



**Consumers
Power
Company**

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Director, Nuclear Reactor Regulation
Att: Mr Dennis L Ziemann, Chief
Operating Reactors Branch No 2
US Nuclear Regulatory Commission
Washington, DC 20555

DOCKET 50-255 - LICENSE DPR-20 -
PALISADES PLANT - STEAM GENERATOR REPAIR REPORT

During the 7-year operation of the Palisades Plant, the steam generators have been afflicted by a number of corrosion-related phenomena. As a consequence of those problems, a substantial portion of the excess heat transfer capacity of the Palisades Plant steam generators has been removed. Major progress has been made toward arresting or retarding the various corrosion mechanisms through changes in plant equipment, secondary chemistry and operating procedures. However, denting remains an unresolved issue and threatens to result in additional steam generator problems.

With the uncertainty that exists with regard to future plugging requirements and the expected useful lives of the existing steam generators, Consumers Power Company has evaluated practical major repair alternatives that are available to restore the steam generators to their original condition and regain the initial heat transfer capability.

Complete replacement of the steam generators was determined to be the preferred method of repair.

Recognizing the length of the procurement lead times associated with obtaining components for a program of major repair, Consumers Power Company has embarked upon a contingency planning effort designed to mitigate possible adverse consequences of continued corrosion. In order to conduct this repair, the major elements of this contingency plan include: procurement of replacement steam generators and other long lead time materials, engineering studies and detailed engineering necessary to support the construction aspects of repair; preparation of work plans associated with repair activities; and, preparation of applications for permits needed from various regulatory bodies.

No date has been established for commencing the repair effort described in this report. Even though Consumers Power Company is encouraged by the results of recent eddy current testing of the existing units, we still consider it prudent to proceed with contingency planning which could result in commencing the repair program in 1981.

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The decision to replace the steam generators will be based upon system reserve margins, inspection requirements, the condition of the old units with respect to derating and other relevant factors.

The attached report entitled "Palisades Plant Steam Generator Repair Report" describes the repair program based upon complete replacement of the existing units which is considered to offer the optimum solution for the Palisades Plant if major repairs become necessary. Due to a delay in completing an evaluation of accident transients analyses, Section 6.1 and summary Sections 1.1.4, 1.3 and 1.4 are not included at this time. These sections will be transmitted in March 1979.

The Palisades Plant Review Committee (PRC) and the corporate office Safety and Audit Review Board (SARB) have reviewed the attached Steam Generator Repair Report. Although their conclusions will not be final until the remaining sections of the report are complete, it is anticipated that the repair program will not involve any unreviewed safety questions in accordance with a 10 CFR 50.59 evaluation. Technical Specifications changes are not anticipated as a result of the steam generator repair program.

Although a precedent for Nuclear Regulatory Commission Staff review has been established for other utilities undertaking a similar operation, Consumers Power Company considers the proposed steam generator repair to be a maintenance program with no unreviewed safety questions. Since the repair program requires substantial preplanning and commitment of funds in mid-1979, Consumers Power Company requests that all reviews and approvals be completed by June 30, 1979.

David P Hoffman (Signed)

David P Hoffman
Assistant Nuclear Licensing Administrator

CC: JGKeppler, USNRC