

Mr. Eliot Protsch
President
IES Utilities Inc.
200 First Street, SE
P.O. Box 351
Cedar Rapids, IA 52406-0351

January 26, 1999

SUBJECT: NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO FACILITY
OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING -
DUANE ARNOLD ENERGY CENTER (TAC NO. MA4587)

Dear Mr. Protsch:

Enclosed is a copy of a "Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing," related to your request for a license amendment dated January 22, 1999. This amendment would revise Technical Specification Surveillance Requirement 3.8.1.7 to better match plant conditions during testing by clarifying which voltage and frequency limits are applicable during the transient and steady state portions of the diesel generator start.

This notice has been forwarded to the Office of the Federal Register for publication.

Sincerely,

Original signed by:

Richard J. Laufer, Project Manager
Project Directorate III-1
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Dockets Nos. 50-331

Enclosure: Notice

cc w/encl: See next page

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Docket File PUBLIC
PD3-3 R/F EAdensam (EGA1)
ACRS OGC
GGrant, RIII

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OFFICE	PD31:PM	E	PD32:LA	E	PD31:PD	E
NAME	RLaufer <i>RL</i>		EBarnhill <i>EB</i>		CCarpenter <i>CC</i>	
DATE	1/26/99		1/26/99		1/26/99	

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UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

January 26, 1999

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IES Utilities Inc.
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This notice has been forwarded to the Office of the Federal Register for publication.

Sincerely,

A handwritten signature in cursive script that reads "Richard J. Laufer".

Richard J. Laufer, Project Manager
Project Directorate III-1
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation

Dockets Nos. 50-331

Enclosure: Notice

cc w/encl: See next page

Mr. Eliot Protsch
IES Utilities Inc.

Duane Arnold Energy Center

cc:

Jack Newman, Esquire
Al Gutterman, Esquire
Morgan, Lewis, & Bockius
1800 M Street, NW.
Washington, DC 20036-5869

Chairman, Linn County
Board of Supervisors
Cedar Rapids, IA 52406

IES Utilities Inc.
ATTN: Gary Van Middlesworth
Plant Superintendent, Nuclear
3277 DAEC Road
Palo, IA 52324

John F. Franz, Jr.
Vice President, Nuclear
Duane Arnold Energy Center
3277 DAEC Road
Palo, IA 52324

Ken Peveler
Manager of Regulatory Performance
Duane Arnold Energy Center
3277 DAEC Road
Palo, IA 52324

U.S. Nuclear Regulatory Commission
Resident Inspector's Office
Rural Route #1
Palo, IA 52324

Regional Administrator, RIII
U.S. Nuclear Regulatory Commission
801 Warrenville Road
Lisle, IL 60532-4531

Parween Baig
Utilities Division
Iowa Department of Commerce
Lucas Office Building, 5th floor
Des Moines, IA 50319

UNITED STATES NUCLEAR REGULATORY COMMISSIONIES UTILITIES INC.CENTRAL IOWA POWER COOPERATIVECORN BELT POWER COOPERATIVEDOCKET NO. 50-331

NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO
FACILITY OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. DPR-49, issued to IES Utilities Inc., Central Iowa Power Cooperative, and Corn Belt Power Cooperative (the licensees), for operation of the Duane Arnold Energy Center (DAEC) located in Linn County, Iowa.

The proposed amendment would revise Technical Specification (TS) Surveillance Requirement (SR) 3.8.1.7 to better match plant conditions during testing by clarifying which voltage and frequency limits are applicable during the transient and steady state portions of the diesel generator start.

The licensee requested that this proposed amendment be processed as an exigent request, pursuant to 10 CFR 50.91(a)(6). The exigency is created by the existing TS surveillance, SR 3.8.1.7, containing inappropriate acceptance criteria that the diesel generator (DG) is not designed to meet and which is overly conservative with respect to the DAEC Updated Final Safety Analysis Report (UFSAR) requirements for the DGs. This acceptance

criteria was incorporated into the TS just prior to the approval of DAEC's conversion to Improved Standard TS (NUREG 1433). The licensee did not intend that the basic requirements of this testing be different from those contained in the former custom TS (CTS 4.8.A.2.a.2). However, a significant change was introduced due to the adoption of the wording of NUREG-1433. Because this change was not recognized at that time, the plant procedure for the new SR did not correctly implement the TS. It was only recently, during the review of the BASES for this SR for another issue, that this error was recognized.

Based on the circumstances described above, the NRC verbally issued a Notice of Enforcement Discretion (NOED) on January 20, 1999. The NOED was documented by letter dated January 22, 1999. The NOED expressed the NRC's intention to exercise discretion not to enforce compliance with SR 3.8.1.7 until the exigent TS amendment request to revise SR 3.8.1.7, which the licensee submitted on January 22, 1999, is processed.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

Pursuant to 10 CFR 50.91(a)(6) for amendments to be granted under exigent circumstances, the NRC staff must determine that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards

consideration, which is presented below:

After reviewing this proposed amendment, the licensee concluded:

1. The proposed amendment will not involve a significant increase in the probability or consequences of an accident previously evaluated.

The safety function of the DG is to provide AC power to required safety systems during any Loss of Offsite Power (LOOP) event. The limiting design basis accident is the Loss of Coolant Accident with concurrent LOOP (LOOP-LOCA). This proposed amendment modifies a DG surveillance requirement and does not impact the off-site AC distribution system; therefore the probability of any LOOP event, including the LOOP-LOCA is not significantly increased.

This proposed change revises the SR to better match the plant conditions during the test. SR 3.8.1.7 is performed with the DG unloaded. As a result, the DG initially over-shoots its target nominal voltage and frequency during testing. In an actual event, the DG would be almost immediately loaded once minimum voltage and frequency requirements are met, thereby limiting the over-shoot.

To ensure the DGs are able to fulfill their safety function, the proposed SR requires DG voltage and frequency to achieve the specified minimum acceptable values within 10 seconds and settle to a steady state voltage and frequency within the specified minimum and maximum values. That is, the upper limits are only applicable for steady state operation and do not apply during the transient portion of the DG start. The revision changes the SR 3.8.1.7 criteria to clarify which voltage and frequency limits are applicable during the transient and steady state portions of the DG start.

This change does not affect the DG's ability to supply the minimum voltage and frequency required within 10 seconds or the steady state voltage and frequency required by the UFSAR. The DGs will continue to perform their intended safety function, in accordance with the DAEC accident analysis. Thus, the consequences of any previously-analyzed event are not significantly increased by this change.

Therefore, the proposed amendment will not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. The proposed amendment will not create the possibility of a new or different kind of accident from any accident previously evaluated.

The revision changes the SR 3.8.1.7 criteria to clarify which voltage and frequency limits are applicable during the transient and steady state portions of the DG start. No changes are being made in how the system actually operates or is physically tested.

Therefore, the proposed amendment will not create the possibility of a new or different kind of accident from any accident previously evaluated.

3. The proposed amendment will not involve a significant reduction in a margin of safety.

The margin of safety is not significantly reduced. The DGs will perform their intended safety function, in accordance with the DAEC accident analysis. The revised test criteria are a better match for the tested condition (unloaded). The performance of other TS Surveillances (in particular, SRs 3.8.1.9, 3.8.1.12 and 3.8.1.13) demonstrate DG Operability in conditions which are more representative of postulated accident conditions (loaded in the actual time sequence assumed in the accident analysis). The DGs will continue to perform their intended safety function in accordance with the DAEC accident analysis and UFSAR requirements. Therefore, the proposed amendment will not involve a significant reduction in a margin of safety.

Based upon the above, the licensee determined that the proposed amendment will not involve a significant hazards consideration.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 14 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of the 14-day notice period. However, should circumstances change during the notice period, such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 14-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the FEDERAL REGISTER a notice of issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this FEDERAL REGISTER notice. Written comments may also be delivered to Room 6D59, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By March 3, 1999, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Cedar Rapids Public Library, 500 First Street SE, Cedar Rapids, Iowa 52401. If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with

particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if

proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If the amendment is issued before the expiration of the 30-day hearing period, the Commission will make a final determination on the issue of no significant hazards consideration. If a hearing is requested, the final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Al Gutterman; Morgan, Lewis & Bockius, 1800 M Street NW, Washington, D.C. 20036-5869, attorney for the

licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated January 22, 1999, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room, located at the Cedar Rapids Public Library, 500 First Street SE, Cedar Rapids, Iowa 52401.

Dated at Rockville, Maryland, this 26th day of January 1999.

FOR THE NUCLEAR REGULATORY COMMISSION



Richard J. Laufer, Project Manager
Project Directorate III-1
Division of Reactor Projects III/IV
Office of Nuclear Reactor Regulation