



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
801 WARRENVILLE ROAD  
LISLE, ILLINOIS 60532-4351

July 24, 1997

Public IEOI

EA 97-334

Mr. John F. Franz, Jr.  
Vice President, Nuclear  
IES Utilities, Inc.  
200 First Street SE  
P. O. Box 351  
Cedar Rapids, IA 52406-0351

SUBJECT: NRC SPECIAL INSPECTION REPORT NO. 50-331/97011(DRP)  
AND NOTICE OF VIOLATION

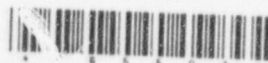
Dear Mr. Franz:

On July 3, 1997, the NRC completed a special safety inspection at your Duane Arnold Energy Center (DAEC) facility. The enclosed report presents the results of that inspection.

During the inspection period, your conduct of activities at the DAEC facility was characterized by a safety conscious approach. However, a violation of NRC requirements was identified. The violation resulted from the decision to perform turbine stop valve testing with one outboard isolation valve closed. We are concerned with the decision because this testing brought the reactor plant much closer to a Group I isolation and reactor scram than anticipated. The failure to perform a safety evaluation and fully evaluate the plant effects prior to performing the testing was a violation of 10 CFR Part 50.59.

The violation is cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding the violation are described in detail in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

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In accordance with 10 CFR Part 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosures and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be placed in the PDR without redaction.

Sincerely,

/s/Ronald N. Gardner for  
Geoffrey E. Grant, Director  
Division of Reactor Projects

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




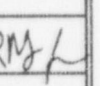
- Enclosures: 1. Notice of Violation
- 2. Inspection Report  
No. 50-331/97011(DRP)

cc w/encls: L. Root, President and  
Chief Operating Officer  
G. Van Middlesworth,  
Plant Manager  
K. E. Peveler, Manager,  
Regulatory Performance  
Chairperson, Iowa Utilities Board

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