

October 25, 1995

Mr. Lee Liu, Chairman of the Board  
and Chief Executive Officer  
IES Utilities Incorporated  
IE Towers  
P. O. Box 351  
Cedar Rapids, IA 52406

SUBJECT: ROUTINE INSPECTION AT DUANE ARNOLD ENERGY CENTER  
(NRC INSPECTION REPORT NO. 50-331/95008)

Dear Mr. Liu:

This refers to the inspection conducted by K. Riemer and others of this office on August 17 through September 21, 1995. The inspection included a review of activities authorized for your Duane Arnold Energy Center (DAEC) facility. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of a selective examination of procedures and representative records, interviews with personnel, and observation of activities in progress.

You should note that this inspection report represents an integrated product of a number of diverse inspections that were conducted during the inspection period. The summary contained in the report provides an overview of our assessment of your performance in the four functional areas (Operations, Maintenance, Engineering, and Plant Support) in which inspections were performed.

A special inspection was performed during this inspection period to review your implementation of the revised 10 CFR Part 20 regulations. The review indicated that you had effectively implemented the regulatory changes.

Based on the results of this inspection, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice). The violation was for failure to properly follow your tagout procedure and restore a system to the normal lineup. We are concerned that this violation is a continued example of weaknesses in the implementation of your tagout program and that your previous corrective actions have been ineffective in preventing recurrence of the problem.

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You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. After reviewing your response to the Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

This report describes several examples where attention to detail, self-checking, or attentiveness were less than adequate. The examples crossed all four functional areas. While the safety significance of each of these is low, and we noted additional management emphasis on self-checking during the report period, this area continues to need further attention.

In accordance with 10 CFR Part 2.790 of the Commission's regulations, a copy of this letter, the enclosures, and your responses to this letter will be placed in the NRC Public Document Room.

The response 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 R. D. Lanksbury

R. D. Lanksbury, Chief  
Reactor Projects Branch 2

Docket No. 50-331

Enclosures:

1. Notice of Violation
2. Inspection Report  
No. 50-331/95008

cc w/encl: G. Van Middlesworth,  
Plant Manager  
P. Bessette, Acting Manager, Nuclear  
Licensing  
Chairperson, Iowa Utilities Board

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bcc w/encl: Robert Jones, Chief,  
Reactor Systems Branch, NRR, OWFN, 8-E-23

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