

OCT 5 1982

Docket No. 50-331

Iowa Electric Light and Power
Company

ATTN: Mr. Duane Arnold
President

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

Gentlemen:

This refers to the special safety inspection conducted by Messrs. M. M. Holzmer and W. D. Shafer of our staff on February 8-12, March 8-10, and May 25-28, 1982, at Duane Arnold Energy Center and the Iowa Electric Light and Power Company corporate offices of activities authorized by NRC Operating License No. DPR-49. The results of the inspection were discussed on June 4, 1982, during an enforcement conference at the Region III Office, between Mr. S. J. Tuthill and others of your staff and Mr. A. B. Davis and others of the NRC staff. At the conclusion of the enforcement conference a Confirmatory Action Letter was issued to you outlining the elements of a Regulatory Improvement Program that you agreed to submit to the NRC by August 1, 1982, and which you submitted on July 30, 1982.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

During this inspection, certain of your activities appeared to be in noncompliance with NRC requirements, as specified in the enclosed Appendix. A written response is required.

The results of this inspection indicate serious weaknesses in your management control systems, as evidenced by the Safety Committee's failure to properly perform its review and audit functions. This becomes more significant when one considers that even after the NRC Performance Appraisal Section identified a lack of management control in the Fall of 1981, many of your corrective actions taken or planned were inadequate. Because of the importance we place on effective management control and the potential consequences of its failure, the implementation of your Regulatory Improvement Program will be closely monitored. Your reply to the items of noncompliance identified during this inspection and the results of future inspections will determine whether future enforcement action may be appropriate.

In accordance with 10 CFR 2.790 of the Commission's regulations, a copy of this letter and the enclosed inspection report will be placed in the NRC's Public Document Room. If this report contains any information that you (or your con-

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tractors) believe to be exempt from disclosure under 10 CFR 9.5(a)(4), it is necessary that you (a) notify this office by telephone within ten (10) days from the date of this letter of your intention to file a request for withholding; and (b) submit within twenty-five (25) days from the date of this letter a written application to this office to withhold such information. If your receipt of this letter has been delayed such that less than seven (7) days are available for your review, please notify this office promptly so that a new due date may be established. Consistent with Section 2.790(b)(1), any such application must be accompanied by an affidavit executed by the owner of the information which identifies the document or part sought to be withheld, and which contains a full statement of the reasons which are the bases for the claim that the information should be withheld from public disclosure. This section further requires the statement to address with specificity the considerations listed in 10 CFR 2.790(b)(4). The information sought to be withheld shall be incorporated as far as possible into a separate part of the affidavit. If we do not hear from you in this regard within the specified periods noted above, a copy of this letter and the enclosed inspection report will be placed in the Public Document Room.

The responses directed by this letter (and the accompanying Notice) are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

"Original Signed by C.E. Norelius"
C. E. Norelius, Director
Division of Engineering and
Technical Programs

Enclosures:

1. Appendix, Notice of Violation
2. Inspection Report
No. 50-331/82-04(DETP)

cc w/encls:

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DMB/Document Control Desk (RIDS)
Resident Inspector, RIII
Thomas Houvenagle, Iowa
Commerce Commission

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