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 AUTH.NAME AUTHQR AFFILIATION
 MCGAUGHY,R.W. Iowa Electric Light & Power Co.
 RECIP.NAME RECIPIENT AFFILIATION
 DENTON,H. Office of Nuclear Reactor Regulation, Director

SUBJECT: Forwards "Corn Belt Power Cooperative, 1984 Annual Rept,"
 "Central Iowa Power Cooperative, 1984 Annual Rept" & "Iowa
 Electric Light & Power Co, 1984 Annual Rept."

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Iowa Electric Light and Power Company

May 23, 1985
NG-85-2183

Mr. Harold Denton, Director
Office of Nuclear Reactor Regulation
U.S. Nuclear Regulatory Commission
Washington, DC 20555


Subject: Duane Arnold Energy Center
Docket No: 50-331
Op. License No: DPR-49
Annual Financial Report

Dear Mr. Denton:

Please find enclosed the 1984 Annual Reports for Iowa Electric Light and Power Company and its two partners, Corn Belt Cooperative and Central Iowa Power Cooperative. This information is submitted in accordance with the requirements of 10 CFR 50.71(b) concerning the reporting of financial status.

Should any questions arise, please contact this office.

Sincerely,



Richard W. McGaughy
Manager, Nuclear Division

RWM/MJM/ta*

Enclosures: 1984 Annual Financial Reports

cc: M. Murphy
L. Liu
S. Tuthill
R. Kucharski
M. Thadani
NRC Resident Office
Corn Belt Cooperative
Central Iowa Cooperative
File: A-118e

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ARTHUR ANDERSEN & Co.

1700 FARNAM STREET
OMAHA, NEBRASKA 68102
(402) 348-0123

February 15, 1985

To the Board of Directors of
Corn Belt Power Cooperative:

We, as independent public accountants, have examined the financial statements of Corn Belt Power Cooperative (the "Cooperative") as of December 31, 1984, and for the year then ended, and have issued our report thereon dated February 15, 1985. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, and also included the auditing procedures specified in REA Bulletin 185-1:465-1, as amended.

Internal Control

In accordance with generally accepted auditing standards, we made a review of the Cooperative's system of internal accounting control for the purpose of providing a basis for reliance thereon in determining the nature, timing and extent of the audit tests applied in connection with our examination of the Cooperative's 1984 financial statements. Our review was more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

In connection with our review of the Cooperative's system of internal accounting control, we performed a review of internal EDP control. We considered the results of our review in determining the nature, timing and extent of our audit procedures and in forming our conclusion stated in this report.

The management of the Cooperative is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management reasonable, but not absolute, assurance that assets are safeguarded against loss

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Corn Belt Power
Cooperative

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February 15, 1985

from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation made for the limited purpose described in the second paragraph of this letter would not necessarily disclose all material weaknesses in the system. Accordingly, we do not express an opinion on the system of internal accounting control of the Cooperative taken as a whole. However, our study and evaluation disclosed no conditions that we believe to be material weaknesses.

The following comments supplement the information included in the financial statements and related notes thereto:

Accounting and Records

Nothing came to our attention to indicate that the records of the Cooperative were not being maintained in accordance with the provisions of the Uniform System of Accounts as prescribed by the Rural Electrification Administration or that material, transportation, labor and overhead costs incurred during the period were not fairly distributed to the construction, retirement, maintenance and other expense accounts, in all material respects.

Materials Control

Materials, supplies and fuel inventories, which are maintained on perpetual records, are physically counted (and adjusted when necessary) at least once a year, excepting certain fuel inventory with minimal receipts and usage. Nothing came to our attention to indicate that material controls were not operating effectively, and we noted no significant discrepancies between the perpetual records and physical counts made during the year.

Board of Directors
 Corn Belt Power
 Cooperative

February 15, 1985

Compliance with Loan Documents

During our examination, nothing came to our attention that caused us to believe that the Cooperative was not in compliance with the provisions of the loan agreements with REA, Federal Financing Bank (FFB) and National Rural Utilities Cooperative Finance Corporation (CFC) with respect to the retirements of patronage capital credits, redemption of memberships or payment of dividends. However, it should be noted that our examination was not directed primarily toward obtaining knowledge of such noncompliance.

Reports to REA

As a part of our examination, we reviewed a copy of the Financial Section of the December 31, 1984, Operating Report (Form 12a) on file at the Cooperative. The financial statements as of December 31, 1984, and for the year then ended included therein, are in agreement, in all material respects, with the Cooperative's accounting records. The following reclassifications were made for financial statement presentation:

<u>As Classified on REA Form 12a</u>	<u>As Reclassified for Financial Statements</u>
Utility Plant in Service	
\$13,101,589	
Accumulated Provision for Depreciation and Amortization	Nuclear Fuel, Net of Amortization
(7,533,129)	\$ 5,568,460
-----	-----
\$ 5,568,460	\$ 5,568,460
=====	=====

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Board of Directors
Corn Belt Power
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<u>As Classified</u> <u>on REA Form 12a</u>		<u>As Reclassified for</u> <u>Financial Statements</u>	
		Investment in the National Rural Util- ities Coop- erative Finance Cor- poration	\$ 2,636,024
Investments in associated organizations - Patronage capital	\$ 17,162	Land held for future generating site	3,856,509
Other general funds	6,521,677	Other investments	464,641
Other investments	2,094,700	Special construc- tion fund cash and temporary cash invest- ments	1,762,050
Other deferred debts	85,685		
	-----		-----
	\$ 8,719,224		\$ 8,719,224
	=====		=====
Accounts receivable, net	\$ 60,173	Other accounts receivable	\$ 80,255
Other current and accrued assets	20,082		-----
	-----		-----
	\$ 80,255		\$ 80,255
	=====		=====
Interest accrued	\$ 17,693	Other current liabilities	\$ 97,340
Long-term debt - Other	79,647		-----
	-----		-----
	\$ 97,340		\$ 97,340
	=====		=====

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<u>As Classified</u> <u>on REA Form 12a</u>	<u>As Reclassified for</u> <u>Financial Statements</u>
Other current and accrued liabilities \$ 136,456 -----	Accounts payable \$ 136,456 -----
\$ 136,456 =====	\$ 136,456 =====
Operation expense - Excluding fuel \$ 3,756,140	Operating expense - Steam and other power generation
Operation expense - Fuel 8,427,014 -----	\$12,183,154 -----
\$12,183,154 =====	\$12,183,154 =====
Operation expense - Transmission \$ 945,440	Operating expense - Transmission
Operation expense - Distribution 135,155 -----	\$ 1,080,595 -----
\$ 1,080,595 =====	\$ 1,080,595 =====
Operation expense - Consumer accounts \$ 22,441	Operating expense - Sales
Operation expense - Sales 23,960 -----	\$ 46,401 -----
\$ 46,401 =====	\$ 46,401 =====

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February 15, 1985

<u>As Classified</u> <u>on REA Form 12a</u>		<u>As Reclassified for</u> <u>Financial Statements</u>	
Maintenance expense - Transmission	\$ 345,737	Maintenance expense - Trans- mission	\$ 431,872
Maintenance expense - Distribution	86,135		-----
	-----		-----
	\$ 431,872		\$ 431,872
	=====		=====
Other deductions	\$ 865		
Other capital credits and patronage dividends	(27,023)	Other income, net	\$ (26,158)
	-----		-----
	\$ (26,158)		\$ (26,158)
	=====		=====

Service Contracts

The Cooperative has had no management, operating or billing service contracts at any time during the year ended December 31, 1984.

Deposits

All of the Cooperative's cash deposits at December 31, 1984, were in institutions whose accounts were insured by an agency of the Federal Government to the extent provided by statutes.

Insurance Certificates

The Cooperative's file copies of Insurance Expiration Notices (REA Form 55) furnished to REA during the year ended December 31, 1984, reflected the replacement policy information as shown in the policies maintained by the Cooperative.

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February 15, 1985

Income Tax Status

Our tests indicated that at least 85% of the Cooperative's income for the year ended December 31, 1984, was collected from its members. A certificate of exemption from Federal income tax has been obtained previously, and Internal Revenue Form 990 has been filed annually.

Related-Party Transactions

The Cooperative did not engage in any material related-party transactions at any time during the year ended December 31, 1984, except as discussed in Notes 6 and 8 of Notes to Financial Statements.

Other

No audit adjustments, which have not been reflected on REA Form 12a, were required for the year ended December 31, 1984.

This report is submitted pursuant to the reporting requirements of REA Bulletin 185-1:465-1, Part IV, Section 5, as amended, and is not to be used for any other purpose.

ARTHUR ANDERSEN & CO.