

January 23, 1997

Public

Mr. Lee Liu, Chairman of the Board,
President, and Chief Executive Officer
IES Utilities Incorporated
200 First Street S. E.
P. O. Box 351
Cedar Rapids, IA 52406-0351

SUBJECT: NRC INSPECTION REPORT NO. 50-331/96007
AND NOTICE OF VIOLATION

Dear Mr. Liu:

On November 5, 1996, the NRC completed a routine safety inspection at your Duane Arnold Energy Center (DAEC) facility. The enclosed report presents the results of that inspection.

During the period covered by this inspection, your conduct of activities at the Duane Arnold Energy Center facility was characterized by a safety conscious approach to activities. We are concerned however about two violations, with multiple examples, of NRC requirements that were identified. In the first violation, two procedures lacked sufficient detail to ensure activities were properly performed. As a result of the first inadequate procedure, a maintenance worker breached a system outside the established tagout boundary. The second example of an inadequate procedure resulted in Division II 125 VDC Trouble alarms when test equipment was hooked up incorrectly. The second violation lists three cases of failure to follow procedure. An improperly performed tagout resulted in the lifting of a relief valve, damage to 125 VDC equipment, and an ESF actuation. The safety consequences of the errors were low.

The violations are cited in the enclosed Notice of Violation, and the circumstances surrounding the violations 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.

Continuing a theme from the prior inspection report, human performance problems related to personnel error and inattention to detail occurred during this inspection period. These errors occurred during the performance of routine, day-to-day tasks and were observed across multiple departments. Significantly, the consequences of these errors increased in severity and, as

9701310084 970123
PDR ADOCK 05000331
G PDR

1/1
IEOI

discussed above, included a maintenance worker breaching a system outside of the established tagout boundary, a lifted relief valve during the course of a tagout implementation, damaged 125 VDC equipment, and an ESF actuation. We are concerned that events such as these may represent precursors to a transient or personnel injury.

During the latter part of the inspection period, your plant staff commenced the planned refueling outage. We noticed an improvement, compared to previous inspections, during the conduct of these activities. They were conducted in a well planned and coordinated manner. We will continue to monitor your progress in this area.

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

Sincerely,

/s/John A. Grobe for

James L. Caldwell, Director
Division of Reactor Projects

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

Enclosures:

1. Inspection Report
No. 50-331/96007
2. Notice of Violation

cc w/encl: G. Van Middlesworth,
Plant Manager
K. E. Peveler, Manager,
Regulatory Performance
Chairperson, Iowa Utilities Board

See attached continued distribution)

Distribution continued:

Docket File w/enc1
 PUBLIC IE-01 w/enc1
 Project Mgr., NRR w/enc1
 OC/LFDCB w/enc1
 A. B. Beach, w/enc1
 H. B. Clayton, w/enc1

DRP w/enc1
 SRI DAEC w/enc1
 CAA1 w/enc1 (E-Mail)
 W. L. Axelson, w/enc1
 RIII PRR w/enc1

Document: R:\Insprpts\powers\duan\dua96007.drp

To receive a copy of this document, indicate in the box "C" = Copy without attach/enc1 "E" = Copy with attach/enc1 "W" = No copy

OFFICE	RIII		RIII		RIII			
NAME	DuPont <i>SGD</i>		Jordan <i>SGD</i>		Caldwell <i>SGD</i>			
DATE	01/6/97		01/8/97		01/22/97			

OFFICIAL RECORD COPY



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

January 23, 1997

Mr. Lee Liu, Chairman of the Board,
President, and Chief Executive Officer
IES Utilities Incorporated
200 First Street S. E.
P. O. Box 351
Cedar Rapids, IA 52406-0351

SUBJECT: NRC INSPECTION REPORT NO. 50-331/96007
AND NOTICE OF VIOLATION

Dear Mr. Liu:

On November 5, 1996, the NRC completed a routine safety inspection at your Duane Arnold Energy Center (DAEC) facility. The enclosed report presents the results of that inspection.

During the period covered by this inspection, your conduct of activities at the Duane Arnold Energy Center facility was characterized by a safety conscious approach to activities. We are concerned however about two violations, with multiple examples, of NRC requirements that were identified. In the first violation, two procedures lacked sufficient detail to ensure activities were properly performed. As a result of the first inadequate procedure, a maintenance worker breached a system outside the established tagout boundary. The second example of an inadequate procedure resulted in Division II 125 VDC Trouble alarms when test equipment was hooked up incorrectly. The second violation lists three cases of failure to follow procedure. An improperly performed tagout resulted in the lifting of a relief valve, damage to 125 VDC equipment, and an ESF actuation. The safety consequences of the errors were low.

The violations are cited in the enclosed Notice of Violation, and the circumstances surrounding the violations 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.

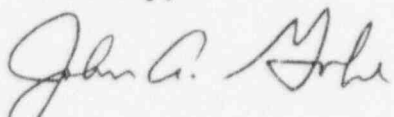
Continuing a theme from the prior inspection report, human performance problems related to personnel error and inattention to detail occurred during this inspection period. These errors occurred during the performance of routine, day-to-day tasks and were observed across multiple departments. Significantly, the consequences of these errors increased in severity and, as

discussed above, included a maintenance worker breaching a system outside of the established tagout boundary, a lifted relief valve during the course of a tagout implementation, damaged 125 VDC equipment, and an ESF actuation. We are concerned that events such as these may represent precursors to a transient or personnel injury.

During the latter part of the inspection period, your plant staff commenced the planned refueling outage. We noticed an improvement, compared to previous inspections, during the conduct of these activities. They were conducted in a well planned and coordinated manner. We will continue to monitor your progress in this area.

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

Sincerely,


for James L. Caldwell, Director
Division of Reactor Projects

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

Enclosures:

1. Inspection Report
No. 50-331/96007
2. Notice of Violation

cc w/encl: G. Van Middlesworth,
Plant Manager
K. E. Peveler, Manager,
Regulatory Performance
Chairperson, Iowa Utilities Board