

AEC DISTRIBUTION FOR PART 50 DOCKET MATERIAL
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CONTROL NO: 7075

FROM: Newman, Reis & Axelrad Washington, D. C. 20036		DATE OF DOC: 12-26-72	DATE REC'D 12-26-72	LTR x	MEMO	RPT	OTHER
TO: John F. O'Leary		ORIG 1 signed	CC	OTHER	SENT AEC PDR X SENT LOCAL PDR X		
CLASS: <u>U</u> PROP INFO		INPUT	NO CYS REC'D 1	DOCKET NO: 50-331			

DESCRIPTION:

Ltr submitted on behalf of IEL&Pco. trans the following:

ENCLOSURES:

AMDT # 10-A, notarized 12-21-72 consisting of...
(1) Ltr 12-21-72 fm IEL&Pco. w/Fin Info re our 11-30-72 ltr.....and including.....
a. Prospectus(Preference Stock)
b. Prospectus(Common Stock)
c. 1971 Annual Rpt for IEL&Pco. *see rpt jacket*
1971 Annual Rpt for CIPC
1971 Annual Rpt for CBPC
(3 Orig. & 70 cys Ltr w/Fin Info & 20 cys addl encls rec'd)

ACKNOWLEDGED

DO NOT REMOVE

PLANT NAMES: Duane Arnold Energy Center

FOR ACTION/INFORMATION 12-27-72 fod

✓ BUTLER(L) W/ 2 Copies	SCHWENGER(L) W/ Copies	SCHEMEL(L) W/ Copies	KNIGHTON(E) W/ Copies
CLARK(L) W/ Copies	STOLZ(L) W/ Copies	ZIEMANN(L) W/ Copies	YOUNGBLOOD(E) W/ Copies
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KNIEL(L) W/ Copies	H. DENTON W/ Copies	DICKER(E) W/ Copies	

INTERNAL DISTRIBUTION

✓ <u>REG FILE</u>	TECH REVIEW	VOLLMER	HARLESS	WADE	E
✓ AEC PDR	HENDRIE	DENTON		SHAFFER	F & M
✓ OGC, ROOM P-506A	SCHROEDER	GRIMES	F & M	BROWN	E
✓ MUMFIZING/STAFF	MACCARY	GAMMILL	SMILEY	G. WILLIAMS	E
CASE	LANGE(2)	KASTNER	NUSSBAUMER	E. GOULBOURNE	L
GIAMBUSSO	PAWLICKI	BALLARD		A/T IND	
BOYD-L(BWR)	SHAO	SPANGLER	LIC ASST.	✓ BRATTMAN	
DEYOUNG-L(PWR)	KNUTH		SERVICE	SALTZMAN	
SKOVHOLT-L	STELLO	ENVIRO	MASON		
P. COLLINS	MOORE	MULLER	WILSON	PLANS	
REG OPR	HOUSTON	DICKER	✓ MAIGRET	MCDONALD	
✓ FILE & REGION (2)	TEDESCO	KNIGHTON	SMITH	DUBE	
MORRIS	LONG	YOUNGBLOOD	GEARIN		
STELLE	LAINAS	PROJ LEADER	DIGGS	INFO	
	BENAROYA		TEETS	C. MILES	
		REGAN	LEE		

EXTERNAL DISTRIBUTION

✓ 1-LOCAL PDR Cedar Rapids, Iowa	(1)(5)(9)-NATIONAL LAB'S	1-PDR-SAN/LA/NY
✓ 1-DTIE(ABERNATHY)	✓ 1-R. CARROLL-OC, GT-B227	1-GERALD LELLOUCHE
✓ 1-NSIC(BUCHANAN)	1-R. CATLIN, E-256-GT	BROOKHAVEN NAT. LAB
✓ 1-ASLB-YORE/H. ST.	1-CONSULANT'S	1-AGMED(WALTER KOESTER, Rm C-427, GT)
(3) 16 CYS ACRS HOLDING Sent 12-27-72 to Maigret for Dist.	NEWMARK/BLUME/AGABIAN	1-RD...MULLER...F-309GT

LAW OFFICES
NEWMAN, REIS & AXELRAD

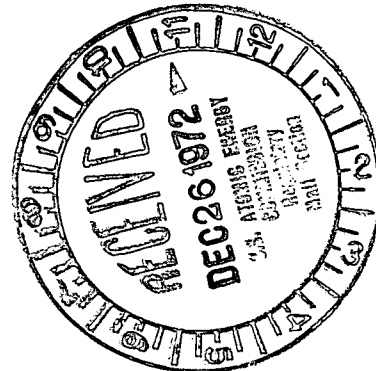
1100 CONNECTICUT AVENUE, N. W.

WASHINGTON, D. C. 20036

202 296-7585

December 26, 1972

JACK R. NEWMAN
HAROLD F. REIS
MAURICE AXELRAD
ANTHONY J. GAMBARDILLA, JR.



Mr. John F. O'Leary, Director
Directorate of Licensing
U.S. Atomic Energy Commission
Washington, D. C. 20545

Regulatory

File Cy.

Re: Iowa Electric Light & Power Company
Duane Arnold Energy Center
AEC Docket No. 50-331

Dear Mr. O'Leary:

On behalf of Iowa Electric Light and Power Company, transmitted herewith is Amendment 10-A to the amended application for licenses authorizing operation of the Duane Arnold Energy Center. Amendment 10-A consists of three (3) originals and seventy (70) copies of the answers to questions contained in the letter of the Directorate of Licensing of November 30, 1972, together with twenty (20) copies of each of the attachments requested in questions 5 and 6 of the letter.

Footnote (B) of the Amendment, beginning at the bottom of page 1, also includes the first paragraph at the top of page 2.

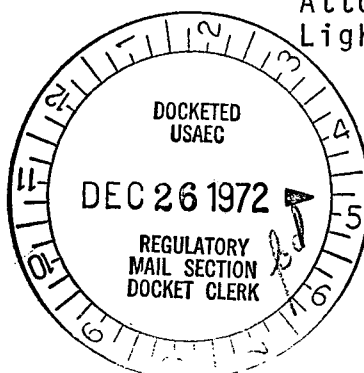
A certificate evidencing service of the amendment will be filed with you shortly.

Sincerely,

Newman, Reis & Axelrad

Newman, Reis & Axelrad
Attorneys for Iowa Electric
Light and Power Company

Enclosures



7075

LB

IOWA ELECTRIC LIGHT AND POWER COMPANY

General Office
CEDAR RAPIDS, IOWA

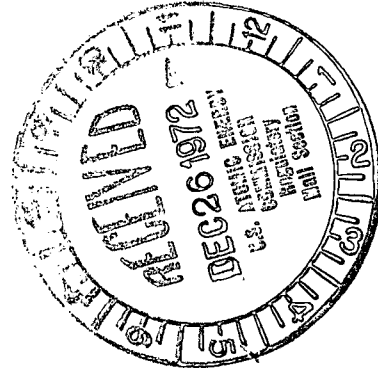
C. W. SANDFORD
VICE PRESIDENT

December 21, 1972

Regulatory File Cy.

Received w/Ltr Dated 12-26-72

Mr. J. F. O'Leary, Director
Directorate of Licensing
U. S. Atomic Energy Commission
Washington, D.C. 20545



SUBJ: Duane Arnold Energy Center
Docket No. 50-331

Dear Mr. O'Leary:

Transmitted herewith as Amendment 10-A to the amended application for licenses to operate the Duane Arnold Energy Center are answers to a DL letter of November 30, 1972, requiring up-dated financial information in the captioned matter.

We are enclosing 3 originals and 70 copies of Amendment 10-A together with 20 copies each of the attachments requested in Questions 5 and 6 of the above referenced letter.

Sincerely yours,

C. W. Sandford
C. W. Sandford
Vice President

CWS:bw

Enclosures

Amendment 10-A

"Duane Arnold Energy Center Final Safety Analysis Report"

Answers to D L Letter of November 30 re: Financial Information

1. Estimated annual costs to operate the unit are as set forth in Table 1.

In accordance with accepted accounting practice and the Uniform System of Accounts prescribed by the Federal Power Commission, interest costs on the investment in the Duane Arnold Energy Center are neither accounted for as, nor considered to be, an operating cost of the facility by any of the applicants. Rather, such costs are a general obligation of each of the applicants and funds for the payment of such obligations will be derived from general revenues of the applicants. (A)

All operating costs of the DAEC will be apportioned among the applicants in the ratio of their respective ownership interests. The funds to be provided by each applicant to meet its share of the operating costs will be derived by each applicant from its overall operations. (B)

(A) The annualized interest on all long-term indebtedness outstanding and net investment in utility plant of the applicants, on an actual and a pro forma basis, at October 31, 1972, are set forth in Table 2.

(B) No specific operating revenues are earmarked by an applicant to meet the expenses relating to any particular facility, such as the DAEC. It may be noted, however, that anticipated kilowatt hours to be generated at the DAEC, priced at current average revenue per Kwh of the respective applicants, would yield annual aggregate revenues as follows:

1974	\$65,981,800
1975	58,999,100
1976	69,700,500
1977	71,209,900
1978	66,017,900

Actual revenues arising from sales of power generated at the DAEC will depend upon actual kilowatt hours generated, rate schedules then in effect and types of sales actually made (wholesale, commercial, residential, etc.). It should also be recognized that power generation anticipated at the DAEC will replace in part present generation from existing facilities with certain continuing costs.

2. The estimated cost of permanently shutting down the Duane Arnold Energy Center at the conclusion of its useful life is estimated at \$9,750,000, based on 1972 dollars.

The decommissioning activities following the final shutdown would consist of the following major steps:

- Removal of all fuel from the site,
- Removal of all radioactive wastes from the site,
- Decontamination by chemical cleaning and flushing of the various components, piping, etc., and removal of the resulting radioactive wastes from the site,
- Capping/sealing of the following items to completely close them after removal of all salvageable components:
 - a) Reactor head
 - b) All lines connecting to the reactor vessel
 - c) Drywell head and all accesses
 - d) All lines exterior to the drywell for radioactive systems
 - e) Fuel Pool (by installing cover)
 - f) All potentially contaminated vessels (e.g., demineralizers, storage tanks, etc.)
 - g) All doors, penetrations and other accesses to all buildings containing radioactive equipment
 - h) Access to all remaining structures
- Demolition of stack,
- Additional fencing to fully enclose the area of significance.

Funds for this endeavor will be derived from the overall operations of the applicant and the co-applicants.

3. Estimated annual cost in 1972 dollars to maintain the facility in a safe shutdown condition is \$200,000. This includes a 24 hour security force and expected inspection and maintenance. Funds for this endeavor will be derived from the overall operations of the applicant and the co-applicants.

4. Neither the participation of the applicant nor either of the co-applicants is contingent upon receipt of funds from any entity.

5. Prospectuses for Iowa Electric's recent security issues are attached. The co-applicants do not issue securities and therefore have no prospectuses.

6. Annual reports for 1971 for the applicant and each of the co-applicants are attached.

7. The applicant and the co-applicants will share the (1) cost of operation, (2) cost of permanent shutdown and (3) cost to maintain a safe shutdown condition in the ratio of their respective ownership interests, which are presently as follows:

Iowa Electric Light and Power Company	70%
Central Iowa Power Cooperative	20%
Corn Belt Power Cooperative	10%

8. The power produced by the unit will be shared by the applicant and the co-applicants in the ratio of their respective ownership interests.

TABLE 1

ESTIMATED COSTS OF OPERATION

<u>Estimated Operating Expenses</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>Five Year Total</u>
Fuel	9,088,661	7,064,212	6,771,001	6,451,077	6,391,838	35,766,789
Other Operation & Maintenance Labor and Applicable Over- heads, Material & Supplies	1,930,000	2,480,000	2,005,000	2,005,000	2,005,000	10,425,000
Insurance	940,000	940,000	1,080,000	940,000	940,000	4,840,000
Taxes, Property	5,600,000	5,600,000	5,600,000	5,600,000	5,600,000	28,000,000
Depreciation						
Generating Station	9,665,000	9,665,000	9,665,000	9,665,000	9,665,000	48,325,000
Substation	359,000	359,000	359,000	359,000	359,000	1,795,000
Total Operating Expenses	27,582,661	26,108,212	25,480,001	25,020,077	24,960,838	129,151,789

TABLE 2

ANNUALIZED INTEREST ON LONG-TERM DEBT
AND NET INVESTMENT IN UTILITY PLANT
INCLUDING DUANE ARNOLD ENERGY CENTER

As of October 31, 1972

	<u>Annualized Interest on All Long-Term Debt</u>	<u>Pro Forma Annualized Interest on All Long- Term Debt to Date of Completion of DAEC</u>
Iowa Electric Light and Power Company	<u>\$11,178,682</u>	<u>\$12,997,257</u>
Central Iowa Power Cooperative	<u>\$ 1,655,256</u>	<u>\$ 2,062,242</u>
Corn Belt Power Cooperative	<u>\$ 807,000</u>	<u>\$ 946,000</u>
	<u>Net Investment in Utility Plant Including DAEC</u>	<u>Pro Forma Net Investment in Utility Plant Including DAEC to date of Completion</u>
Iowa Electric Light and Power Company:		
DAEC	\$120,062,245	\$159,195,000
Other	<u>186,861,277</u>	<u>186,861,277</u>
	<u>\$306,923,522</u>	<u>\$346,056,277</u>
Central Iowa Power Cooperative:		
DAEC	\$ 34,137,419	\$ 43,842,200
Other	<u>24,177,649</u>	<u>24,177,649</u>
	<u>\$ 58,315,068</u>	<u>\$ 68,019,849</u>
Corn Belt Power Cooperative:		
DAEC	\$ 16,834,213	\$ 20,984,800
Other	<u>23,952,463</u>	<u>23,952,463</u>
	<u>\$ 40,786,676</u>	<u>\$ 44,937,263</u>

IOWA ELECTRIC LIGHT AND POWER COMPANY

AMENDMENT NO. 10-A

FINAL SAFETY ANALYSIS REPORT

Iowa Electric Light and Power Company
hereby amends the Final Safety Analysis Report and
the Operating License Application for the Duane
Arnold Energy Center by the filing of Amendment No.
10-A thereto.

IOWA ELECTRIC LIGHT AND POWER COMPANY

By *Duane Arnold*
Duane Arnold
Chairman of the Board and President

21st Sworn to and subscribed before me this
day of December, 1972.

Georgia F. Marlowe
Notary Public in and for
the State of Iowa

Georgia F. Marlowe
NOTARY PUBLIC
State of Iowa
Commission Expires
September 30, 1976