December 8, 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

Dear Mr. Liu:

Enclosed for your review is the Systematic Assessment of Licensee Performance (SALP) 12 Report for the Duane Arnold Energy Center (DAEC) covering the period March 20, 1994, through October 28, 1995. This report will be discussed with you at a public meeting to be held at the DAEC Training Center at 1:00 p.m. (CST) on December 19, 1995. During this meeting you are encouraged to candidly discuss any comments you may have regarding our report. While this is considered a presentation and discussion forum between IES Utilities Incorporated and the Nuclear Regulatory Commission (NRC), the meeting will be open to any other interested parties as observers.

In accordance with NRC policy, I have reviewed the recommendations from the SALP Board assessment and concur with their ratings. During the assessment period, overall performance at DAEC was very good. Most notable in our assessment was that performance in all functional areas showed improvement as compared to the previous SALP period. The new Action Request (AR) system that combined multiple problem identification systems into one root cause and corrective action process and continuing critical self-assessment activities contributed substantially to this improvement. Conservative decision making, effective management involvement, excellent safety focus, and good human performance were distinctive attributes in all functional areas. Some weaknesses in self checking and verification of work activities noted in the previous period still exist; most problems during this period were selfidentified, fewer in number, and lower in significance. Materiel condition of the plant was considered to be good overall and contributed to good plant reliability, particularly safety system availability and reliability. However, some materiel condition problems arose during this period that resulted in outages and plant transients, including a reactor scram and several reactor recirculation pump trips.

Performance in the Operations and Plant Support functional areas continued to be excellent and both were rated Category 1. Control of plant operations and operator performance were noted strengths in the operations functional area as exemplified by excellent shift turnovers, crew communications, professionalism, control of reactivity changes, and response to events. The As Low As Reasonably Achievable (ALARA) program, plant chemistry controls, the Security program, and, in most cases, the audits and appraisals were strengths in the Plant Support functional area. The Engineering functional area improved to Category 1 performance with the quality of work and the support to operational and maintenance activities being noted as excellent. The

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Maintenance functional area was rated Category 2. The Maintenance functional area improved when compared with the previous assessment period; support of day-to-day operations of the plant was very good. However, there were some weaknesses identified in work planning and post-maintenance testing in the latter portion of the assessment period. Outage management was excellent, especially in the areas of shutdown risk management and outage schedule implementation.

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 letter and the SALP report will be placed in the NRC's Public Document Room.

Should you have any questions concerning the SALP Report, we would be pleased to discuss them with you. While no written response is required, if you wish, you may provide written comments within 30 days of the SALP meeting.

Sincerely,

/s/Hubert J. Miller Hubert J. Miller Regional Administrator

Docket No. 50-331

Enclosure: SALP 13 Report No. 50-331/95001

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

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Lee Liu

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