



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
799 ROOSEVELT ROAD
GLEN ELLYN, ILLINOIS 60137

SEP 14 1987

Docket No. 50-255

Consumers Power Company
ATTN: Mr. F. W. Buckman
Vice President
Nuclear Operations
212 West Michigan Avenue
Jackson, MI 49201

Gentlemen:

Enclosed for your review, prior to our scheduled meeting of October 1, 1987, is the SALP 7 Board Report for the Palisades Nuclear Generating Station, covering the period of November 1, 1985 to April 30, 1987.

In accordance with NRC policy, I have reviewed the SALP Board Assessment and concur with their ratings. It is my view that your conduct of nuclear activities in connection with the Palisades facility was acceptable, but that further management attention is required to assure that programs to improve performance initiated during the past 18 months continue to be effectively implemented. Specific areas I would like to highlight for your attention are:

1. The ratings in the two functional areas of Maintenance and Quality Programs and Administrative Controls Affecting Quality remain a Category 3 from the previous SALP period. Though it is recognized that a major improvement in corrective actions and plant material conditions were a result of management emphasis on maintenance and quality during the extended outage, the rating in these areas is based primarily on the poor performance exhibited early in the assessment period.
2. The rating in the area of Surveillance improved to a Category 2 from the previous SALP period. Improvement was noted in the implementation of the surveillance program and the expanded scope of testing. Both are an encouraging sign and I urge you to continue this positive trend.

It is noted that Outages and Training and Qualification Effectiveness are two new functional areas assessed during this rating period.

We recognize your program to improve performance in the functional areas of Maintenance and Quality Programs and Administrative Controls Affecting Quality, and will continue to monitor your efforts in this program.

While you will have sufficient opportunity to present your comments at the meeting on October 1, 1987, we also request any written comments within 30 days after the meeting. Upon receipt, your comments will be evaluated and our conclusions relative to them will be provided to you.

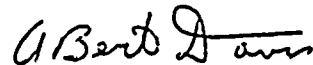
In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter, the SALP Report, and your response to this letter will be placed in the NRC Public Document Room.

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Should you have any questions concerning the SALP Report, we would be pleased to discuss them with you.

Sincerely,



A. Bert Davis
Regional Administrator

Enclosure: SALP 7 Board
Report No. 50-255/87001

cc w/enclosure:

Mr. Kenneth W. Berry, Director
Nuclear Licensing
David P. Hoffman, General Manager
DCS/RSB (RIDS)
Licensing Fee Management Branch
Resident Inspector, RIII
Ronald Callen, Michigan
Public Service Commission
Michigan Department of Public Health
T. E. Murley, NRR
Regional Administrators
RI, RII, RIV, RV
L. W. Zech, Chairman
K. C. Rogers, Commissioner
F. M. Bernthal, Commissioner
T. M. Roberts, Commissioner
K. M. Carr, Commissioner
T. V. Wambach, NRR Project Manager
M. J. Virgilo, NRR Director, Project Directorate III-1
J. Lieberman, Director, Office
of Enforcement
D. E. Hickman, SALP Coordinator, NRR
RIII PRR
RIII SGA
State Liaison Officer,
State of Michigan
INPO
DRP, DRS, DRSS Section
and Branch Chiefs