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August 7, 2006

Mr. Gary Van Middlesworth
Vice-President
Duane Arnold Energy Center
3277 DAEC Road
Palo, IA 52324-9785

SUBJECT: DUANE ARNOLD ENERGY CENTER
NRC SECURITY INSPECTION REPORT 05000331/2006011(DRS)

Dear Mr. Van Middlesworth:

On July 26, 2006, the U.S. Nuclear Regulatory Commission (NRC) completed a security inspection involving our review of an NRC Office of Investigation Report concerning inaccurate information provided to the NRC about the access authorization status of a former supervisor at Duane Arnold Energy Center (DAEC). The investigation also concerned inaccurate information provided to the NRC during a predecisional enforcement conference (PEC) held on June 1, 2004. The enclosed report documents the results of our review of this investigation.

The inspection examined activities conducted under your license as they relate to public health and safety, the common defense and security, and to compliance with the Commission's rules and regulations, orders, and with the conditions of your license. Within these areas, the investigation consisted of selected examination of procedures and representative records, and interviews with personnel.

This report documents two findings of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The deficiencies were promptly corrected or compensated for, and the plant added the issues to their corrective action process.

EXEMPT FROM PUBLIC DISCLOSURE

May be exempt from public release under the Freedom of Information Act (5 U.S.C. 552)

Exemption number: 5
Nuclear Regulatory Commission review required before public release.

Kenneth S. Brooks, RIII/DRS/PSB
Name and organization of person making determination.

Date of determination: 07/24/06

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NRC is treating these violations as Non-Cited Violations (NCVs) consistent with Section VI(A) of the NRC Enforcement Policy because of the very low security significance of the violations. If you contest these Non-Cited Violations, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator Region III, the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Duane Arnold Energy Station.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter will be 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), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related information contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public document room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA/

Kenneth Riemer, Chief
Plant Support Branch
Division of Reactor Safety

Docket Nos. 50-331
License Nos. DPR-49

Enclosure: Inspection Report 05000331/2006011(DRS)
w/Attachment: Supplemental Information

See Attached Distribution

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DATE	07/20/06	07/28/06	08/07/06	

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cc w/encl: B. Westreich (NSIR/DNS/SOS)
NSIR/DNS/RSS/Licensing Assistant
B. Kindred, Security Manager
State Liaison Officer

cc wo/encl: J. Stall, Senior Vice President, Nuclear and Chief
Nuclear Officer
R. Helfrich, Senior Attorney
M. Ross, Managing Attorney
W. Webster, Vice President, Nuclear Operations
M. Warner, Vice President, Nuclear Operations Support
R. Kundalkar, Vice President, Nuclear Engineering
J. Bjorseth, Site Director
D. Curtland, Plant Manager
S. Catron, Manager, Regulatory Affairs
Chairman, Linn County Board of Supervisors
D. McGhee, State Liaison Officer

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