OCT 2 9 1984

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

Iowa Electric Light and Power Company ATTN: Mr. Lee Liu President and Chief Executive Officer IE Towers P. O. Box 351 Cedar Rapids, IA 52406

Gentlemen:

This refers to the special inspection conducted by Mr. L. Clardy, Senior Resident Inspector, during the period July 18 through 26, 1984, of activities authorized by NRC Operating License No. DPR-49 at the Duane Arnold Energy Center (DAEC). The results of this special inspection were discussed on July 26, 1984 in a meeting at the site between Mr. D. Mineck and others of your staff and Mr. W. Shafer and others of the NRC staff.

This inspection involved a review of the events associated with the personnel error that occurred on July 18, 1984, which rendered both trains of the Standby Liquid Control System inoperable. This inspection disclosed that your administrative controls were not fully effective to assure that safety-related components of systems required by technical specifications to be operable were manipulated by adequately trained and qualified personnel using appropriate procedures.

Eight other "personnel error" events have occurred in the period between May 4, 1984 and July 18, 1984 at the Duane Arnold facility. These events, the Standby Liquid Control System inoperability event, and associated corrective actions were discussed during an enforcement conference in the NRC Region III office on August 8, 1984 between Dr. S. Tuthill and others of your staff and Mr. J. Keppler and others of the NRC staff.

To emphasize the importance of effective management control to assure: (1) that safety-related components are manipulated by adequately trained and qualified personnel using appropriate procedures, and (2) that your administrative control programs are adequate such that errors and their potential for occurrence are minimized, I have been authorized, after consultation with the Deputy Director, Office of Inspection and Enforcement, to issue the attached Notice of Violation and Proposed Imposition of Civil Penalty in the amount of Twenty-Five Thousand Dollars for the violation set forth in the Notice. This violation has been categorized as a Severity

111

RE. AN RECEIPT REQUESTED

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Level III violation in accordance with the NRC Enforcement Policy, 10 CFR Part 2, Appendix C, as revised 49 FR 8583 (March 8, 1984). Normally, the base civil penalty proposed for a Severity Level III violation of this type is \$50,000. However, after considering the alertness of the two operators who identified the mispositioned valve on July 18, 1984, as well as your prompt corrective action, the base civil penalty has been reduced by 50 percent. We emphasize that similar violations in the future may result in additional enforcement action.

You are required to respond to this letter and should follow the instructions in the Notice when preparing your response. Your reply to this letter and the results of future inspections will be considered in determining whether further enforcement action is warranted.

In accordance with 10 CFR 2.790, "Rules of Practice", a copy of this letter and the enclosure will be placed in the NRC Public Document Room. The response directed by this letter and the enclosed 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.

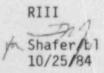
Sincerely,

Original signed by James G. Keppler

James G. Keppler Regional Administrator

Enclosure: Notice of Violation and Proposed Imposition of Civil Penalty

cc w/encl: D. Mineck, Plant Superintendent Nuclear DMB/Document Control Desk (RIDS) Resident Inspector, RIII Thomas Houvenagle, Iowa Commerce Commission



RIII

RIII Schultz



RIII Keppler

2