

October 26, 2001

EA-01-223

Mr. Douglas E. Cooper
Site Vice President
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: PALISADES FINAL SIGNIFICANCE DETERMINATION FOR A WHITE
FINDING AND NOTICE OF VIOLATION (NRC INSPECTION REPORT
50-255/01-08(DRS))

Dear Mr. Cooper:

The purpose of this letter is to provide you with the final results of our significance determination of the preliminary finding identified in NRC inspection report 50-255/01-08(DRS). The inspection finding was assessed using the Significance Determination Process and was preliminarily characterized as a White finding (i.e., an issue with increased importance to safety, which may require additional NRC inspections). This White finding involved smoke detectors in the northwest portion of the cable spreading room which were not located and installed in accordance with the applicable National Fire Protection Association code.

At your request, a Regulatory Conference was initially scheduled for October 19, 2001, to further discuss your views on this issue. However, in a telephone conversation with Mr. R. Caniano of the NRC, Region III office, on October 10, 2001, you indicated that Nuclear Management Company did not contest the characterization of the risk significance of this finding and that you declined your opportunity to discuss this issue in a Regulatory Conference. As a result of your October 10, 2001 telephone conversation, the planned Regulatory Conference was canceled.

After considering the information developed during the inspection, the NRC has concluded that the inspection finding is appropriately characterized as a White finding (i.e., an issue with increased importance to safety, which may require additional NRC inspections).

You have ten business days from the date of this letter to appeal the staff's determination of significance for the identified White finding. Such appeals will be considered to have merit only if they meet the criteria given in NRC Inspection Manual, Chapter 0609, Attachment 2.

The NRC has also determined that the failure to properly locate smoke detectors is a violation of the Palisades Nuclear Plant Operating License, as cited in the enclosed Notice of Violation

(Notice). The circumstances surrounding the violation are described in detail in NRC inspection report 50-255/01-08(DRS). Immediate actions included implementing compensatory measures until permanent corrective actions have been completed. In accordance with the NRC Enforcement Policy, NUREG-1600, the Notice is considered an escalated enforcement action because it is associated with a White finding.

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.

Because plant performance for this issue has been determined to be in the regulatory response band, we will use the NRC Action Matrix, to determine the most appropriate NRC response for this event. We will notify you, by separate correspondence, of that determination.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

J. E. Dyer,
Regional Administrator

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

Enclosure: Notice of Violation

cc w/encl: R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
L. Lahti, Manager, Licensing
R. Anderson, Chief Nuclear Officer, NMC
A. Udrys, Esquire, Consumers Energy Company
S. Wawro, Nuclear Asset Director, Consumers Energy Company
W. Rendell, Supervisor, Covert Township
Office of the Governor
Michigan Department of Environmental Quality
Department of Attorney General (MI)

(Notice). The circumstances surrounding the violation are described in detail in NRC inspection report 50-255/01-08(DRS). Immediate actions included implementing compensatory measures until permanent corrective actions have been completed. In accordance with the NRC Enforcement Policy, NUREG-1600, the Notice is considered an escalated enforcement action because it is associated with a White finding.

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.

Because plant performance for this issue has been determined to be in the regulatory response band, we will use the NRC Action Matrix, to determine the most appropriate NRC response for this event. We will notify you, by separate correspondence, of that determination.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,
/RA/
 J. E. Dyer,
 Regional Administrator

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

Enclosure: Notice of Violation

cc w/encl: R. Fenech, Senior Vice President, Nuclear
 Fossil and Hydro Operations
 L. Lahti, Manager, Licensing
 R. Anderson, Chief Nuclear Officer, NMC
 A. Udrys, Esquire, Consumers Energy Company
 S. Wawro, Nuclear Asset Director, Consumers Energy Company
 W. Rendell, Supervisor, Covert Township
 Office of the Governor
 Michigan Department of Environmental Quality
 Department of Attorney General (MI)

DOCUMENT NAME: C:\Program Files\Adobe\Acrobat 4.0\PDF Output\Pal 102601NOV
 DRS.wpd

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RIII *		RIII *		RIII *		RIII *	
NAME	RLangstaff:jb		JGrobe for RGardner		AVegel		BClayton	
DATE	10/25/01		10/26/01		10/28/01		10/25/01	
OFFICE	RIII *		RIII		OE *		NRR *	
NAME	JGrobe		JEDyer		CNolan		MSykes	
DATE	10/26/01		10/26/01		10/26/01 T		10/23/01 T	

OFFICIAL RECORD COPY

D. Cooper

-3-

ADAMS Distribution:

F. Congel, OE
D. Dambly, OGC
M. Sykes, NRR
WDR
DFT
DSH
RidsNrrDipmlipb
GEG
HBC
JAL3
DRPIII
DRSIII
PLB1
JRK1
OEMAIL

NOTICE OF VIOLATION

Nuclear Management Company
Palisades Nuclear Power Plant

Docket No. 50-255
License No. DPR-43
EA-01-223

During an NRC inspection conducted on July 9 through August 17, 2001, a 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:

Palisades Nuclear Power Plant Operating License DPR No. 20, Section 2.C.(3) requires, in part, Nuclear Management Company to implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report (FSAR).

FSAR Section 9.6.2, "Design Basis," states, in part, that fire protection at the Palisades Plant uses a defense-in-depth concept of design to provide a high degree of safety. The plant is designed to prevent fires, detect and suppress quickly any fires that do occur, limit the damage and prevent safety-related functions and systems from being interrupted.

FSAR Section 9.6.3.1, "System Description," states, in part, that these detectors were located and installed in accordance with the guidance of NFPA [National Fire Protection Association] 72E-1974, "Automatic Fire Detectors."

NFPA 72E-1974, "Automatic Fire Detectors," Section 4-4.1 states, in part, that spacing of smoke detectors shall result from an evaluation based upon engineering judgment supplemented, if feasible, by field tests. In addition, ceiling shape and surfaces, ceiling height, configuration of contents, burning characteristics of the stored combustibles, and ventilation are some of the parameters that shall be considered.

NFPA 72E-1974, Section 4-4.2 states, in part, that spacing of 30 feet may be used as a guide on smooth ceiling with no forced air flow. Other spacing may be used depending on ceiling height, different conditions or response requirements.

Contrary to the above, the licensee installed only one detector in the northwest portion of the cable spreading room based on a nominal 30 foot spacing. The licensee failed to adequately evaluate detector spacing using the design parameters identified in the above NFPA sections and failed to place additional detectors in that area. Specifically, the smoke detector spacing was inadequate to quickly detect a fire in that area due to ceiling height, configuration of cables trays, the location of a ventilation system between the detector and combustible materials at the floor level, and forced air flow in that room.

This violation is associated with a White Significance Determination Process finding.

Pursuant to the provisions of 10 CFR 2.201, Nuclear Management Company, LLC, is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555 with a copy to the Regional Administrator, Region III, and a copy to the NRC Resident Inspector at the facility that

is the subject of this Notice, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for each violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level, (2) the corrective steps that have been taken and the results achieved, (3) the corrective steps that will be taken to avoid further violations, and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Because your response will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS), to the extent possible, it should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the public without redaction. ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room). If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.790(b) to support a request for withholding confidential commercial or financial information). If safeguards information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21.

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days.

Dated this 26th day of October 2001