

SAFEGUARDS INFORMATION

October 12, 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 BASELINE INSPECTION REPORT 05000331/2006401(DRS)

Dear Mr. Van Middlesworth:

On August 31, 2006, the U.S. Nuclear Regulatory Commission (NRC) completed a baseline security inspection of your Duane Arnold Energy Center. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on August 31, 2006, with you and other members of your staff.

This inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations, and with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

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.

G.Hansen, RIII/DRS/PSB
Name and organization of person making determination.

Date of determination: 10/10/06

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This report documents one finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the site.

Nuclear Regulatory Commission is treating this violation as a Non-Cited Violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy because of the very low security significance of this violation, and because it was entered into your corrective action program. If you contest this Non-Cited Violation, 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, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Duane Arnold Energy Center.

The finding was NRC-identified.

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. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390

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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 05000331/2006401(DRS);
w/Attachment: Supplemental Information **(SAFEGUARDS INFORMATION)**

cc w/encl **(SAFEGUARDS INFORMATION)**:

B. Westriech, NSIR/DNS
Licensing Assistant, NSIR/DNS/RSS
State Liaison Officer

cc w/o encl **(SAFEGUARDS INFORMATION)**:

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

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