

UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

OCT 28 1976

Iowa Electric Light and Power
Company

Docket No. 50-331

ATTN: Mr. Duane Arnold
President

IE Towers
P.O. Box 351
Cedar Rapids, Iowa 52406

Dear Mr. Arnold:

This refers to the meeting with you and members of your organization, by myself and NRC regional personnel on October 19, 1976, regarding plant operations at Duane Arnold Energy Center.

A copy of the report of this meeting is enclosed and identifies the major topics of discussion.

Based on our understanding resulting from the meeting, you will address for each area of concern listed in the attached report your short-term and long-term corrective actions and your timetable for implementation of those actions. Your response should be forwarded to our office within 30 days of the receipt of this communication.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this notice, the enclosed inspection report, and your response to this notice will be placed in the NRC's Public Document Room, except as follows. If this report contains information that you or your contractors believe to be proprietary, you must apply in writing to this office, within twenty days of your receipt of this notice, to withhold such information from public disclosure. The application must include a full statement of the reasons for which the information is considered proprietary, and should be prepared so that proprietary information identified in the application is contained in an enclosure to the application.



Iowa Electric Light
and Power Company

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Should you have any questions regarding this meeting we will
gladly discuss them with you.

Sincerely yours,

James G. Keppler
Regional Director

Enclosure:
IE Inspection Report
No. 050-331/76-23

cc w/encl:
Mr. G. G. Hunt
Chief Engineer

bcc w/encl:
Central Files
Reproduction Unit NRC 20b
PDR
Local PDR
NSIC
TIC

UNITED STATES NUCLEAR REGULATORY COMMISSION
OFFICE OF INSPECTION AND ENFORCEMENT

REGION III

Report of Operations Management Meeting Inspection

IE Inspection Report No. 050-331/76-23

Licensee: Iowa Electric Light and Power Company
Security Building
Post Office Box 351
Cedar Rapids, Iowa 52406

Duane Arnold Energy Center
Palo, Iowa

License No. DPR-49
Category: C

Type of Licensee: BWR (GE) 538 MWe
Type of Inspection: Management, Announced
Date of Inspection: October 19, 1976

Principal Inspector:

H. Kister
H. Kister

10/27/76
(Date)

Accompanying Inspectors: None

Other Accompanying Personnel: J. G. Keppler
G. Fiorelli
R. C. Knop

Reviewed By:

RC Knop
R. C. Knop, Chief
Reactor Projects Section 1

10/27/76
(Date)

Management Meeting

Meeting of October 19, 1976

Attendees

Iowa Electric Light and Power Company

Duane Arnold, President, Board Chairman
J. A. Wallace, Vice President, Generation
L. Liu, Vice President, Engineering
E. Hammond, Assistant Chief Engineer, DAEC
L. Root, Manager, Mechanical and Nuclear Engineering
H. Rehrauer, Supervisor, Project Engineering
G. Cook, Quality Assurance Manager

Nuclear Regulatory Commission

J. G. Keppler, Regional Director
G. Fiorelli, Chief, Reactor Operations and Nuclear Support Branch
R. C. Knop, Chief, Reactor Projects Section
H. B. Kister, Reactor Inspector

Topics Discussed

On October 19, 1976, a meeting with Iowa Electric's corporate management was held at the corporate offices to discuss recent inspection findings related to the Duane Arnold Energy Center (DAEC) and Iowa Electric's need for upgrading management systems to reduce the incidence of noncompliance and reportable events. The overall inspection findings, for the Duane Arnold facility since the 1975 management inspection, were presented and the following areas requiring attention by IE management were discussed as factors in the breakdown in management controls:

1. The large number of events attributable to personnel errors and failure to follow procedures resulting in safety related instruments and components being found inoperable, systems partially inoperable, limiting conditions for operation not being met and work being conducted on safety related systems without proper authorization.
2. The loss of manpower and failure to maintain the needed experience base resulting in duties not being adequately fulfilled.
3. Attitudes that permitted acknowledged problems to remain unresolved until they result in items of noncompliance.

4. The quality of review provided by supervisory personnel, Operations Committee, and Quality Department that resulted in plant operations, periodically in noncompliance with limiting conditions for operation, reporting requirements and surveillance requirements, acceptance of questionable certification of safety related material, design changes not completed, required testing not accomplished, errors in design drawings and incorrect procedures.
5. The need for corporate and plant quality auditing to reduce noncompliance and identify problem trends.
6. The continued failure to meet commitments to NRC or to notify NRC with regard to revised commitments that resulted in corrective actions not being promptly taken, and problems not properly identified to persons responsible for resolution.
7. The need for corporate involvement at DAEC at a level necessary to insure that problems get resolved promptly and satisfactorily, the absence of which has contributed to overall plant operations that are marginal with respect to regulatory requirements.

The NRC representatives stressed that these matters should be reviewed in detail and prompt corrective action initiated.

Iowa Electric representatives informed the group that some steps have been taken already to reduce the incidence of personnel error.

The meeting was adjourned with the understanding that NRC's concerns would be documented in the form of a meeting report and that Iowa Electric would respond with short-term and long-term corrective actions and would include timetables for accomplishment.