DCD

November 15, 1997

EA 97-511

Mr. John F. Franz, Jr.
Vice President, Nuclear
IES Utilities, Inc.
200 First Street SE
P. O. Box 351
Cedar Rapids, IA 52406-0351

SUBJECT: NRC INSPECTION REPORT 50-331/97015(DRS) AND NOTICE OF VIOLATION

Dear Mr. Franz:

On October 10, 1997, the NRC completed an inspection of your implementation of 10 CFR 50.65, "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants" (the maintenance rule) at the Duane Arnold Energy Center. The enclosed report presents the results of that inspection.

Your program for implementing the requirements of the maintenance rule followed the guidance provided in NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated April 1996, which was endorsed in Regulatory Guide 1.160, "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated March 1997. Your program generally met the requirements of the maintenance rule. However, one violation associated with performance criteria was identified. This issue concerned establishing reliability performance criteria for three systems and the inappropriate use of plant level performance criteria for two systems.

The violation is cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding the violation are described in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosure, and your response to this letter will be placed in the NRC Public Document Room.

Sincerely,

Original Signed by John A. Grobe

John A. Grobe, Director
Division of Reactor Safety

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

Enclosures: 1. Notice of Violation
2. Inspection Report 50-331/97015(DRS)

cc w/encls: L. Root, President and
Chief Operating Officer
G. Van Middlesworth,
Plant Manager
K. E. Peveler, Manager,
Regulatory Performance
Chairperson, Iowa Utilities Board

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Sincerely,

John A. Grobe, Acting Director
Division of Reactor Safety

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