

Public

June 27, 1997

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 INSPECTION REPORT NO. 50-331/97009 AND NOTICE OF VIOLATION

Dear Mr. Franz:

On May 29, 1997, 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 6-week period covered by this inspection period, your conduct of activities at the DAEC facility was characterized by a safety conscious approach. We are concerned, however, about two violations of NRC requirements that were identified. In the first case, NRC inspectors identified several examples of failure to follow procedures and inadequate procedures for activities affecting quality. Examples include inadequate tagouts for the river water supply system and drywell spray valves, and inadequate post maintenance testing for a safety related ventilation system. These procedure violations are of concern because they identified poor attention to details by the operators. In the second violation, NRC inspectors identified that certain documents were not posted for workers as required by 10 CFR 19.11.

These violations are cited in the enclosed Notice of Violation (Notice), 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.

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

Sincerely,

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. 50-331/97009

cc w/encs: 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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J. Franz

-2-

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Geoffrey E. Grant, Director
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DATE	06/17/97		06/17/97		06/17/97		06/ /97

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UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

June 27, 1997

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

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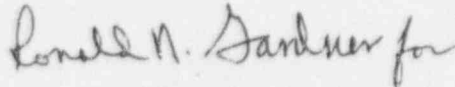
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J. Franz

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Sincerely,

A handwritten signature in dark ink, appearing to read "Geoffrey E. Grant for".

Geoffrey E. Grant, Director
Division of Reactor Projects

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