

March 11, 1999

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555

DOCKET 50-255 - LICENSE DPR-20 - PALISADES PLANT
REPLY TO NOTICE OF VIOLATION FROM INSPECTION REPORT 50-255/98022(DRP)

NRC Inspection Report 50-255/98022(DRP), dated February 10, 1999, cited one violation. The violation involves a failure to submit the results of an analytical evaluation of degraded primary coolant pump (PCP) bolts as required by the ASME Boiler and Pressure Vessel Code, Section XI, Article IWB-3134(b). The reply to this notice of violation is attached. Consumers Energy agrees with the violation.

In addition to the cited violation, the cover letter for Inspection Report 50-255/98022(DRP) expressed a concern that this violation may have demonstrated a lack of knowledge in applying the appropriate ASME Code requirements, and that this may be indicative of a weakness in the Inservice Inspection (ISI) Program implementation. Consumers Energy has evaluated this concern and concurs that weaknesses may exist in the application of ASME Section XI requirements for issues found outside of formal ISI/IST Program activities. However, we have concluded that these weaknesses do not extend to implementation of the ISI Program which has clear organizational ownership and procedural guidance. The degraded bolting in this case was discovered during routine activities outside the ISI program, and was dispositioned with consideration for Code requirements. The failure to submit the bolt evaluation resulted from personnel oversight. As discussed in the attached violation response, remedial action is being taken to add procedure prompts to highlight the evaluation submittal requirements. Opportunities for additional enhancements will be explored in a self assessment of the application of Section XI to non-ISI/IST activities, scheduled to be completed prior to the 1999 refueling outage. Appropriate actions for identified weaknesses will be implemented.

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The Inspection Report also identified a concern that an earlier opportunity was missed to identify the PCP casing leak that caused the bolt degradation. The inspection that identified the boric acid degradation on the PCP bolts was performed during the 1998 refueling outage at cold shutdown conditions. The probable source of the leakage at that time was determined to be from the seal area above the bolts since a pump casing leak was not identifiable. The small and localized PCP casing leak was visible only when the Primary Coolant System was pressurized and heated above cold shutdown. Plant conditions above cold shutdown make the vicinity around the leak a hazardous area that would normally preclude a direct VT-2 examination. During the 1998 refueling outage, the decision to forego closer inspection was based on the hazards that exist during a pressure test at hot shutdown conditions and on the belief that the bolt degradation was caused by a leak that was no longer active in the seal area above the bolts.

SUMMARY OF COMMITMENTS

This letter contains one new commitment and no revisions to existing commitments. The commitment is:

Engineering Manual Procedure EM-26, "Boric Acid Program" will be enhanced by highlighting the requirement to submit analyses used to accept degraded ASME Class 1, 2, or 3 components.



Thomas J. Palmisano
Site Vice President

CC Administrator, Region III, USNRC
Project Manager, NRR, USNRC
NRC Resident Inspector - Palisades

Attachment

ATTACHMENT

**CONSUMERS ENERGY COMPANY
PALISADES PLANT
DOCKET 50-255**

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INSPECTION REPORT 50-255/98022(DRP)**

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NRC NOTICE OF VIOLATION

During an NRC inspection conducted from November 26, 1998, through January 12, 1999, one violation of NRC requirements was identified. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," NUREG-1600, the violation is listed below:

Title 10 of the Code of Federal Regulations, Part 50.55a(g)(4) required, in part, that throughout the service life of a boiling or pressurized water-cooled nuclear power facility, components which are classified as ASME Code Class 1, Class 2, and Class 3 must meet the requirements, except design and access provisions, set forth in Section XI of the ASME Boiler and Pressure Vessel Code.

Article IWB-3134(b) of Section XI of the ASME Code required that analytical evaluation of examination results as required by IWB-3132.4 shall be submitted to the regulatory authority having jurisdiction at the plant site.

Contrary to the above, as of December 18, 1998, the licensee had not submitted to the NRC the analytical evaluation of examination results (EA-PAL-98-1067-01) completed on May 23, 1998, that evaluated the acceptability of continued service with two degraded pressure retaining Code Class 1 studs greater than 2 inches in diameter (pursuant to IWB-3142.4 requirements) for reactor coolant pump P-50A.

This is a Severity Level IV violation (Supplement I).

CONSUMERS ENERGY COMPANY RESPONSE

Consumers Energy Company agrees with the violation. It is noted, however, that American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel Code, Section XI, Article IWB-3144(b) would be applicable rather than Article IWB-3134(b) as stated in the citation since the degradation was found during visual examinations.

BACKGROUND

The ASME Boiler and Pressure Vessel Code, Section XI-1989, Article IWB-3144(b), states the following:

"Evaluation analyses of examination results as required by IWB-3142.4 shall be submitted to the regulatory authority having jurisdiction at the plant site."

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System Engineering personnel identified degradation of two bolts on primary coolant pump (PCP) P-50A on May 20, 1998 while the plant was in cold shutdown. This identification was made during an investigation of boric acid residue on the bolts, and was unrelated to the ISI Program. The residue was attributed to previous leakage from the seal area of the PCP, located above the bolts. No active leakage was observed. An analytical evaluation, EA-C-PAL-98-1067-01, "P-50A Case to Cover Stud Evaluation", was performed to determine if the condition of the bolts was acceptable for continued service. This analytical evaluation, completed on May 23, 1998, concluded that the bolts were acceptable.

When the bolt degradation was found in May 1998, personnel with expertise in Code compliance were assigned to coordinate the examinations required to provide the input for the analytical evaluation. The assigned personnel overlooked the Code requirement to submit the evaluation to the regulatory agency.

The analytical evaluation was not submitted to the NRC until after this oversight was identified during a conference call with the NRC on December 18, 1998, during which the submittal of a relief request concerning the same bolts was being discussed. The analytical evaluation of the bolt degradation found in May 1998 was subsequently submitted on December 20, 1998.

REASON FOR VIOLATION

The assigned personnel overlooked the Code requirement to submit the evaluation to the NRC. In addition, there were no procedural prompts to highlight the requirement to submit analyses used to accept ASME Class 1, 2, or 3 components with flaws that are discovered during activities performed outside of the formal ISI/IST Programs.

CORRECTIVE ACTIONS TAKEN AND RESULTS ACHIEVED

1. The analytical evaluation, EA-C-PAL-98-1067-01, "P-50A Case to Cover Stud Evaluation", was submitted to the NRC on December 20, 1998.
2. A review was conducted to determine if there were other occasions where there were failures to submit the analysis as required. There was only one occasion (the subject of this Notice of Violation) where Palisades failed to realize that an analysis submittal was required.

CORRECTIVE ACTIONS REMAINING TO AVOID FURTHER VIOLATIONS

1. Engineering Manual Procedure EM-26, "Boric Acid Program" will be revised by highlighting the requirement to submit analyses used to accept degraded ASME Class 1, 2, or 3 components.

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2. Palisades will complete a self assessment to identify potential improvements to the application of Section XI to repair and evaluation activities. Appropriate actions for identified weaknesses will be implemented.

DATE WHEN FULL COMPLIANCE WILL BE ACHIEVED

Full compliance was achieved when the analytical evaluation was submitted on December 20, 1998.