



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

AUG 15 1988

Docket No. 50-255

Consumers Power Company
ATTN: David P. Hoffman
Vice President
Nuclear Operations
212 West Michigan Avenue
Jackson, MI 49201

Gentlemen:

Enclosed for your review, prior to our scheduled meeting of September 2, 1988, is the SALP 8 Board Report for the Palisades Nuclear Generating Station, covering the period of May 1, 1987 to May 31, 1988.

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 12 months continue to be effectively implemented. Specific areas I would like to highlight for your attention are:

1. The ratings in the functional areas of Surveillance, Emergency Preparedness, Security, and Outages improved to a Category 1, each from a previous Category 2 rating. This improvement is attributable to increased management involvement in these areas and responsiveness to NRC issues. Likewise, ratings in the functional areas of Maintenance and Quality Programs and Administrative Controls Affecting Quality, improved to a Category 2, both from a previous Category 3 rating. These were the result of management emphasis on the quality of corrective and preventive maintenance, along with a major enhancement of plant material condition. These ratings are commendable and I encourage you to maintain this performance level.
2. In the functional area of Plant Operations, a Category 2 rating with an improving trend is noted, this is primarily due to improved event response and enforcement history coupled with a decrease in operational events. A positive performance trend has also continued in this area subsequent to the evaluation period.
3. Although a Category 2 rating was given in the functional area of Licensing, a declining trend was noted. This is primarily due to insufficient details in routine license amendment submittals and it is recommended that increased management and technical resources be applied to both the backlog of licensing actions and the proposed effort for Technical Specification improvement.
4. A Category 3 rating was given in the functional area of Fire Protection, a decline from a previous Category 2 rating. This decline resulted from inadequate performance in correcting programmatic Appendix R deficiencies. Increased management attention on your part is needed to assure resolution of Appendix R issues.

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It is noted that Engineering/Technical Support is a new functional area assessed during this rating period.

While you will have sufficient opportunity to present your comments at the meeting on September 12, 1988, 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.

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 8 Board
Report No. 50-255/88001

cc w/enclosure:

Mr. Kenneth W. Berry, Director
Nuclear Licensing
Gerald B. Slade, General Manager
DCD/DCB (RIDS)
Licensing Fee Management Branch
Resident Inspector, RIII
Ronald Callen, Michigan Public Service Commission
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Regional Administrators
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K. C. Rogers, Commissioner
T. M. Roberts, Commissioner
K. M. Carr, Commissioner
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J. Lieberman, Director, Office of Enforcement
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