



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

REGION III  
801 WARRENVILLE ROAD  
LISLE, ILLINOIS 60532-4351

February 10, 1999

Mr. Thomas J. Palmisano  
Site Vice President and General Manager  
Palisades Nuclear Generating Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043-9530

**SUBJECT: PALISADES INSPECTION REPORT 50-255/98022(DRP) AND NOTICE OF VIOLATION**

Dear Mr. Palmisano:

On January 12, 1999, the NRC completed an inspection conducted at your Palisades Nuclear Generating Plant. The enclosed report presents the results of that inspection.

The inspection covered a 7-week period. Areas examined during the inspection are identified in the report. Equipment reliability issues, specifically oil leaks on a primary coolant pump, required a forced shutdown this inspection period. Several emergent equipment problems extended the forced outage and challenged your operations, maintenance, and engineering departments. The emergent issues were subsequently addressed in a deliberate manner which demonstrated a positive focus on safety. Operator performance during the forced outage was inconsistent. Control room operator's response to the loss of the safeguards transformer was excellent, and the reactor shutdown and subsequent startup were performed in a controlled and deliberate manner. In contrast to these positive operator performance observations, several operator errors and operational problems occurred due to lack of rigor regarding attention to detail during performance of assigned duties by the operators. You indicated at the exit meeting on January 12, 1999, that an evaluation of operator performance during the outage would be conducted.

During this inspection period, the NRC determined that a violation of NRC requirements occurred regarding failure to submit an engineering analysis pertaining to degraded studs on a primary coolant pump. This violation is of concern because your staff demonstrated a lack of knowledge in applying the appropriate ASME Code requirements. Further, your staff missed an earlier opportunity to identify the primary coolant pump casing leak that caused the primary coolant pump stud degradation. Of particular concern is understanding whether the occurrence of this issue is indicative of a weakness in your inservice inspection program implementation. Understanding the root cause of this issue and establishing effective solutions to ensure code compliance is essential for sustaining adequate plant system material condition.

This violation is cited in the enclosed Notice of Violation (Notice), and the circumstances surrounding the violation is described in detail in the enclosed report. You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.


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T. Palmisano

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and the enclosure will be placed in the NRC Public Document Room.

Sincerely,

  
Geoffrey E. Grant, Director  
Division of Reactor Projects

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

Enclosures: 1. Notice of Violation  
2. Inspection Report 50-255/98022(DRP)

cc w/encls: R. Fenech, Senior Vice President, Nuclear  
Fossil and Hydro Operations  
N. Haskell, Director, Licensing  
R. Whale, Michigan, Public Service Commission  
Michigan Department of Environmental Quality  
Department of Attorney General (MI)  
Emergency Management Division, MI Department  
of State Police

T. Palmisano

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Sincerely,

/s/ Geoffrey E. Grant

Geoffrey E. Grant, Director  
Division of Reactor Projects

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Fossil and Hydro Operations  
N. Haskell, Director, Licensing  
R. Whale, Michigan, Public Service Commission  
Michigan Department of Environmental Quality  
Department of Attorney General (MI)  
Emergency Management Division, MI Department  
of State Police

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\* Cover letter, NOV, and Section M1.2

T. Palmisano

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