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. 50-331/95009 (DRP))

Dear Mr. Liu:

This refers to the inspection conducted by K. Riemer and others of this office on September 22 through October 28, 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.

This report describes several examples where weaknesses in work planning resulted in equipment problems or delays in completing maintenance. We are especially concerned with the poor performance associated with the incorrect installation of the standby diesel generator room temperature controller. In this case, multiple barriers broke down which allowed this component to be improperly installed and the error remained undetected until identified during the performance of the routine diesel generator Technical Specification surveillance. The barriers, spread across multiple departments, that broke down included weaknesses in planning, post maintenance testing, personnel error, and engineering reviews.

No violations of NRC requirements were identified during the course of this inspection.

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 Public Document Room.

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

Enclosure: Inspection Report

No. 50-331/95009

cc w/encl: G. Van Middlesworth,

Plant Manager

K. Young, Manager, Nuclear

Licensing

Chairperson, Iowa Utilities Board

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