



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351

January 12, 2000

Mr. Thomas J. Palmisano
Site Vice President and General Manager
Palisades Nuclear Generating Plant
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: PALISADES INSPECTION REPORT 50-255/99012(DRP)

Dear Mr. Palmisano:

On December 16, 1999, the NRC completed an inspection conducted at your Palisades Nuclear Plant. The enclosed report presents the results of that inspection.

The inspection covered a 6-week period. 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 observations of activities in progress. The purpose of our inspection effort was to determine whether activities authorized by your license were conducted safely and in accordance with NRC requirements.

During this inspection period, we observed that your staff pro-actively identified several emergent, significant equipment issues, which were subsequently addressed and corrected in a methodical, deliberate and conservative manner. In particular, issues identified with the control rod drive mechanism bearings, control rod drive seal housings, containment liner moisture barrier, and low pressure safety injection system testing were addressed and corrected in a methodical manner, with a positive focus on safety. In addition, we noted that your outage planning personnel and onsite management consistently demonstrated a positive focus on safety during the refueling outage.

However, based on the results of this inspection, the NRC has determined that five violations of NRC requirements occurred. The violations involved: Technical Specification requirement not met for the operation of charcoal filter during irradiated fuel moves in the fuel storage building; Technical Specification requirement not met for ensuring that the steam generator secondary temperatures were less than or equal to the T-cold primary coolant system temperatures prior to starting the first primary coolant pump; Technical Specification requirement not met for the surveillance of fuel oil storage tank level; inadequate tagging order which resulted in the inadvertent breach of the primary coolant system while in reduced inventory; and inadequate test procedure which resulted in the inadvertent transfer of borated water to the reactor cavity. These five violations are being treated as Non-Cited Violations (NCVs), consistent with Section VII.B.1.a of the Enforcement Policy. The circumstances surrounding the NCV's are described in the subject inspection report.

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These events were of concern due to their fundamental nature. Three of the violations involved operational events, which demonstrated a lack of rigor by your operations staff during the completion of normal operational duties and exhibited periodic weak internal and external communications amongst your operating crews. Weaknesses were also identified regarding the conduct of midshift operating crew turnovers, the clarity of operational procedures and the designation of individuals' roles and responsibilities in the control room. We noted that your immediate corrective actions in response to these events were timely and reasonable. However, the occurrence of these events indicate that continued efforts appear warranted to strengthen operator performance during the execution of routine activities.

If you contest the violations or severity level of the NCVs, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with copies to the Regional Administrator, Region III, and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, the enclosure, and your response, if you choose to provide one, will be placed in the NRC Public Document Room.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark J. Jones for", written in a cursive style.

Geoffrey E. Grant, Director
Division of Reactor Projects

Docket No. 50-255
License No. DPR-20

Enclosure: Inspection Report 50-255/99012(DRP)

cc w/encl: R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
N. Haskell, Director, Licensing
R. Whale, Michigan Public Service Commission
Michigan Department of Environmental Quality
Department of Attorney General (MI)
Emergency Management Division, MI Department
of State Police

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Sincerely,

/s/ M. Dapas for
Geoffrey E. Grant, Director
Division of Reactor Projects

Docket No. 50-255
License No. DPR-20

Enclosure: Inspection Report 50-255/99012(DRP)

cc w/encl: R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
N. Haskell, Director, Licensing
R. Whale, Michigan Public Service Commission
Michigan Department of Environmental Quality
Department of Attorney General (MI)
Emergency Management Division, MI Department
of State Police

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