April 16, 1997

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

SUBJECT: NRC INSPECTION REPORT 50-255/97003(DRS)

Dear Mr. Palmisano:

On March 20, 1997, the NRC completed an inspection of your implementation of 10 CFR 50.65, "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants" (the maintenance rule) at the Palisades Nuclear Generating Plant. The enclosed report presents the results of that inspection.

Your program for implementing the requirements of the maintenance rule followed the guidance provided in NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated May 1993, which was endorsed in Regulatory Guide 1.160, "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated January 1995. Your program met the requirements of the maintenance rule; no violations of NRC requirements were identified. We noted that your program for structure monitoring was comprehensive and well executed. However, we were concerned by weaknesses identified in the administration of reliability criteria, specifically lack of timeliness in both completing Maintenance Preventible Functional Failure evaluations and in identifying that performance criteria had been exceeded.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room.

Sincerely,

/s/ M. Leach (for)

230066

Geoffrey E. Grant, Director
Division of Reactor Safety

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

Enclosures: Inspection Report 50-255/97003(DRS)

See Attached Distribution

DOCUMENT NAME: G:\DRS\PAL97003.DRS
To receive a copy of this document, indicate in the box "C" = Copy w/o attach/encl "E" = Copy w/attach/encl "N" = No copy

OFFICE	RIII:DRS	E	RIII:DRS	N	RIII:DRP	N	RIII:DRS	N
NAME	Farber/kjc		Gavula		Burgess		Leach/Grant	
DATE	04/9/97		04/10/97		04/12/97		04/16/97	

OFFICIAL RECORD COPY

9704230047 970416
PDR ADOCK 05000255
Q PDR

cc w/encl: Robert A. Fenech, Senior Vice President,
Nuclear, Fossil and Hydro Operations
Thomas C. Bordine, Manager, Licensing
James R. Padgett, Michigan Public
Service Commission
Michigan Department of Public Health
Department of Attorney General (MI)

Distribution:

Docket File w/encl	RIII PRR w/encl	C. D. Pederson, RIII w/encl
PUBLIC IE-01 w/encl	SRIs, Palisades,	RIII Enf. Coordinator w/encl
OC/LFDCB w/encl	BRP w/encl	TSS w/encl
DRP w/encl	LPM, NRR w/encl	CAA1 w/encl
DRS w/encl	A. B. Beach, RIII w/encl	