



Consumers
Power
Company

General Offices: 1945 West Parnall Road, Jackson, MI 49201 • (517) 788-1636

December 4, 1981

Mr James G Keppler
Office of Inspection and Enforcement
Region III
US Nuclear Regulatory Commission
799 Roosevelt Road
Glen Ellyn, IL 60137

DOCKET 50-255 - LICENSE DPR-20 -
PALISADES PLANT - FOLLOWUP
TO MARCH 9, 1981 ORDER

The provisions of the March 9, 1981 Confirming Order identifying Consumers Power Company actions to upgrade regulatory performance requires in part:

"A. The licensee shall continue to operate under the following provisions which are a clarified and revised form of the provisions of the Immediate Action Letter issued January 9, 1981:

1. The licensee shall conduct an audit of plant operations daily by a corporate management representative..."

Since the issuance of the referenced Immediate Action Letter Consumers Power Company has failed to perform a daily audit by corporate management on three occasions. These dates were July 29, August 29, and August 30. Verbal notification to members of your staff were made immediately following those instances.

Initial Corrective Action Taken

During the first missed audit corporate management representatives other than the scheduled auditor were on site. The notation was placed in the auditor's logbook to indicate what activities were performed on that day (July 29). In the second case, the missed audits occurred on a weekend (August 29 and 30) which was just prior to the current refueling outage. The corporate auditor performing the next audit did review plant activities of the preceding days.

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Corrective Action Taken To Avoid Further Noncompliance

Initially, changes in the administrative control of the auditing activities were changed to include the verification that an auditor had actually gone to the site (this was sufficient during normal General Office workdays - Monday through Friday). In addition, the Executive Director of Nuclear Activities issued a memo to all Corporate Daily Auditors which expressed the importance of the scope and completion of each daily audit. Instructions were provided to each auditor on the procedure to obtain an alternate if one was necessary.

Present Status

Consumers Power Company is committed to improving our regulatory performance, and in the specific area of satisfying Item A.1 of Section V of the March 9, 1981 Order we feel that the corporate management audits are being executed effectively and have been useful. During the outage, General Office personnel from our Radiological Services and Nuclear Plant Support Departments were assigned to the Palisades Plant to increase General Office activities at the site. Two health physicists were stationed full-time at the plant with additional staff on a part-time basis. The Nuclear Plant Support Department had several staff members involved in Inservice Inspection activities, a Primary Coolant Pump Seal Task Force and assisting in outage scheduling.

Future Activities Related To Daily Audits

The Vice President-Nuclear Operations has again committed to performing a plant walkdown prior to the end of the refueling outage. This walkdown will be performed by Russ DeWitt and five members of his immediate staff or other senior management and is currently scheduled for December 8 and 9, 1981.

The Vice President-Nuclear Operations and the Palisades Plant Manager are still in favor of continuing the daily audits after the current outage but we would like to add some flexibility to the Order. Specifically, there are two areas we would like you to consider for a potential change in the Order. We would like to make use of experienced Senior Engineers on our General Office staff to provide them with additional plant exposure and to offer some new perspectives to the audit process. These engineers are General Office personnel with considerable nuclear experience (7-10 years) which includes actual plant experience at one of our nuclear plants or similar facilities.

Also, we would like to be able to eliminate some weekends and holidays from the audit schedule. Normally those days have very little plant activity and we feel that it will be sufficient to review those days on the next regular workday for the General Office staff. If Technical Specification surveillance

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activities or significant maintenance or modification work is scheduled on these days a General Office auditor will also be scheduled.

Your consideration of these proposals will be greatly appreciated.

A handwritten signature in cursive script that reads "David P. Hoffman". Below the signature, the initials "DD pdh" are written in a smaller, simpler hand.

David P Hoffman
Nuclear Licensing Administrator

CC Director, Office of Nuclear Reactor Regulation
Director, Office of Inspection and Enforcement
NRC Resident Inspector-Palisades