Mr. Kurt M. Haas Plant Safety and Licensing Director Palisades Plant 27780 Blue Star Memorial Highway Covert, MI 49043

SUBJECT: PALISADES PLANT - APPROVAL OF CODE CASE N-498-1 AS AN ALTERNATIVE TO

THE REQUIRED HYDROSTATIC PRESSURE TEST (TAC NO. M91410)

Dear Mr. Haas:

The staff reviewed and evaluated the information provided by Consumers Power Company (CPC) in its letter dated January 24, 1995, related to relief from the CPC Inservice Inspection (ISI) program.

CPC requested approval for use of the alternative rules of ASME Section XI Code Case N-498-1, dated May 11, 1994, "Alternative Rules for 10-Year System Hydrostatic Testing for Class 1, 2, and 3 Systems," for 10-year hydrostatic testing on Class 1, 2, and 3 systems. Based on the information submitted, CPC's alternative is authorized pursuant to 10 CFR 50.55a(a)(3)(ii), as compliance with the specified requirements of Section XI would result in hardship or unusual difficulty without a compensating increase in the level of quality and safety. CPC's alternative, use of Code Case N-498-1, is authorized until such time as this code case is published in a future revision of Regulatory Guide 1.147. At that time if CPC intends to continue to implement this code case, it is to follow all provisions in Code Case N-498-1 with limitations issued in Regulatory Guide 1.147, if any.

The staff's evaluation and conclusions are contained in the enclosed safety evaluation. If you have any questions regarding this issue, you may contact Marsha Gamberoni at (301) 415-3024.

> Sincerely signed by Cynthia A. Carpenter FOR

John N. Hannon, Director Project Directorate III-1 Division of Reactor Projects - III/IV Office of Nuclear Reactor Regulation

Docket No.: 50-255

Enclosure: As stated '

cc w/encl: See next page

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cc:

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cc: Plant Service list

W. Kropp, DRP, RIII