

November 29, 2000

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

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - PALISADES

Dear Mr. Palmisano:

On November 7, 2000, the NRC staff completed its Mid-Cycle plant performance assessment of the Palisades Nuclear Power Station. The Mid-Cycle Review for the Palisades Nuclear Power Station involved the participation of all technical divisions in evaluating performance indicators and inspection results for the period of April 2, 2000, through September 30, 2000. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

Plant performance for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix due to the "Unplanned Power Changes per 7000 Critical Hours" performance indicator crossing the WHITE threshold in the Initiating Events cornerstone. Therefore, we plan to conduct the baseline inspections and one supplemental inspection at your facility through September 30, 2001. The supplemental inspection to review your corrective actions regarding the white performance indicator is scheduled for January 2001.

Our previous plant performance review in March 2000 determined that a substantial cross-cutting issue existed regarding the failure to implement adequate corrective actions for identified problems which included repetitive equipment problems and cyclic operator performance. We subsequently conducted a Problem Identification and Resolution (PI&R) inspection in July 2000 and noted that you had initiated substantial changes to your corrective action program. However, because the changes to your corrective action program were recently implemented, the effectiveness of the changes to the program could not be assessed. Therefore, we will continue to monitor your corrective action program through implementation of the baseline inspection program.

The enclosure details the scheduled inspections that will occur through September 30, 2001. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last 6 months of the inspection plans are tentative and will be revised at the end-of-cycle review meeting.

T. Palmisano

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If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Anton Vegel at (630) 829-9620 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

*/RA/*

Geoffrey E. Grant, Director  
Division of Reactor Projects

Docket Nos. 50-255  
License Nos. DPR-20

Enclosure: Palisades Inspection/Activity Plan

See Attached Distribution

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