

March 4, 2002

Mr. Gary Van Middlesworth
Site Vice-President
Duane Arnold Energy Center
Nuclear Management Company, LLC
3277 DAEC Road
Palo, IA 52324

SUBJECT: ANNUAL ASSESSMENT LETTER - DUANE ARNOLD ENERGY CENTER
(REPORT 50-331/02-01)

Dear Mr. Van Middlesworth:

On January 30, 2002, the NRC staff completed its end-of-cycle plant performance assessment of Duane Arnold Energy Center. The end-of-cycle review for Duane Arnold Energy Center involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the period from April 1 through December 31, 2001. This letter is to inform you of our assessment of your safety performance during this period. In addition, we are providing our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

As discussed in our May 31, 2001 annual assessment letter, this inspection and assessment cycle consisted of three quarters (i.e., the second, third, and fourth calendar quarters of calendar year 2001) instead of the usual four quarters. This change was implemented to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, Duane Arnold Energy Center operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as the first two quarters of the assessment cycle, 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 only baseline inspections at your facility through March 31, 2003.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last 6 months of the inspection are tentative and may be revised at the Mid-Cycle Review meeting.

In addition to the baseline inspection program, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security immediately following the terrorist attacks on the World Trade Center and the Pentagon, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Duane Arnold Energy Center, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored Duane Arnold Energy Center's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, we will evaluate Duane Arnold Energy Center's compliance with these interim requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.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 me at 630/829-9629 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Bruce Burgess, Chief
Branch 2
Division of Reactor Projects

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

Enclosure: Duane Arnold Energy Center Inspection/Activity Plan

See Attached Distribution

DOCUMENT NAME: G:\EOC Ltrs\2002\Dua-eoc02.wpd

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cc w/encl: E. Protsch, Executive Vice President -
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Robert G. Anderson, Plant Manager
State Liaison Officer
Chairperson, Iowa Utilities Board
The Honorable Charles W. Larson, Jr.
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Duane Arnold
Inspection / Activity Plan
03/04/2002 - 03/31/2003

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	SSDI	- SAFETY SYSTEM BIENNIAL (DRS)	6			
1	IP 7111121	Safety System Design and Performance Capability		03/11/2002	03/29/2002	Baseline Inspections
	IP 71122	- LIQ & GASEOUS EFFL INSPECTION	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/01/2002	04/05/2002	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		04/01/2002	04/05/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/01/2002	04/05/2002	Baseline Inspections
	71130	- SAFEGUARDS INSPECTION-AA/AC/PI/PC	1			
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		04/15/2002	04/19/2002	Baseline Inspections
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorizatio		04/15/2002	04/19/2002	Baseline Inspections
1	IP 7113004	Security Plan Changes		04/15/2002	04/19/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/15/2002	04/19/2002	Baseline Inspections
	CONT A	- SAFEGUARDS INSPECTION-RESPONSE ADMN	1			
1	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategie		06/03/2002	06/07/2002	Baseline Inspections
	IP 71121	- RAD INSTRUMENTATION INSPECTION	1			
1	IP 7112103	Radiation Monitoring Instrumentation		08/26/2002	08/30/2002	Baseline Inspections
	71111.11	- LIC OPERATOR REQUAL PROGRAM EVALUATION	2			
1	IP 7111111B	Licensed Operator Requalification		09/09/2002	11/01/2002	Baseline Inspections
	FY 2003	- DUANE ARNOLD INIT PREP 10/2002	3			
1	W90055	OL - INITIAL EXAM - DUANE ARNOLD - OCT/NOV 2002		10/07/2002	10/11/2002	Not Applicable
	IP 71114	- EP BASELINE INSPECTION (EXERCISE)	3			
1	IP 7111401	Exercise Evaluation		10/21/2002	10/25/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/21/2002	10/25/2002	Baseline Inspections
	IP 71121	- ALARA & RP ACCESS CTRL INSPECTION	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/21/2002	10/25/2002	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		10/21/2002	10/25/2002	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/21/2002	10/25/2002	Baseline Inspections
	FY 2003	- DUANE ARNOLD INIT EXAM 11/2002	3			
1	W90055	OL - INITIAL EXAM - DUANE ARNOLD - OCT/NOV 2002		11/18/2002	11/22/2002	Not Applicable
	IP 71121	- OUTAGE ALARA INSPECTION	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/10/2003	03/14/2003	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/10/2003	03/14/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		03/10/2003	03/14/2003	Baseline Inspections
	FPI	- TRIENNIAL FIRE PROTECTION	3			
1	IP 7111105T	Fire Protection		03/24/2003	04/01/2003	Baseline Inspections

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