



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

June 18, 2009

Richard L. Anderson
Vice President
Duane Arnold Energy Center
3277 DAEC Road
Palo, IA 52324

SUBJECT: STATUS OF DECOMMISSIONING FUNDING ASSURANCE FOR DUANE
ARNOLD ENERGY CENTER (TAC NO. ME0516)

Dear Mr. Anderson:

On March 27, 2009, the Nuclear Regulatory Commission (NRC) received the biennial decommissioning funding report (Agencywide Documents Access and Management System Accession No. ML090900306) for Duane Arnold Energy Center (Duane Arnold).

Based on our internal review, the NRC staff believes that there is a decommissioning funding assurance shortfall for Duane Arnold. Although a shortfall in decommissioning funding assurance does not affect safe operations, adequate decommissioning funding assurance is important to ensure a plant will eventually be decommissioned safely.

The NRC staff will conduct a telephone conference with FPL Energy Duane Arnold, LLC and Central Iowa Power Cooperative, who the staff assumes are responsible for at least a pro rata share of the minimum required decommissioning funding assurance amount. This telephone conference will be conducted within ten working days of the date of this letter to establish a mutual understanding and framework for the licensees to develop plans to resolve any decommissioning funding assurance shortfall.

If Duane Arnold is determined to have a shortfall, the licensees will need to submit plans by a date to be established at the close of the telephone conference. The plans would describe how and when the licensees intend to make adjustments to their trust balances and/or schedule of future collections if applicable, or make other adjustments or changes with respect to financial assurance mechanisms. Central Iowa Power Cooperative would need to be on track to have a total amount of decommissioning funding assurance that meets or exceeds its responsibility for Duane Arnold at the time permanent termination of operations is expected. FPL Energy Duane Arnold, LLC would need to provide decommissioning funding assurance consistent with NRC regulations, that meets or exceeds its responsibility for Duane Arnold.

Paperwork Reduction Act Statement

This Letter does not contain any new or amended information collection requirements subject to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.). Existing collection requirements under 10 CFR Part 50 were approved by the Office of Management and Budget (OMB), control number 3150-0011, which expires June 30, 2010.

R. Anderson

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Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, an information collection unless the requesting document displays a currently valid OMB control number.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl Feintuch', with a stylized flourish at the end.

Karl Feintuch, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

cc: Distribution via ListServ

R. Anderson

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Public Protection Notification

The NRC may not conduct or sponsor, and a person is not required to respond to, an information collection unless the requesting document displays a currently valid OMB control number.

Sincerely,

/RA/ Justin Poole for

Karl Feintuch, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-331

cc: Distribution via ListServ

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*per email dated June 18, 2009

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