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April 12, 1996

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: NRC INTEGRATED INSPECTION REPORT FOR DUANE ARNOLD ENERGY CENTER
(REPORT NO. 50-331/96002)

Dear Mr. Liu:

This refers to the inspections conducted on January 17 through March 8, 1996. The inspections included a review of activities authorized for your Duane Arnold Energy Center (DAEC) facility. At the conclusion of the inspections, the findings were discussed with those members of your staff identified in the enclosed report.

Based on the results of these inspections, certain of your activities appeared to be in violation of NRC requirements, as specified in the enclosed Notice of Violation (Notice). The violation involved the failure to adequately correct weaknesses in the Engineered Maintenance Action (EMA) process. The violation is of concern because this failure resulted in the performance of incorrect maintenance activities on pumps in both divisions of the river water supply system, a safety-related system of high risk importance in your Individual Plant Examination. Corrective actions for a similar violation in September 1994 involving the EMA process should have prevented this problem but appear to have been too narrow in scope.

While overall plant material condition remained good, we are also concerned about repeat problems with the reactor recirculation motor generator sets. The trip of the "B" motor generator set on January 17, 1996, was the fourth such occurrence in the last 18 months. That trip and a subsequent unexpected reactor recirculation pump runback, also on the "B" unit, represented potentially significant challenges to the control room operators. We recognize and encourage your efforts in resolving the issue and will monitor your results in future inspections.

Continuing a theme from prior inspection reports, several human performance problems related to personnel error and inattention to detail occurred during this inspection period. These problems occurred during the performance of routine activities and across multiple departments. Although the individual consequences associated with each item were minor, we are concerned with the number of human performance issues that have occurred over the last few inspection periods. We recognize that you have made progress in the last several years in improving human performance; however, this decline over the last several report periods warrants additional management attention.

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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 this 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.

In accordance with 10 CFR Part 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosures, and your responses to this letter will be placed in the NRC Public Document Room (PDR).

We will gladly discuss any questions you have concerning these inspections.

Sincerely,

Original Signed by J. Caldwell

W. L. Axelson, Director
Division of Reactor Projects

Docket No. 50-331

Enclosures: 1. Notice of Violation
2. Inspection Report
No. 50-331/96002

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

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See Previous Concurrences

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