

March 3, 2008

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

SUBJECT: ANNUAL ASSESSMENT LETTER - DUANE ARNOLD ENERGY CENTER
05000331/2008001

Dear Mr. Anderson:

On February 13, 2008, the NRC staff completed its performance review of Duane Arnold Energy Center (DAEC). Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2007. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only – Security Related Information" will include the Security Cornerstone review and resultant inspection plan.

Overall, DAEC operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility.

While plant performance for the most recent quarter is within the Licensee Response column of the Action Matrix, there was a safety significant inspection finding affecting the first three quarters of the assessment cycle. Specifically, DAEC was in the Regulatory Response Column of the NRC's Action Matrix for the first, second, and third quarters of CY 2007 based on one White finding in the Emergency Preparedness Cornerstone. On May 8, 2007, we were notified by your staff of your readiness for the NRC to conduct a supplemental inspection to review the actions taken to address the White finding in the Emergency Preparedness Cornerstone. We conducted supplemental inspection procedure 95001 during the week of August 27, 2007. Based on the results of this inspection, no findings of significance were identified.

The enclosed inspection plan details the inspections, including baseline and other infrequently conducted inspections, less those related to security, scheduled through June 30, 2009. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature.

The inspections in the last nine months of the inspection plan are tentative and may be revised at the mid-cycle review.

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 (PARS) component of NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Kenneth Riemer at 630-829-9628 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA by Gary L. Shear, Acting for/

Cynthia D. Pederson, Director
Division of Reactor Projects

Docket No. 50-331; 72-032
License No. DPR-49

Enclosure: Duane Arnold Inspection/Activity Plan

DISTRIBUTION:
See next page

Letter to R. Anderson from C. Pederson dated March 3, 2008

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cc w/encl: M. Nazar, Senior Vice President and Nuclear
Chief Operating Officer
J. Stall, Senior Vice President, Nuclear and Chief
Nuclear Officer
R. Helfrich, Senior Attorney
M. Ross, Managing Attorney
R. Kundalkar, Vice President, Nuclear Engineering
J. Bjorseth, Site Director
D. Curtland, Plant Manager
S. Catron, Manager, Regulatory Affairs
Chief Radiological Emergency Preparedness Section,
Dept. Of Homeland Security
M. Rasmusson, State Liaison Officer
Iowa Department of Public Health
Chairman, Linn County Board of Supervisors
The Honorable Robert Hogg
Chairman, Benton County Supervisors
Benton County Sheriff
Coordinator, Benton County Emergency Services
Mayor of Atkins
Mayor of Shellsburg
Mayor of Urbana
Linn County Sheriff
Director, Linn County Emergency
Management Agency
Mayor of Robins
Mayor of Alburnett
Mayor of Cedar Rapids
Mayor of Hiawatha
Mayor of Marion
City Manager of Marion
Mayor of Center Point
Mayor of Palo
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ROPreports@nrc.gov (inspection reports, final SDP letters, any letter with an IR number)

Duane Arnold
Inspection / Activity Plan
03/01/2008 - 06/30/2009

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	End	Inspection Type
BI ENG - COMPONENT DESIGN BASES INSPECTION		6			
IP 7111121	Component Design Bases Inspection		02/11/2008	03/14/2008	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		03/31/2008	04/04/2008	Baseline Inspections
IP 71151-PR01	RETS/ODCM Radiological Effluent		03/31/2008	04/04/2008	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		08/04/2008	08/08/2008	Baseline Inspections
IP 71151-BI01	Reactor Coolant System Activity		08/04/2008	08/08/2008	Baseline Inspections
IP 71151-OR01	Occupational Exposure Control Effectiveness		08/04/2008	08/08/2008	Baseline Inspections
BI OL - BIENNIAL REQUAL. PROGRAM INSPECTION		2			
IP 7111111B	Licensed Operator Requalification Program		10/06/2008	10/10/2008	Baseline Inspections
BI EP - EP EXERCISE INSPECTION / PI VERIFICATION		3			
IP 7111401	Exercise Evaluation		10/20/2008	10/24/2008	EP Baseline Inspection
IP 71151-EP01	Drill/Exercise Performance		10/20/2008	10/24/2008	Baseline Inspections
IP 71151-EP02	ERO Drill Participation		10/20/2008	10/24/2008	Baseline Inspections
IP 71151-EP03	Alert & Notification System		10/20/2008	10/24/2008	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112102	ALARA Planning and Controls		10/20/2008	10/24/2008	Baseline Inspections
ISFSI - ROUTINE INSPECTION		1			
IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		11/01/2008	11/30/2008	Other Routine
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112101	Access Control to Radiologically Significant Areas		02/09/2009	02/13/2009	Baseline Inspections
IP 7112102	ALARA Planning and Controls		02/09/2009	02/13/2009	Baseline Inspections
IP 71151-OR01	Occupational Exposure Control Effectiveness		02/09/2009	02/13/2009	Baseline Inspections
BI ENG - ENGINEERING INSERVICE INSPECTION		1			
IP 7111108G	Inservice Inspection Activities - BWR		02/09/2009	03/06/2009	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Program		03/16/2009	03/20/2009	Baseline Inspections
IP 71151-PR01	RETS/ODCM Radiological Effluent		03/16/2009	03/20/2009	Baseline Inspections
BI PI&R - BIENNIAL PI&R INSPECTION		4			
IP 71152B	Identification and Resolution of Problems		05/04/2009	05/22/2009	Baseline Inspections