



October 15, 2010

NG-10-0477
10 CFR 50.90

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Duane Arnold Energy Center
Docket No. 50-331
License No. DPR-49

License Amendment Request (TSCR-124): Deletion of Decommissioning Funding Parent Guarantee License Condition

- References: 1) Letter from FPL Group Capital, Inc., to NRC, "Notice of Termination of Decommissioning Parent Guaranty – Duane Arnold Energy Center," dated April 7, 2010. (ML101040713)
- 2) Letter from K. Feintuch (USNRC) to G. St. Pierre (FPL Group), "Duane Arnold Energy Center - Notice of Termination of Parent Company Guaranty and 2010 Status of Decommissioning Funding Assurance (TAC No. ME3780)," August 22, 2010. (ML101620393)

In accordance with the provisions of 10 CFR 50.90, NextEra Energy Duane Arnold, LLC (hereafter, NextEra Energy Duane Arnold) is submitting a request for an amendment to the License for the Duane Arnold Energy Center (DAEC). In the Reference 1 letter, FPL Group Capital Inc. (FPL Group Capital), guarantor of a portion of the decommissioning funding obligation for NextEra Energy Duane Arnold provided notification of intent to terminate the Parent Guaranty providing decommissioning funding assurance for DAEC 120 days after the NRC's receipt of the letter. Accordingly, the Parent Guaranty was terminated on August 11, 2010. The NRC provided a letter dated August 22, 2010 (Ref. 2) indicating that it had no objections to the termination of the Parent Guaranty. The proposed amendment would modify the License by deleting the parent guarantee License Condition.

Enclosure 1 of this submittal provides an evaluation of the proposed changes.
Enclosure 2 provides the existing Operating License (OL) pages marked up to show the

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proposed changes. Enclosure 3 provides the clean, typed OL pages with the proposed changes.

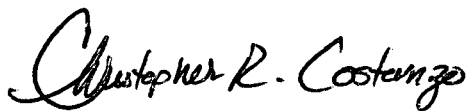
NextEra Energy Duane Arnold requests NRC review and approval of the proposed license amendment within 6 months of this submittal, with a standard 30 day implementation period for an administrative change.

This application has been reviewed by the NextEra Energy Duane Arnold Onsite Review Group. The proposed amendment presents no significant hazards consideration under the standards set forth in 10 CFR 50.92(c). A copy of this submittal, along with the 10 CFR 50.92 evaluation of "No Significant Hazards Consideration," is being forwarded to the appointed state official pursuant to 10 CFR 50.91.

If you should have any questions or require additional information, please contact Steve Catron, Licensing Manager, at (319) 851-7234.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 15, 2010.



Christopher R. Costanzo
Vice President, Duane Arnold Energy Center
NextEra Energy Duane Arnold, LLC

Enclosures: 1) Evaluation of Proposed Changes
2) Proposed Facility Operating License Changes (Mark-up)
3) Proposed Facility Operating License Changes (Clean, typed)

cc: Administrator, Region III, USNRC
Project Manager, DAEC, USNRC
Resident Inspector, DAEC, USNRC
M. Rasmusson (State of Iowa)

EVALUATION OF PROPOSED CHANGES

SUBJECT: License Amendment Request (TSCR-124): Deletion of Decommissioning
Funding Parent Guarantee License Condition

- 1.0 SUMMARY DESCRIPTION
 - 2.0 DETAILED DESCRIPTION
 - 3.0 TECHNICAL EVALUATION
 - 4.0 REGULATORY EVALUATION
 - 4.1 APPLICABLE REGULATORY REQUIREMENTS/CRITERIA
 - 4.2 SIGNIFICANT HAZARDS CONSIDERATION
 - 4.3 CONCLUSION
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1.0 SUMMARY DESCRIPTION

This evaluation supports a NextEra Energy Duane Arnold, LLC request to amend Operating License DPR-49 for the Duane Arnold Energy Center (DAEC). The proposed amendment would modify the license by deleting the parent guarantee License Condition related to decommissioning funding assurance. Since the FPL Group Capital Parent Guaranty is no longer necessary to demonstrate decommissioning funding assurance, and the Parent Guaranty has been terminated in accordance with the terms of the parent guarantee License Condition, the License Condition is no longer required.

In addition, other administrative changes are proposed to be made to the Operating License to make the formatting of the subsection numbering consistent between the pages.

2.0 DETAILED DESCRIPTION

Incident to the 2005 application to transfer the licenses to own and operate DAEC from Interstate Power & Light, Co. ("IPL") and Nuclear Management Co., respectively, to FPL Energy Duane Arnold, LLC (now NextEra Energy Duane Arnold, LLC) (Reference 2), \$186 million was transferred to the NextEra Energy Duane Arnold decommissioning trust. At that time, NextEra Energy Duane Arnold and the NRC determined that \$75 million in additional financial assurance was necessary in order to provide sufficient assurance to meet the minimum funding amount calculated according to 10 CFR 50.75(c) for NextEra's 70% share of DAEC. Accordingly, the NRC Order (Reference 3) approving the license transfer required the imposition of a condition on the DAEC operating license requiring, by the date of the closing of the sale, NextEra Energy Duane Arnold to obtain a parent company guarantee from FPL Group Capital in an initial amount of \$75 million. The license condition also requires NextEra Energy Duane Arnold to recalculate funding levels annually (as is required by 10 CFR 50.75) and, as necessary, "obtain appropriate adjustments to the parent guarantee or otherwise provide any additional decommissioning funding assurance necessary for FPLE Duane Arnold to meet NRC requirements under 10 CFR 50.75."

In accordance with this license condition (and with 10 CFR 50.75), NextEra Energy Duane Arnold obtained a \$75 million Parent Guaranty from FPL Group Capital, Inc. at the time of the closing of the sale of the facility, and, in 2007, amended the Parent Guaranty to increase the amount of the guarantee to \$93 million (Reference 4).

In November 2009, NextEra submitted a site-specific Decommissioning Cost Estimate for DAEC to the NRC, which included a site-specific cost estimate for the decommissioning of DAEC based upon the use of the SAFSTOR decommissioning method (Reference 6). Using this site-specific cost estimate and the additional time SAFSTOR allows for the decommissioning trust balance to grow following permanent cessation of operations, NextEra concluded that the prepaid DAEC decommissioning trust balances are sufficient to demonstrate reasonable assurance of its share of

decommissioning funding without the need for any additional form of decommissioning funding assurance. The site-specific Decommissioning Cost Estimate was revised in 2010, but the revision did not materially change NextEra's ability to demonstrate decommissioning funding assurance (Reference 7). On March 25, 2010, the NRC concluded that the decommissioning plan relying on the SAFSTOR method "provides reasonable assurance of adequate decommissioning funding at the time permanent termination of operations is expected." (Reference 8)

On March 25, 2010, NextEra Energy Duane Arnold submitted an additional decommissioning funding status report, as required by 10 CFR 50.75(f) because it is within five years of the end of its currently licensed life (Reference 9). This report demonstrated that the decommissioning trust fund for DAEC continues to contain adequate funding to meet NRC requirements without the need to rely upon a parent guarantee or other additional assurances.

On April 7, 2010, FPL Group Capital Inc. (FPL Group Capital), guarantor of a portion of the decommissioning funding obligation for DAEC provided notification of intent to terminate the Parent Guaranty providing partial decommissioning funding assurance for NextEra's share of DAEC 120 days after the NRC's receipt of letter (Reference 1). The NRC did not respond within the 120-day period and the Parent Guaranty was terminated on August 11, 2010. The NRC provided a letter dated August 22, 2010 indicating that it had no objections to the termination of the parent guarantee (Reference 10).

This proposed amendment would modify the License by deleting the License Condition related to the parent guarantee for decommissioning funding assurance, as well as other formatting changes for consistency between pages.

3.0 TECHNICAL EVALUATION

FPL Group Capital terminated the DAEC Parent Guaranty in accordance with its terms, because the current financial assurance for DAEC is sufficient without the need to rely on additional funding assurance methods, such as a parent guarantee.

The executed Parent Guaranty was submitted to the NRC in Reference 5. Section 6 of the Parent Guaranty provides, "This guaranty shall terminate and be of no further force and effect upon the date on which the Licensee no longer is required to comply with the applicable assurance requirements of 10 CFR Part 50 for the Facility; provided, however, that the Guarantor may terminate this Guaranty by sending notice by certified mail to the NRC and the Licensee, such cancellation to become effective no earlier than 120 days after receipt of such notice by both the NRC and the Licensee. If at the time of cancellation the qualified and nonqualified decommissioning funds maintained by Licensee for the DAEC are insufficient to meet NRC requirements and the Licensee fails to provide alternative financial assurance within 90 days of Guarantor's notice of cancellation, the Guarantor will (a) provide such alternate financial assurance in the

name of the Licensee, (b) make full payment under the guarantee, or (c) restore the guarantee.”

Based upon the findings of NextEra Energy Duane Arnold and the NRC that the decommissioning trust balance was sufficient to demonstrate financial assurance for decommissioning funding, FPL Group Capital concluded that the \$93 million guarantee is no longer required under NRC regulations. Therefore, in accordance with Section 6 of the Parent Guaranty, FPL Group Capital notified the NRC of the termination of the Guaranty (Reference 1), noting that such termination will not become effective until 120 days after the NRC’s receipt of the notification. Because the prepaid decommissioning trust maintained by NextEra for its share of DAEC is sufficient to comply with NRC regulations, no further action on the part of FPL Group Capital is required under the terms of the Parent Guaranty.

As explained in the FPL Group Capital letter, the termination of the Parent Guaranty was consistent with the parent guarantee License Condition which required a specific action (“obtain a parent company guarantee”) to be taken at a specific time (“by the date of closing”). NextEra Energy Duane Arnold complied with this condition by obtaining the Parent Guaranty by the date of closing. The License Condition does not require the continuation of the Parent Guaranty when it is no longer necessary to demonstrate funding assurance, and, in fact, allows for “appropriate adjustments” after necessary funding levels are recalculated.

NextEra Energy Duane Arnold filed a license renewal application in 2008 (Reference 11). The NRC Staff has published a Safety Evaluation Report (Reference 12) in which it determined that “the requirements of 10 CFR 54.29(a) have been met,” and a Draft Supplemental Environmental Impact Statement (Reference 13), in which it made the preliminary determination that “the adverse environmental impacts of license renewal for DAEC are not so great that preserving the option of license renewal for energy planning decision-makers would be unreasonable.” The additional twenty years of operation that would be obtained by the issuance of a renewed license, together with the approximately fifty additional years of safe storage for which NextEra Energy Duane Arnold can take credit by using a site-specific cost estimate, provides significant margin to reduce the likelihood that additional funding assurance, such as a reinstated parent guarantee, would be necessary in the future.

However, NRC regulations in 10 CFR 50.75 require that licensees review decommissioning funding assurance on an annual basis and report the status of the decommissioning funding on a biennial basis. In the unlikely event that the NextEra Energy Duane Arnold decommissioning trust balance proves insufficient at any point in the future, NextEra Energy Duane Arnold will be required by regulation to obtain a parent guarantee or provide some other acceptable type of financial assurance, even without the parent guarantee License Condition.

Since the Parent Guaranty is no longer required to comply with NRC regulations, the parent guarantee License Condition is no longer necessary and should be removed from the License.

4.0 REGULATORY EVALUATION

4.1 APPLICABLE REGULATORY REQUIREMENTS/CRITERIA

10 CFR 50.75 establishes requirements for demonstrating reasonable assurance that funds will be available for the decommissioning process. Reactor licensees may determine the amount of necessary decommissioning funding assurance either by calculating the minimum amount required under 10 CFR 50.75(c) or by using a site-specific cost estimate. Each power reactor licensee shall report at least once every 2 years on the status of its decommissioning funding for each reactor or part of a reactor that it owns. If necessary, this decommissioning funding status report shall also include plans for adjusting levels of decommissioning funding in order to demonstrate that a required level of funding will be available when needed to cover the cost of decommissioning.

The DAEC decommissioning trust fund for DAEC contains adequate funding to meet NRC requirements without further assurances.

4.2 SIGNIFICANT HAZARDS CONSIDERATION

NextEra Energy Duane Arnold has evaluated whether or not a significant hazards consideration is involved with the proposed amendment by focusing on the three standards set forth in 10 CFR 50.92, "Issuance of amendment," as discussed below:

1. Does the proposed amendment involve a significant increase in the probability or consequences of an accident previously evaluated?

Response: No.

The proposed amendment is an administrative change deleting the parent guarantee License Condition, as well as other minor editorial changes in format. Deletion of this License Condition does not involve any modifications to the safety-related structures, systems or components (SSCs). Deletion of this License Condition will not alter previously evaluated Final Safety Analysis Report (FSAR) design basis accident analysis assumptions, add any accident initiators, or affect the function of the plant safety-related SSCs as to how they are operated, maintained, modified, tested, or inspected. Therefore, the proposed amendment does not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. Does the proposed amendment create the possibility of a new or different kind of accident from any accident previously evaluated?

Response: No.

The proposed amendment only deletes the parent guarantee License Condition and makes other minor editorial changes. Deletion of this License Condition does not result in the need for any new or different FSAR design basis accident analysis. It does not introduce new equipment that could create a new or different kind of accident, and no new equipment failure modes are created. As a result, no new accident scenarios, failure mechanisms, or limiting single failures are introduced as a result of this proposed amendment. Therefore, the proposed amendment does not create a possibility for an accident of a new or different type than those previously evaluated.

3. Does the proposed amendment involve a significant reduction in a margin of safety?

Response: No.

The margin of safety is associated with the confidence in the ability of the fission product barriers (i.e., fuel cladding, reactor coolant pressure boundary, and containment structure) to limit the level of radiation to the public. The proposed amendment would not alter the way any safety-related SSC functions and would not alter the way the plant is operated. The amendment only involves deletion of the parent guarantee License Condition and minor editorial changes. The proposed amendment would not introduce any new uncertainties or change any existing uncertainties associated with any safety limit. The proposed amendment would have no impact on the structural integrity of the fuel cladding, reactor coolant pressure boundary, or containment structure. Based on the above considerations, the proposed amendment would not degrade the confidence in the ability of the fission product barriers to limit the level of radiation to the public. Therefore, the proposed change does not involve a significant reduction in a margin of safety.

Based on the above, NextEra Energy Duane Arnold concludes that the proposed changes present no significant hazards consideration under the standards set forth in 10 CFR 50.92(c), and accordingly, a finding of no significant hazards consideration is justified.

4.3 CONCLUSION

In conclusion, based on the considerations discussed above, (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

5.0 ENVIRONMENTAL CONSIDERATION

The proposed amendment is an administrative change deleting the parent guarantee License Condition and other editorial changes. Therefore, pursuant to the categorical

exclusion criterion set forth in 10 CFR 51.22(c)(10)(v), no environmental impact statement or environmental assessment need be prepared in connection with the issuance of this amendment.

6.0 REFERENCES

1. Letter L-2010-068 from G. St. Pierre, FPL Group Capital, Inc., "Notice of Termination of Decommissioning Parent Guaranty – Duane Arnold Energy Center," dated April 7, 2010. (ML101040713)
2. Letter NG-05-0419 from G. Van Middlesworth, Nuclear Management Company, to NRC, "Application for Order and Conforming Amendments for License Transfer," dated August 1, 2005. (ML052150410)
3. Letter from D. Spaulding, NRC to M. Sellman, Nuclear Management Co., and J. Stall, FPL Energy Duane Arnold, LLC, "Order Approving Transfer of License and Conforming Amendment Relating to Duane Arnold Energy Center (TAC NO. MC8026)," and "Safety Evaluation by the Office of Nuclear Reactor Regulation Regarding License Transfer from Interstate Power and Light Company to FPL Energy Duane Arnold, LLC," dated December 23, 2005. (ML053420246)
4. Letter NG-07-0481 from G. Van Middlesworth, FPL Energy Duane Arnold, to NRC, "Revised Decommissioning Funding Status Report for the Duane Arnold Energy Center," dated June 28, 2007. (ML071860229)
5. Letter NG-06-0128 from G. Van Middlesworth, FPL Energy Duane Arnold, to NRC, "Condition (4) of Order Approving Transfer of DPR-49," dated February 20, 2006. (ML060610604)
6. Letter L-209-256 from M. Nazar, NextEra Energy Duane Arnold, LLC to NRC, "Response to Requests for Additional Information," dated November 5, 2009. (ML093130065)
7. Letter NG-10-0067 from C. Costanzo, NextEra Energy Duane Arnold, to NRC, "Response to Supplemental Request for Additional Information to Support the Review of the Duane Arnold Energy Center Spent Fuel Management Program and Preliminary Decommissioning Cost Estimate," dated February 15, 2010. (ML100540024)
8. Letter from K. Feintuch, NRC, to C. Costanzo, NextEra Energy Duane Arnold, "Duane Arnold Energy Center – NextEra Energy Duane Arnold, LLC's Status of Decommissioning Funding Assurance for Duane Arnold Energy Center," dated March 25, 2010. (ML100770235)
9. Letter NG-10-0105 from C. Costanzo, NextEra Energy Duane Arnold, to NRC, "Decommissioning Funding Status Report," dated March 25, 2010. (ML100970069)
10. Letter from K. Feintuch, NRC, to G. St. Pierre, FPL Group, Inc., "Duane Arnold Energy Center - Notice of Termination of Parent Company Guaranty and 2010 Status of Decommissioning Funding Assurance (TAC NO. ME3780)," August 22, 2010. (ML101620393)

11. Letter NG-08-0713 from R. Anderson (FPL Energy) to NRC, "Duane Arnold Energy Center Application for Renewed Operating License TSCR-109," September 30, 2008. (ML082980623)
12. Letter, B. Holian, NRC, to C. Costanzo, NextEra Energy Duane Arnold, LLC, "Safety Evaluation Report Related to the License Renewal of Duane Arnold Energy Center," September 2, 2010. (ML102140384)
13. Letter, B. Pham, NRC, to C. Costanzo, FPL, "Notice of Availability of the Draft Plant-Specific Supplement 42 to the Generic Environmental Impact Statement for License Renewal of Nuclear Plants Regarding Duane Arnold Energy Center (TAC NO. MD9770)," February 3, 2010. (ML093430084)

PROPOSED FACILITY OPERATING LICENSE CHANGES
(MARK-UP)

3 Pages Follow

- 2.C.(2)
- (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) Deleted.

2.C.

(3) Fire Protection

NextEra 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:

*

NextEra 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

NextEra 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.

*

2.C.(6) Deleted

2.C.(7) Additional Conditions

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The Additional Conditions contained in Appendix B, as revised through Amendment No. 260, are hereby incorporated into this license. NextEra Energy Duane Arnold, LLC shall operate the facility in accordance with the Additional Conditions.

2.C.(8) The licensee is authorized to revise the Updated Final Safety Analysis Report by deleting the footnote for Section 9.1.4.4.5 which states: “*The NRC has not endorsed the reactor building crane as single-failure proof (Reference 9),” and by deleting Reference 9 of the references for Section 9.1.

2.C.(9) Mitigation Strategy License Condition

Develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

- (a) Fire fighting response strategy with the following elements:
 - 1. Pre-defined coordinated fire response strategy and guidance
 - 2. Assessment of mutual aid fire fighting assets
 - 3. Designated staging areas for equipment and materials
 - 4. Command and control
 - 5. Training of response personnel
- (b) Operations to mitigate fuel damage considering the following:
 - 1. Protection and use of personnel assets
 - 2. Communications
 - 3. Minimizing fire spread
 - 4. Procedures for implementing integrated fire response strategy
 - 5. Identification of readily-available pre-staged equipment
 - 6. Training on integrated fire response strategy
 - 7. Spent fuel pool mitigation measures
- (c) Actions to minimize release to include consideration of:
 - 1. Water spray scrubbing
 - 2. Dose to onsite responders

2.C.(10) The licensee shall implement and maintain all Actions required by Attachment 2 to NRC Order EA-06-137, issued June 20, 2006, except the last action that requires incorporation of the strategies into the site security plan, contingency plan, emergency plan and/or guard training and qualification plan, as appropriate.

D. This license is effective as of the date of issuance and shall expire at midnight February 21, 2014.

TSCR-124

—Amendment No. 275—

<u>Amendment Number</u>	<u>Additional Conditions</u>	<u>Implementation Date</u>
260 (2)	<p>By the date of closing of the transfer of the 70 percent ownership interest in DAEC from IPL to FPLE Duane Arnold,* FPLE Duane Arnold* shall obtain a parent company guarantee from FPL Group Capital in an initial amount of at least \$75 million (in 2005 dollars) to provide additional decommissioning funding assurance regarding such ownership interest, which guarantee must be in accordance with NRC regulations regarding such documents. Required funding levels shall be recalculated annually and, as necessary, NextEra Energy Duane Arnold shall either obtain appropriate adjustments to the parent guarantee or otherwise provide any additional decommissioning funding assurance necessary for NextEra Energy Duane Arnold to meet NRC requirements under 10 CFR 50.75.</p>	<p>This amendment is effective immediately and shall be implemented within 30 days of the date of this amendment.</p>
260 (3)	<p>NextEra Energy Duane Arnold shall take no action to cause FPL Group Capital, or its successors and assigns, to void, cancel, or modify its \$50 million contingency commitment to NextEra Energy Duane Arnold, as represented in the license transfer application, or cause it to fail or perform or impair its performance under the commitment, or remove or interfere with NextEra Energy Duane Arnold's ability to draw upon the commitment, without the prior written consent from the NRC. An executed copy of the Support Agreement shall be submitted to the NRC no later than 30 days after completion of the license transfer. Also, NextEra Energy Duane Arnold shall inform the NRC in writing any time that it draws upon the \$50 million commitment.</p>	

DELETED

~~*On April 16, 2009, the name "FPL Energy Duane Arnold, LLC" was changed to "NextEra Energy Duane Arnold, LLC."~~

PROPOSED FACILITY OPERATING LICENSE CHANGES
(CLEAN, TYPED)

3 Pages Follow

2.C.(2)(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.

2.C.(2)(b) Deleted.

2.C.(3) Fire Protection

NextEra 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:

NextEra 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.

2.C.(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.

2.C.(5) Physical Protection

NextEra 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.

2.C.(6) Deleted

2.C.(7) Additional Conditions

The Additional Conditions contained in Appendix B, as revised through Amendment No. , are hereby incorporated into this license. NextEra Energy Duane Arnold, LLC shall operate the facility in accordance with the Additional Conditions.

2.C.(8) The licensee is authorized to revise the Updated Final Safety Analysis Report by deleting the footnote for Section 9.1.4.4.5 which states: “*The NRC has not endorsed the reactor building crane as single-failure proof (Reference 9),” and by deleting Reference 9 of the references for Section 9.1.

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Develop and maintain strategies for addressing large fires and explosions and that include the following key areas:

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 - 1. Pre-defined coordinated fire response strategy and guidance
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 - 4. Command and control
 - 5. Training of response personnel

- (b) Operations to mitigate fuel damage considering the following:
 - 1. Protection and use of personnel assets
 - 2. Communications
 - 3. Minimizing fire spread
 - 4. Procedures for implementing integrated fire response strategy
 - 5. Identification of readily-available pre-staged equipment
 - 6. Training on integrated fire response strategy
 - 7. Spent fuel pool mitigation measures

- (c) Actions to minimize release to include consideration of:
 - 1. Water spray scrubbing
 - 2. Dose to onsite responders

2.C.(10) The licensee shall implement and maintain all Actions required by Attachment 2 to NRC Order EA-06-137, issued June 20, 2006, except the last action that requires incorporation of the strategies into the site security plan, contingency plan, emergency plan and/or guard training and qualification plan, as appropriate.

D. This license is effective as of the date of issuance and shall expire at midnight February 21, 2014.

<u>Amendment Number</u>	<u>Additional Conditions</u>	<u>Implementation Date</u>
260 (2)	DELETED	
260 (3)	<p>NextEra Energy Duane Arnold shall take no action to cause FPL Group Capital, or its successors and assigns, to void, cancel, or modify its \$50 million contingency commitment to NextEra Energy Duane Arnold, as represented in the license transfer application, or cause it to fail or perform or impair its performance under the commitment, or remove or interfere with NextEra Energy Duane Arnold's ability to draw upon the commitment, without the prior written consent from the NRC. An executed copy of the Support Agreement shall be submitted to the NRC no later than 30 days after completion of the license transfer. Also, NextEra Energy Duane Arnold shall inform the NRC in writing any time that it draws upon the \$50 million commitment.</p>	