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DOCKET 50-255 - LICENSE DPR-20 - PALISADES PLANT -  
RESPONSE TO NRC SALP 8 REPORT

Your letter dated August 15, 1988, contained the Systematic Assessment of Licensee Performance (SALP) No. 8 Board Report for our Palisades Plant covering the period of May 1, 1987 to May 31, 1988. The letter requested that we respond within thirty days of the SALP meeting, which occurred on September 12, 1988, with our written comments on the Report. This letter provides Consumers Power Company's response to the SALP 8 Report. Consistent with the format of the SALP Report, our response is presented by functional area.

A. PLANT OPERATIONS

The SALP Board noted a general improving trend in performance primarily due to improved event response, decrease in operational events, and improved enforcement history. The Operations Department will continue to support the changes and increased management attention that led to the improvements in these areas. The changes have been effective and, with continued management stability, should result in continued improvement.

The Board also noted a potential weakness with equipment status control. The Operations Department recognized this as a possible problem area, so an evaluation of the equipment control process was performed. It was determined that the overall administrative programs were adequate but that implementation of some systems was lacking. Therefore, training of all licensed operators has been initiated to reinforce this area.

B. RADIOLOGICAL CONTROLS

Palisades appreciates the recognition in the SALP 8 report of the accomplishments and planned improvements in Radiological Controls. We also acknowledge the deficiencies noted in radwaste shipping, waste gas releases, and chemistry. In each of these areas, corrective actions have been initiated and improved performance noted. Our intent is to continue our progress in SALP 9.

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C. MAINTENANCE

We have initiated programs such as Valve Improvement, Maintenance Self-Assessment, System Trending, Instrument Upgrade and Preventive Maintenance, that apply to both the balance of plant systems and safety systems. Both Consumers Power Company management and the NRC are recognizing the results of these programs in improving overall Palisades Performance.

Our intentions include continued management support of the existing programs, as well as development of future programs over the next couple of years. Programs under development (or soon to be developed) include a Pump Program (based on the lessons learned from our Valve Program), a Reliability Centered Maintenance Program, and a Maintenance Productivity Improvement Program. Our Plant objectives include continued emphasis on the development of an excellent Maintenance Program.

D. SURVEILLANCE

Strong management attention will continue in this functional area. The level of involvement by the Surveillance Program Coordinator will continue to emphasize a detailed and comprehensive overview of the surveillance program. We believe that such emphasis will maintain the momentum of our recent achievements and lead to further surveillance program improvements.

Palisades has also implemented the initial phase of the Augmented Test Program which is based on testing requirements identified by the System Functional Evaluation. The scope of the Augmented Test Program goes beyond testing only plant safety systems. It includes balance of plant components and systems. This is a fully proceduralized program under the control of the Surveillance Program Coordinator. It is our expectation that this program along with the surveillance program will lead to continued improvements in plant performance and reliability.

E. FIRE PROTECTION

Both industry and the staff have worked very hard since 1981 when Appendix R was implemented to determine safe, practical interpretation and application of the requirements. There have been many differing opinions within industry, within the staff, and between the staff and industry. In 1986, we were of the opinion that Palisades was in full compliance. Our Palisades Fire Protection Compliance Committee (PFPPCC) had met monthly for three years and had caused many modifications and analyses to be completed and many procedures to be installed. The 1986 inspection found several areas where our level of compliance was not acceptable. Those non-compliance, unresolved items and open items were enumerated and listed in Inspection Report 86022.

During and immediately after the 1986 Appendix R inspection, corrective action was initiated to bring the non-compliance items into compliance and to allow closure of the unresolved and open items. Corrective action was

assigned and the PFPCC was disbanded. In this same time period, the Material Condition Task Force (MCTF) and System Functional Evaluation Committee were initiating changes which were necessary as a result of the plant trip on May 19, 1986 and the Confirmatory Action Letter dated May 21, 1986. Concurrently, a Safety System Functional Inspection conducted during September and October of 1986 found several items which required corrective action, a special Plant Readiness Inspection conducted during December, 1986 through February, 1987 and a 50.54f letter dated November 20, 1986, resulted in additional items which required management attention. These multiple improvement projects required Palisades management to prioritize the completion of many tasks.

Recent evaluation of the Fire Protection Program needs has resulted in the assignment of a single point accountability for Appendix R issues. In addition on-site training expertise and resources have been added to enhance fire control and existing knowledge. As indicated in this SALP 8 Report, the effort has resulted in a better overall compliance and improved operation.

F. EMERGENCY PREPAREDNESS

The SALP Board noted an improvement in emergency preparedness performance due to improved exercise performance, management involvement, staffing, training and interface with offsite emergency response officials. We will continue to support the changes and management attention that have lead to this improvement. We believe that the present self-assessment of emergency planning also will help the organization review and improve the existing programs at both the plant and general office.

G. SECURITY

Consumers Power Company is very pleased that the NRC has recognized the improved performance in the area of security. We believe that increased visibility of the program, especially the trending of problem areas and feedback to site managers, has resulted in a significant increase in understanding and sensitivity to security requirements. This has been further enhanced by improved training, including the development of a training film now in use in General Employee Training.

We have taken actions to assure that plant management personnel are alert to the potential security implications of operational events. The plant Corrective Action Review Board is reviewing significant equipment failures and other operating incidents with security implications in mind. Emphasis on this area will continue over the coming year.

H. OUTAGES

Consumers Power Company management has placed a great deal of emphasis on the planning and management of outages and is pleased with our recent performance in this area. We are currently in the process of developing

enhanced administrative controls to address the training and qualifications of contractors and non-plant CPCo personnel for both outage and non-outage work. A new plant administrative procedure addressing this topic is expected to be issued in early 1989. In addition to full-scope contracting of reactor head and refueling work to Combustion Engineering for the 1988 Refueling Outage, we have also entered into a full-scope incentive arrangement with Westinghouse Electric Corporation to maintain the turbine-generator and auxiliaries. We believe that these arrangements will further enhance the efficiency and quality of our outage work and will improve plant reliability between outages.

#### I. ENGINEERING/TECHNICAL SUPPORT

Many of the positive results mentioned elsewhere in the SALP report have their origination in the Engineering/Technical Support area. In particular, the Valve Improvement Program (Maintenance), progress in resolving Material Condition Task Force, and System Functional Evaluation (Outages) items and achievement of Control Room "blackboard" condition (Operations) are examples of engineering support of Plant operations. We believe that strong engineering support of Operations and Maintenance is an important ingredient in the quest for excellent Plant operation. Palisades management will continue an emphasis on the engineering support.

We expect to improve our level of support in the areas of Appendix R, quality of safety evaluations, and general licensing support. To achieve results, we have assigned single-point accountability of Appendix R issues to a Program Manager, completed training for originators and reviewers of safety evaluations, and we are considering organizational changes to strengthen our licensing support.

#### J. LICENSING ACTIVITIES

Consumers Power Company concurs with the board recommendations to increase management and technical resources to both the backlog of licensing actions and the proposed effort for Technical Specifications improvement. The board notes that "if the Technical Specification improvement effort is undertaken, the need to address certain items of the backlog will no longer be necessary. However, if the improvement effort is not undertaken, resource commitments must be applied to the backlog and any new items that may arise." Consumers Power Company will apply efforts to both the existing backlog and the Technical Specifications improvement effort.

All outstanding Technical Specifications Change Requests (TSCR), including the six specified in our letter of March 5, 1986, will be compiled and reviewed to determine if the request is of high priority, to warrant an amendment to our existing plant custom Technical Specifications, or may be delayed for incorporation in the Restructured Standard Technical Specifications (RSTS). Consumers Power Company is participating in the RSTS industry effort. All TSCR that respond to NUREG-0737, "Clarification of TMI Action Plan Requirements" will be considered of high priority and will not be delayed for incorporation in the RSTS. NRC will also have the opportunity

to review our list of outstanding TSCR in order that NRC priority issues will also be included. The list of "high priority" TSCR to be included in our existing Palisades Technical Specifications will be identified within the next thirty days. A small group of general office and plant personnel will be dedicated to both the prioritization of existing TSCR and the RSTS efforts.

Technical Specifications improvements that do not require a high priority effort, will be folded into our Restructured Standard Technical Specifications Program. We intend to submit a Palisades Plant specific RSTS first quarter 1990 following NRC review and approval of the Combustion Engineering Topical and lead plant specific RSTS (San Onofre).

With manpower resource specifically addressing Technical Specifications improvements, existing resources will be freed to improve our review of all routine license submittals for assurance that sufficient details are included.

K. TRAINING AND QUALIFICATION EFFECTIVENESS

The SALP 8 Report pointed out that on average, Palisades is making satisfactory progress in meeting its commitment to performance based training. However, the SALP Report also identified that the management involvement and level of resources committed to training in the Operations and Maintenance areas was higher than in some other departments. We concur with this appraisal and are currently reviewing methods that will allow the other departments to share the resources and talents used in developing the operator program. The sharing of the training resources in conjunction with increased line management attention to training should result in improved performance in all departments.

L. QUALITY PROGRAMS AND ADMINISTRATIVE CONTROLS AFFECTING QUALITY

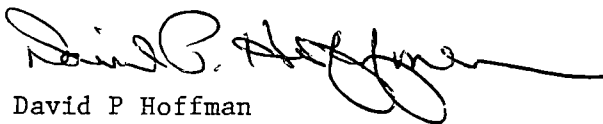
We recognize that the improved rating in this section of the SALP report results reflects improvements noted in several other areas of plant performance. Such overall plant enhancements are the result of a several-year effort to achieve a performance level at Palisades consistent with the top plants in the industry. This effort will continue through such programs as material condition improvement and configuration management, along with strong management commitment to excellence. The plant Five Year Plan will be utilized as a key process, with appropriate resource levels provided to reach our goals. Organizational realignments, such as the development of the Materials Services organization and the integration of the Plant Safety Engineering (PSE) department into the Licensing Department, will be made where necessary to further strengthen the line organization.

Several efforts are underway to address the weaknesses noted in this SALP section:

1. A significant effort is underway to improve content of all procedures. This includes new guidance on writing procedures, verification of procedures, training, and a complete review/rewrite cycle over the next two years.
2. Adequacy and timeliness of corrective action has been improved by reinstating the Corrective Action Review Board after evaluation of a document. Also, the administrative procedure is being enhanced to provide better root cause evaluation guidelines.
3. An effort has begun to resolve the issues on outstanding revisions to LERs which were committed to NRC. We expect completion within the next six months.
4. Major engineering issues, such as Appendix R, will be assigned single-point responsibility to assure proper followup.
5. A proposed organizational change would place review responsibility of all 10CFR50.59 safety evaluations within one group, which should improve consistency and quality.

We believe that overall performance at Palisades has improved considerably over the past two years and fully intend to keep that effort going. Further improvement in SALP ratings is a major measurement that we will strive for.

In summary, the SALP 8 appraisal has acknowledged where our efforts over the last reporting period have improved performance and has given guidance concerning where additional effort is needed to show positive results. We appreciate the guidance given. Palisades now has the opportunity to put forth the effort to improve the identified areas of weakness during the next reporting period. We will apply the appropriate priorities to the of Fire Protection projects to assure timely completion, to increase management and technical attention to both the backlog of licensing actions and the effort for Technical Specifications improvement, and to continue management attention to programs that have improved performance to assure they remain effectively implemented.



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