

OFFICE OF ENFORCEMENT
NOTIFICATION OF SIGNIFICANT ENFORCEMENT ACTION

Licensee: Nuclear Management Company (Consumers Energy Company) (EA-01-088)
Palisades Nuclear Generating Plant
Docket No. 50-255

Subject: PROPOSED IMPOSITION OF CIVIL PENALTY - \$55,000

This is to inform the Commission that a Notice of Violation and Proposed Imposition of Civil Penalty in the amount of \$55,000 will be issued on or about June 27, 2001, to the Nuclear Management Company. The violation resulted from the licensee's failure to provide complete and accurate information in letters dated February 16, 2000, and February 18, 2000, requesting a Notice of Enforcement Discretion (NOED) and an exigent Technical Specification (TS) change request, respectively. The requests involved the abandonment of the underground (backup) steam supply line to the Turbine Driven Auxiliary Feedwater (TDAFW) Pump. The licensee failed to identify that this line was credited as a means of achieving safe shutdown conditions in the event of a Turbine Building fire. This failure was determined to be a violation of 10 CFR 50.9, "Completeness and accuracy of information," and affected the NRC's ability to perform its regulatory function. The NRC granted the NOED and exigent TS change with an incomplete understanding of the potential safety impact to the plant. With complete information the NRC would have reconsidered issuing the NOED and exigent TS change or would have had substantial further inquiry and consideration of compensatory actions prior to making a regulatory decision.

Because this facility has not been the subject of escalated enforcement within the last two years, the NRC staff considered whether credit was warranted for *Corrective Actions* in accordance with the Enforcement Policy. While, the licensee took appropriate corrective actions to prevent recurrence, the licensee failed to recognize the importance of remedying this condition after it was identified by the NRC. The licensee staff failed to promptly correct the incomplete and inaccurate information after the NRC staff identified the information was relevant to the bases for a regulatory decision. It took several months for the licensee to provide to the NRC the information required to assess the significance of the incomplete and inaccurate information and initiate actions to correct the licensing bases. Therefore, the staff concluded that corrective action credit was not warranted in this case and that a base civil penalty in the amount of \$55,000 is proposed for this Severity Level III violation.

It should be noted that the licensee has not yet been specifically informed of the enforcement action. The schedule of issuance and notification is:

Mailing of Notice	June 27, 2001
Telephone Notification of licensee	June 27, 2001

The State of Michigan will be notified. The licensee has thirty days from the date of the Notice in which to respond. Following NRC evaluation of the response, the civil penalty may be remitted, mitigated, or imposed by Order.

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