



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, IL 60532-4352

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June 25, 2010

Mr. Christopher R. Costanzo
Vice President
NextEra Energy Duane Arnold, LLC
3277 DAEC Road
Palo, IA 52324-9785

SUBJECT: DUANE ARNOLD ENERGY CENTER - NRC SECURITY BASELINE
INSPECTION REPORT 05000331/2010402(DRS)

Dear Mr. Costanzo:

On May 20, 2010, the U. S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at your Duane Arnold Energy Center. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on May 20, 2010, with Mr. Ben Kindred.

The inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection, no findings of significance were identified. However, two licensee-identified violations, which were determined to be of very low security significance, are listed in this report. The NRC is treating these violations as Non-Cited Violations (NCVs) consistent with Section VI.A.1. of the NRC Enforcement Policy because of the very low security significance of the violations and because they were entered into your corrective action program. If you contest these Non-Cited Violations, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region III; the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Duane Arnold Energy Center.

Enclosure contains Sensitive Unclassified
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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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 Agency wide 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). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information" – Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1). Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA by D. Funk for/

Eric Duncan, Chief
Plant Support Branch
Division of Reactor Safety

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

Nonpublic Enclosure: Inspection Report 05000331/2010402(DRS)
w/Attachment: Supplemental Information

cc w/encl: S. Coker, NSIR/DSO/DDSO/ST
C. Johnson, NSIR
J. Trapp, Region I
M. Ernstes, RII
M. Shannon, RIV
M. Nazar, Executive Vice President, Nuclear Division & Chief Nuclear Officer
M. Rasmusson, State Liaison Officer, State of Iowa

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Letter to Mr. Christopher R. Costanzo from Mr. Eric Duncan, dated June 25, 2010.

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INSPECTION REPORT 05000331/2010402(DRS)

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