September 4, 2002

PRELIMINARY NOTIFICATION OF EVENT OR UNUSUAL OCCURRENCE -- PNO-III-02-034

This preliminary notification constitutes EARLY notice of events of POSSIBLE safety or public interest significance. The information is as initially received without verification or evaluation, and is basically all that is known by the Region III staff on this date.

Facility	**Licensee Emergency Classification**
Duane Arnold Energy Center	**___ Notification of Unusual Event**
Nuclear Management Co., LLC	**___ Alert**
Palo, IA 52324	**___ Site Area Emergency**
Docket: 50-331	**___ General Emergency**
License: DPR-49	**_X_ Not Applicable**

SUBJECT: SHUTDOWN TO INVESTIGATE AND REPAIR DRYWELL LEAKAGE

DESCRIPTION:

At 9:00 p.m. on Thursday August 29th, the Duane Arnold Energy Center shut down to investigate increasing primary containment (drywell) leakage.

Over the previous week, leakage had increased from approximately .2 gallons per minute to around 2.4 gallons per minute. The licensee had determined that the leak was from drywell heat exchangers and not the primary system. Attempts to locate and isolate the leak during the week were not successful resulting in the licensee opting to shut the facility down and enter the containment to identify the source of the leak. After identifying the source of the leak, the licensee repaired two heat exchangers.

On Sunday, September 2nd, during unit startup, the licensee conducted surveillance on the reactor core isolation cooling (RCIC) system to verify it was operating properly. The test indicated that air was being drawn into the lubricating oil system. Air entrainment has been a problem since the licensee changed out all the system's oil approximately two weeks ago. Because the RCIC system could not pass the surveillance test, the licensee was required to return the unit to cold shutdown.

NRC resident inspectors were at the plant to monitor the reactor shut down and will follow the utility's investigation and repair efforts.

The state of Iowa will be notified. The information in this preliminary notification has been reviewed with utility management.

This information is current as of 7 a.m. on September 4, 2002.

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