

February 29, 2000

Mr. Daniel G. Malone
Acting Director, Licensing
Palisades Plant
27780 Blue Star Memorial Highway
Covert, MI 49043

SUBJECT: PALISADES PLANT - NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO FACILITY OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR HEARING (TAC NO. MA8247)

Dear Mr. Malone:

The Commission has requested the Office of the Federal Register to publish the enclosed "Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for A Hearing." This notice relates to your application for amendment dated February 18, 2000, to change the Current Technical Specifications and Improved Technical Specifications for the Palisades Plant to remove requirements with respect to the backup steam supply to turbine-driven auxiliary feedwater pump P-8B.

Sincerely,

/RA/

Darl S. Hood, Senior Project Manager, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-255

Enclosure: Notice

cc w/encl: See next page

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Palisades Plant

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Michigan Department of
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Special Litigation Division
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Lansing, MI 48909

UNITED STATES NUCLEAR REGULATORY COMMISSION

CONSUMERS ENERGY COMPANY

DOCKET NO. 50- 255

NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO
FACILITY OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. DPR-20, issued to Consumers Energy Company for operation of the Palisades Plant located in Van Buren County, Michigan.

The proposed amendment would change Current Technical Specification (CTS) 4.9a.2, "Auxiliary Feedwater System Tests--Surveillance Requirements--Auxiliary Feedwater Pumps," by removing the surveillance requirement with respect to the backup steam supply to turbine-driven auxiliary feedwater (AFW) pump P-8B. As changed, the monthly surveillance requirement would apply to the switch for the primary steam supply valve (CV-0522B) and the pump test-key switch on the automatic AFW actuation system, but not to the switch for the manual backup steam supply valve.

Related changes would also be made to the Improved Technical Specification (ITS) 3.7.5, "Auxiliary Feedwater (AFW) System," as issued November 30, 1999 (Amendment 189). Condition A for ITS 3.7.5 currently provides a completion time of 7 days for restoration if one of the two steam supplies for the turbine-driven AFW pump becomes inoperable (provided the other supply is operable). The proposed amendment would delete ITS 3.7.5 Condition A, and the remaining conditions and their associated actions would be relettered. ITS 3.7.5 Condition B currently allows a completion time of 72 hours for restoration of an inoperable AFW

pump (provided that at least 100% of required AFW flow and at least two operable AFW pumps are available). Condition B also specifies a second completion time: "10 days from discovery of failure to meet the LCO [limiting condition for operation]." The proposed amendment would delete this second completion time in Condition B. The proposed amendment would also revise ITS Surveillance Requirement 3.7.5.1 to only require verification of valve alignment in the remaining steam supply to P-8B (i.e., reference to the backup steam supply would be eliminated). The licensee also forwarded associated changes for the CTS and ITS Bases.

Exigent circumstances exist which cause the Commission to act promptly upon the proposed amendment request. During a maintenance outage on February 5, 2000, a steam leak developed beneath the floor of the turbine building from the underground piping that provides a manual backup steam supply to AFW pump P-8B. The licensee states that this manual backup steam supply line provides no required safety function, but it does provide an alternative steam supply to P-8B for operational flexibility. The licensee subsequently excavated the area immediately surrounding the leak and removed and replaced the leaking pipe section. Since the apparent cause of the leak was corrosion originating from the exterior of the pipe, the licensee concluded that the integrity of the remainder of the line, which has not been completely inspected, cannot be quantitatively proven and cannot easily be demonstrated to be in compliance with the requirements of the American Society of Mechanical Engineers *Boiler and Pressure Vessel Code* for the entire length of underground pipe. Therefore, the licensee decided on February 13, 2000, to consider this manual backup steam supply line inoperable. Since the plant was scheduled to start up, the licensee requested in a letter and telephone call on February 16, 2000, that the Commission grant enforcement discretion to permit plant startup and subsequent operation until a TS change request could be processed. During the phone call, and in a subsequent letter dated February 18, 2000, the Commission noted its intention to exercise enforcement discretion for the period of time necessary to

process a license amendment to change the TS. In its letter granting enforcement discretion, the Commission stated that the license amendment application was to be submitted no later than 12:50 p.m. on February 18, 2000. Thus, the licensee's application for amendment, dated February 18, 2000, is in response to the degraded condition of an underground pipe that is not needed for any safety function and to the Commission's actions in granting enforcement discretion.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations.

Pursuant to 10 CFR 50.91(a)(6), for amendments to be granted under exigent circumstances, the NRC staff must determine that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

- A. Does the change involve a significant increase in the probability or consequences of an accident previously evaluated?

The proposed Technical Specifications changes would allow plant operation without requiring the manual backup steam supply to the turbine driven auxiliary feedwater pump.

The connections to the former underground backup steam supply for Pump P-8B turbine will be isolated from the main steam piping using at least one manual isolation valve, and from the P-8B turbine driver with a pipe cap or flanged connection prior to leaving Cold Shutdown from the current outage. Since the backup underground steam supply is not credited in any plant safety analyses nor required for any design or license basis events, adequate redundancy in other

required sources of supplying auxiliary feedwater exists such that no increase in consequences of an accident will result. Probabilistic Safety Analysis, comparing plant operation with and without the manual backup steam supply, has shown there to be no significant change in risk. Therefore, operation of the plant in accordance with the proposed Technical Specifications would not involve a significant increase in the probability or consequences of an accident previously evaluated.

- B. Does the change create the possibility of a new or different kind of accident from any accident previously evaluated?

Operation of the plant in accordance with the proposed Technical Specifications would not add any new equipment, settings, or alter any plant operating methodology. The only change is the elimination of a testing requirement for a removed plant component. Functioning of that plant component is not assumed in any safety analyses. Since there will be no change in operating plant equipment, settings, or normal operating methodology, operation in accordance with the proposed Technical Specifications would not create the possibility of a new or different kind of accident from any accident previously evaluated.

- C. Does this change involve a significant reduction in a margin of safety?

The proposed Technical Specifications change would allow operation of the plant without the manual backup steam supply to the turbine driven auxiliary feedwater pump. There are no analyzed accidents which require the manual backup steam supply to mitigate the effects of the accident. A Probabilistic Safety Analysis, comparing plant operation with and without the manual backup steam supply, has shown there to be no significant change in risk.

Therefore, operation of the plant in accordance with the proposed Technical Specifications would not involve a significant reduction in the margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 14 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of the 14-day notice period. However, should circumstances change during the notice period, such that

failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 14-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the FEDERAL REGISTER a notice of issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this FEDERAL REGISTER notice. Written comments may also be delivered to Room 6D59, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Copies of written comments received may be examined at the NRC Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC.

The filing of requests for hearing and petitions for leave to intervene is discussed below.

By March 31, 2000, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>). If a request for a hearing or petition for leave to intervene is filed by the

above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is

aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

If the amendment is issued before the expiration of the 30-day hearing period, the Commission will make a final determination on the issue of no significant hazards consideration. If a hearing is requested, the final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, by the

above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Arunas T. Udrys, Esquire, Consumers Energy Company, 212 West Michigan Avenue, Jackson, MI 49201, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

For further details with respect to this action, see the application for amendment dated February 18, 2000, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>).

Dated at Rockville, Maryland, this 24th day of February 2000,

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Darl S. Hood, Senior Project Manager, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation