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 DAVIS, A. B. Region 3, Office of Director

SUBJECT: Forwards description of plans to improve performance in QA area as requested 870831 SALP rept transmitted on 870831. Measures address both specific weaknesses identified by IE & NRC & also broad review of quality programs.

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Iowa Electric Light and Power Company

October 8, 1987

NG-87-3491

Mr. A. Bert Davis  
Regional Administrator  
Region III  
U.S. Nuclear Regulatory Commission  
799 Roosevelt Road  
Glen Ellyn, IL 60137

Subject: Duane Arnold Energy Center  
Docket No: 50-331  
Op. License No: DPR-49  
Description of Quality Enhancement  
Efforts as Requested in NRC Systematic  
Assessment of License Performance Report  
File: A-100, A-103

Dear Mr. Davis:

On August 31, 1987, you transmitted the Report of NRC's Systematic Assessment of Licensee Performance (SALP) Board for the Duane Arnold Energy Center covering the period March 1, 1986 through May 31, 1987. You requested that Iowa Electric (IE) respond within thirty days after our meeting on September 8, 1987, addressing our plans to improve performance in the Quality Control Area.

Iowa Electric's performance in the functional area "Quality Programs and Administrative Controls Affecting Quality" was rated Category 3 by the SALP Board. The performance reflected in a Category 3 rating is unacceptable to IE. We are determined to improve our performance in this area and are confident that the measures which we have initiated will result in enhanced performance and an improved SALP rating during the current assessment period. These measures both address specific weaknesses identified by IE and the NRC and also encompass a broad review of quality programs.

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QA Involvement and Presence at DAEC. The SALP report recommends that IE improve quality assurance involvement and presence at the plant. An important step toward that end was taken in January 1987 when the Quality Assurance Engineering Technical Projects Section was relocated to the plant. This physical location facilitates quality assurance involvement in plant activities. Surveillance of plant activities is also being improved. Greater emphasis is being placed on direct observation and the surveillance schedule for the fourth quarter of 1987 will reflect that emphasis. There is also an ongoing and aggressive program of internal audits. Twenty-eight audits covering various topics and functional areas are scheduled for 1987 and the 1988 schedule will be similar.

Control of Vendor Activities. Programmatic deficiencies in control of vendor activities were identified during two special NRC inspections, resulting in several violations. Specific corrective actions were taken in response to those violations at the time; those corrective actions and actions to identify and correct any similar items are discussed in IE's responses to reports of those inspections. (Ref. NG-87-2054, NG-87-2879). However, it was apparent that a more effective quality program should have identified and corrected those deficiencies at an earlier stage. IE has therefore developed and put in place a program to enhance the overall effectiveness of its quality programs.

Quality Enhancement Program. A Quality Enhancement Program was begun in July 1987. Its objective is to review the Operational Quality Assurance Program for the DAEC to ensure that it complies with NRC regulatory requirements, utilizes appropriate industry guidance and good practices, and constitutes an effective and efficient quality program.

To achieve these objectives, we have established a Quality Enhancement Team under the direction of the Manager, Corporate Quality Assurance. The Team consists of two full-time members, an IE Senior Quality Assurance Engineer and a consultant expert in nuclear quality assurance, and other IE personnel and consultants on a part-time basis as needed. Other IE personnel are selected from the appropriate organization within the company (e.g., Plant Services, Procurement, Design Engineering, Licensing, and Quality Assurance) to assist with reviews related to the QA programs applicable to the activities of their particular organizations. The Team is reevaluating IE's Quality Assurance Manual, implementing procedures and practices, management controls, and training programs.

A management group will provide active support to the Quality Enhancement Team and will meet frequently to assess the activities occurring as a result of the Quality Enhancement Program. This group consists of the DAEC Plant Superintendent-Nuclear and the Managers of the Nuclear Division, Corporate Quality Assurance, Design Engineering, and Nuclear Licensing and Emergency Planning. This group will make periodic progress reports to senior management.

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The Quality Enhancement Team is now reviewing the Quality Assurance Manual to assure that all applicable regulatory requirements are addressed adequately and in sufficient detail to facilitate preparation (and revision) of implementing procedures. The Quality Enhancement Team will also use available industry guidance and experience, as appropriate, to assure that IE's QA Program exceeds minimum requirements.

The Quality Enhancement Team has established a schedule for its work and is proceeding to perform its review on a chapter-by-chapter basis in accordance with the priorities which have been established. The first chapters to be examined are those pertinent to the weaknesses which have been identified by NRC and IE. Under the present schedule, chapters dealing with procurement control, design control, inspection and testing, material control, audits, and indoctrination and training will have been evaluated and revised, if necessary, by the end of 1987. Management review to decide which revisions to these quality programs are to be adopted will be conducted as the individual chapter reviews are completed by the Quality Enhancement Team. When a Quality Assurance Manual chapter has been revised, the IE department primarily responsible for that subject area will begin reviewing the implementing procedures in order to identify any procedural revisions needed to effect the enhancements. When changes are complete, training in the revised procedures will be undertaken. We plan to complete the six Quality Assurance Manual chapters dealing with the subjects identified above and to be operating under those revised chapters and procedures by September 1988, although we recognize that, until we have a better estimate of the scope and detail of the effort required, prediction of the time required to complete is necessarily preliminary.

Enhancement Review Committee. To further assure that the Quality Enhancement Program is an effective program and that it benefits from the experience of the nuclear industry, IE has established a Review Committee of independent experts to advise the company in its effort to enhance Quality Programs and Administrative Controls. The members of this Review Committee are:

William J. Rudolph II	Manager, Quality Assurance Wolf Creek Nuclear Operating Corp.
James R. Wells	Assistant to Executive Vice President Duke Power Co.
T. R. Colandrea	Director, Quality Assurance GA Technologies, Inc.
Richard A. Vollmer	Vice President TERA Corporation

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Collectively, these individuals have had extensive experience in the design, implementation, and review of quality programs. We anticipate that the wide diversity of their backgrounds within the QA field--including regulatory experience, active involvement in code and standards committees, international experience, and successful administration of quality programs in operating nuclear power plants -- will significantly strengthen our review effort.

This Committee will review the process being used by IE to enhance its Quality Programs and Administrative Controls in order to ensure that the process will meet the objective of producing Quality programs of excellence, meeting both regulatory requirements and the highest standards of good practices of the industry today, in a cost-effective manner. The Committee's review will include at least:

- o a review of the enhancement process to ensure that all appropriate aspects of the Quality programs will be addressed.
- o a review of the methodology of the enhancement process to ensure that planned improvements are necessary and will be effective in achieving excellence in the Quality programs.
- o a review of the adequacy of the resources assigned to the enhancement program.
- o periodic evaluation of the implementation of enhancement efforts and the effectiveness of those efforts during followup reviews.

Should you have any questions regarding our plans for improving performance in quality programs or our Quality Enhancement Program, please contact me.

Very truly yours,

  
William C. Rothert  
Manager, Nuclear Division

WCR/DPB/pjv\*

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