

February 6, 1996

Mr. T. Palmisano, General Manager
Palisades Nuclear Generating Plant
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: INTEGRATED INSPECTION REPORT 50-255/95014 AND NOTICE OF VIOLATION

Dear Mr. Palmisano:

This refers to the routine safety inspection conducted on December 7, 1995, through January 26, 1996, at the Palisades Nuclear Generating Facility. The purpose of the inspection was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. At the conclusion of the inspection, the findings were discussed with those members of your staff identified in the enclosed report.

Areas examined during the inspection are identified in the report. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel. This report represents an integrated product of a number of inspections conducted during the inspection period. The summary contained in the report provides an overview of our assessment of your performance in the functional areas inspected.

Based on the results of this inspection, the NRC has determined that violations of NRC requirements occurred. These violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding them are described in detail in the subject inspection report. The first violation is of concern due to management's failure to initiate corrective action following loss of tank level indication due to freezing. The second violation is of concern due to the breakdown of barriers which permitted the disabling of a safety system's logic function, when required by technical specifications.

In addition to the violations, the inspectors expressed a concern to you with recent operational events. Even though these events by themselves are not safety significant, in the aggregate could represent an adverse trend in performance. Your response to this concern was positive. Your line organizations have initiated an assessment to ascertain if adjustments are needed to your long term improvement programs.

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T. Palmisano

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During this inspection, we identified examples of weak management oversight of some operations, maintenance, engineering, and plant support activities. Our previous inspection also identified a concern with management oversight of the temporary modification program. Since poor performance was identified in those areas with weak management oversight, we request you inform us, in writing within 45 days of the issuance of this report, of the actions you have taken to ensure there is effective management oversight of plant activities.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. In your response, you should document the specific actions taken and any additional actions you plan to prevent recurrence. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. After reviewing your response to this Notice, including your proposed corrective actions and the results of future inspections, the NRC will determine whether further NRC enforcement action is necessary to ensure compliance with NRC regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response will be placed in the NRC Public Document Room (PDR). To the extent possible, your response should not include any personal privacy, propriety, or safeguards information so that it can be placed in the PDR without redaction.

The responses directed by this letter and the accompanying Notice are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

/s/W. J. Kropp, Chief
W. J. Kropp, Chief
Reactor Projects Branch 3

Docket No. 50-255
License No. DPR-20

Enclosure:

1. Notice of Violation
2. Inspection Report
No. 50-255/95014(DRP)

See Attached Distribution

T. Palmisano

-3-

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cc w/encl: Robert A. Fenech, Vice President,
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R. W. Smedley, Manager, Licensing Dept.
James R. Padgett, Michigan Public
Service Commission
Michigan Department of
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UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351
February 6, 1996

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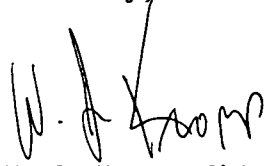
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