Chairman, Linn County
Board of Supervisors
930 1st Street SW
Cedar Rapids, IA 52404

Craig G. Anderson
Senior Vice President, Group Operations
700 First Street
Hudson, WI 54016

INTERSTATE POWER AND LIGHT COMPANY

CENTRAL IOWA POWER COOPERATIVE

CORN BELT POWER COOPERATIVE

NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-331

DUANE ARNOLD ENERGY CENTER

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 260
License No. DPR-49

1. The U.S. Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by Nuclear Management Company, LLC (the licensee) dated August 1, 2005, as supplemented by letters dated October 11, November 1, November 2, and November 28, 2005, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter I;
 - 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 amendment 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 amendment 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 amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.
2. Accordingly, the license is amended as indicated in the attachment to this license amendment.

3. This license amendment is effective as of its date of issuance and shall be implemented within 30 days of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Timothy J. Kobetz, Acting Chief
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Attachment: Changes to the Facility Operating License DPR-49

Date of Issuance: January 27, 2006

ATTACHMENT TO LICENSE AMENDMENT NO. 260

FACILITY OPERATING LICENSE NO. DPR-49

DOCKET NO. 50-331

Replace the following pages of the Facility Operating License and Appendix B Additional Conditions with the attached revised pages. The revised pages are identified by amendment number and contain marginal lines indicating the areas of change.

Remove

License Page 1
License Page 2
License Page 3
License Page 4
License Page 4a
Appendix B Page 1

- - -

Insert

License Page 1
License Page 2
License Page 3
License Page 4
License Page 4a
Appendix B Page 1
Page 2