



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

December 14, 2006

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

SUBJECT: DUANE ARNOLD ENERGY CENTER - ADMINISTRATIVE CHANGE TO FACILITY OPERATING LICENSE IN CONJUNCTION WITH THE COMMISSION ORDER EA-06-037 AND REVISIONS TO PHYSICAL SECURITY PLAN, TRAINING AND QUALIFICATION PLAN, AND SAFEGUARDS CONTINGENCY PLAN (TAC NO. MD2223)

Dear Mr. Van Middlesworth:

By letter to the Nuclear Regulatory Commission (NRC or the Commission) dated May 16, 2006, FPL Energy Duane Arnold, LLC submitted its revised plans and confirmed the full implementation at the Duane Arnold Energy Center (DAEC) of Order EA-06-037 regarding an updated adversary characteristic in the design basis threat.

The NRC staff has completed its review of the changes related to implementation of Order EA-06-037. As discussed in the enclosed safeguards evaluation (Enclosure 2), the NRC staff has determined that the changes to the DAEC security plans meet the requirements of the NRC Order and Title 10 of the *Code of Federal Regulations* (10 CFR) Part 73 requirements and are, therefore, acceptable. The effectiveness of these security provisions will continue to be the subject of NRC review and inspection.

Consistent with the Order, a conforming administrative change to the Facility Operating License is required to ensure implementation of the Order EA-06-037 requirements. Therefore, an administrative license change to Facility Operating License No. DPR-49 is being made to incorporate the reference to the revised Physical Security Plan, Safeguards Contingency Plan, and Training and Qualification Plan required by the Order. These changes comply with the standards and requirements of the Atomic Energy Act of 1954, as amended, and the Commission's rules and regulations set forth in 10 CFR Chapter I.

Please replace Page 4 of the DAEC Facility Operating License with the enclosed revised Page 4 (Enclosure 1).

NOTICE: Enclosure 2 contains Security-Related Information. Upon separation from Enclosure 2, this letter and Enclosure 1 are DECONTROLLED.

RBE

G. Van Middlesworth

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If you have any questions, please contact me at (301) 415-1420.

Sincerely,



Richard B. Ennis, Senior Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

Enclosures:

1. Revised Page 4 of License
2. Safeguards Evaluation

cc w/encls 1 and 2: Ben Kindred, Site Security Manager
Bruce Burgess, Region III

cc w/encl 1 only: See next page

RBE

Duane Arnold Energy Center

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October 12, 2006

- (a) For Surveillance Requirements (SRs) whose acceptance criteria are modified, either directly or indirectly, by the increase in authorized maximum power level in 2.C.(1) above, in accordance with Amendment No. 243 to Facility Operating License DPR-49, those SRs are not required to be performed until their next scheduled performance, which is due at the end of the first surveillance interval that begins on the date the Surveillance was last performed prior to implementation of Amendment No. 243.
- (b) The licensee will perform the generator load reject transients test required by the General Electric Licensing Topical Report for Extended Power Uprate (NEDC-32424P-A) - ELTR-1, including the allowances described in Section L.2.4 (2) of ELTR-1 regarding credit for unplanned plant transient events, using the thermal power level (1658 MWt) to establish the ELTR-1 power level limit. The testing shall be performed at an initiating power level greater than the steady-state operation power level exceeding the ELTR-1 power level limit for the generator load reject transient.

(3) Fire Protection

FPL Energy Duane Arnold, LLC shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the Duane Arnold Energy Center and as approved in the SER dated June 1, 1978, and Supplement dated February 10, 1981, subject to the following provision:

FPL Energy Duane Arnold, LLC may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.

- (4) The licensee is authorized to operate the Duane Arnold Energy Center following installation of modified safe-ends on the eight primary recirculation system inlet lines which are described in the licensee letter dated July 31, 1978, and supplemented by letter dated December 8, 1978.

(5) Physical Protection

FPL Energy Duane Arnold, LLC shall fully implement and maintain in effect all provisions of the Commission-approved physical security, training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The combined set of plans, which contains Safeguards Information protected under 10 CFR 73.21, is entitled: "Duane Arnold Energy Center Physical Security Plan," submitted by letter dated May 16, 2006.

G. Van Middlesworth

- 2 -

If you have any questions, please contact me at (301) 415-1420.

Sincerely,

/RA/

Richard B. Ennis, Senior Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

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- 1. Revised Page 4 of License
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Bruce Burgess, Region III

cc w/encl 1 only: See next page

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