



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

March 4, 2014

Mr. Richard L. Anderson
Vice President
NextEra Energy Duane Arnold, LLC
3277 DAEC Road
Palo, IA 52324-9785

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR DUANE ARNOLD ENERGY CENTER
(REPORT 05000331/2013001)**

Dear Mr. Anderson:

On February 12, 2014, the U.S. Nuclear Regulatory Commission (NRC) staff completed its end-of-cycle performance review of Duane Arnold Energy Center. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2013 through December 31, 2013. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that the performance at Duane Arnold Energy Center during the most recent quarter was within the Degraded Cornerstone column of the NRC's Reactor Oversight Process (ROP) Action Matrix based on two inspection findings being classified as having low to moderate safety significance (i.e., White) in the Mitigating Systems Cornerstone and all PIs were within the nominal, expected range (i.e., green). The two inspection findings were related to inadequate standby diesel generator lube oil heat exchanger maintenance and the failure to perform an operability evaluation for a reactor core isolation cooling turbine speed indicator.

As described in our Assessment Follow-up Letter issued on December 18, 2013 (ADAMS Accession No. ML13353A487), Duane Arnold Energy Center transitioned from the Licensee Response column to the Regulatory Response column of the ROP Action Matrix in the third quarter of 2013 due to the White finding related to the inadequate standby diesel generator lube oil heat exchanger maintenance. Subsequently, the NRC issued another Assessment Follow-up Letter on February 11, 2014 (ADAMS Accession No. ML14042A065), for the White finding related to the failure to perform an operability evaluation for a reactor core isolation cooling turbine speed indicator. Due to the two White findings in the Mitigating Systems Cornerstone, Duane Arnold Energy Center transitioned to the Degraded Cornerstone column of the ROP Action Matrix in the third quarter of 2013.

Therefore, in addition to ROP baseline inspections, the NRC plans to conduct a supplemental inspection in accordance with Inspection Procedure (IP) 95002, "Supplemental Inspection for One Degraded Cornerstone or Any Three White Inputs in a Strategic Performance Area," for the two White findings. The NRC will conduct the inspection after you notify us of your readiness for us to review the actions taken to address the performance issues associated with the White inspection findings.

As a result of the Safety Culture Common Language Initiative, the terminology and coding of cross-cutting aspects were revised. All cross-cutting aspects identified during inspections conducted in calendar year 2014 will reflect this revision to Inspection Manual Chapter (IMC) 0310. The CY 2013 end-of-cycle assessments were conducted using the IMC 0310 guidance in effect in CY 2013 (dated October 28, 2011). Cross-cutting aspects identified in 2013 using the 2013 terminology will be converted to the latest revision in accordance with the cross-reference in IMC 0310 during the mid-cycle assessment review and evaluated for cross-cutting themes and potential substantive cross-cutting issues in accordance with IMC 0305.

The enclosed inspection plan lists the inspections scheduled through June 30, 2015. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security-related inspections, which will be sent via separate, non-publicly available correspondence.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact Christine Lipa at 630-829-9703 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Cynthia D. Pederson
Regional Administrator

Docket No. 50-331
License No. DPR-49

Enclosure:
Duane Arnold Energy Center
Inspection/Activity Plan

cc w/encl: Distribution via ListServ™

As a result of the Safety Culture Common Language Initiative, the terminology and coding of cross-cutting aspects were revised. All cross-cutting aspects identified during inspections conducted in calendar year 2014 will reflect this revision to Inspection Manual Chapter (IMC) 0310. The CY 2013 end-of-cycle assessments were conducted using the IMC 0310 guidance in effect in CY 2013 (dated October 28, 2011). Cross-cutting aspects identified in 2013 using the 2013 terminology will be converted to the latest revision in accordance with the cross-reference in IMC 0310 during the mid-cycle assessment review and evaluated for cross-cutting themes and potential substantive cross-cutting issues in accordance with IMC 0305.

The enclosed inspection plan lists the inspections scheduled through June 30, 2015. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security-related inspections, which will be sent via separate, non-publicly available correspondence.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure, will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records System (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact Christine Lipa at 630-829-9703 with any questions you may have regarding this letter or the inspection plan.

Sincerely,
/RA/

Cynthia D. Pederson
Regional Administrator

Docket No. 50-331
License No. DPR-49

Enclosure:
Duane Arnold Energy Center
Inspection/Activity Plan

cc w/encl: Distribution via ListServ™

DISTRIBUTION w/encl:
See next page

DOCUMENT NAME: DAEC Annual Assessment Letter
 Publicly Available Non-Publicly Available Sensitive Non-Sensitive
To receive a copy of this document, indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

OFFICE	RIII	RIII	RIII	RIII
NAME	RNg:rj	CPhillips	ABoland	
DATE	02/26/14	02/26/14	02/26/14	

OFFICIAL RECORD COPY

Letter to Richard Anderson from Cynthia Pederson dated March 4, 2014

SUBJECT: ANNUAL ASSESSMENT LETTER FOR DUANE ARNOLD ENERGY CENTER
(REPORT 05000331/2013001)

DISTRIBUTION w/encl:

Ernesto Quinones

RidsNrrDorLp3-1 Resource

RidsNrrPMDuaneArnold Resource

RidsNrrDirIrib Resource

Cynthia Pederson

Darrell Roberts

Steven Orth

Allan Barker

Carole Ariano

Linda Linn

DRPIII

DRSIII

Patricia Buckley

ROPAssessment.Resource@nrc.gov

Duane Arnold
Inspection / Activity Plan
03/01/2014 - 06/30/2015

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			BI EPX - EP EXERCISE INSPECTION / PI VERIFICATION		2
1	04/07/2014	04/11/2014	IP 71151	Performance Indicator Verification	
			BI ENG - COMPONENT DESIGN BASIS INSPECTION		10
1	05/19/2014	06/20/2014	IP 7111121	Component Design Bases Inspection	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	06/09/2014	06/13/2014	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
			BI OLRQ - BIENNIAL REQUAL PROGRAM INSPECTION		2
1	08/18/2014	08/22/2014	IP 7111111B	Licensed Operator Requalification Program	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	09/08/2014	09/12/2014	IP 71124.07	Radiological Environmental Monitoring Program	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	10/20/2014	10/24/2014	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
1	10/20/2014	10/24/2014	IP 71151-BI01	Reactor Coolant System Activity	
1	10/20/2014	10/24/2014	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1	10/20/2014	10/24/2014	IP 71151-PR01	RETS/ODCM Radiological Effluent	
			BI ISI - INSERVICE INSPECTION		1
1	10/23/2014	11/22/2014	IP 7111108G	Inservice Inspection Activities - BWR	
			BI FIRE - FIRE PROTECTION INSPECTION AND BAG TRIP		1
1	01/12/2015	02/13/2015	IP 7111105T	Fire Protection [Triennial]	
			PI&R - BIENNIAL PI&R INSPECTION		4
1	04/13/2015	05/01/2015	IP 71152B	Problem Identification and Resolution	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	03/02/2015	03/06/2015	IP 71124.02	Occupational ALARA Planning and Controls	
			BL EPR - EP ROUTINE INSPECTION / PI VERIFICATION		2
1	03/16/2015	03/20/2015	IP 7111402	Alert and Notification System Testing	
1	03/16/2015	03/20/2015	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1	03/16/2015	03/20/2015	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1	03/16/2015	03/20/2015	IP 71151	Performance Indicator Verification	
			OL PREP - INIT EXAM/APRIL 2015		3
1	03/16/2015	03/20/2015	W90329	OL - INITIAL EXAM - 2015 MAR-APR - DUANE ARNOLD	
			OL EXAM - INIT EXAM/APRIL 2015		3
1	04/06/2015	04/17/2015	W90329	OL - INITIAL EXAM - 2015 MAR-APR - DUANE ARNOLD	

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Duane Arnold
Inspection / Activity Plan
03/01/2014 - 06/30/2015

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			STRIKE - STRIKE PREPS INSPECTIONS		1
1	05/01/2015	05/31/2015	IP 92709	Licensee Strike Contingency Plans	
			STRIKE - ONGOING STRIKE INSPECTION		2
1	05/31/2015	06/30/2015	IP 92711	Continued Implementation Of Strike Plans During An Extended Strike	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	06/22/2015	06/26/2015	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1	06/22/2015	06/26/2015	IP 71124.04	Occupational Dose Assessment	

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.