



UNITED STATES
NUCLEAR REGULATORY COMMISSION

REGION III
801 WARRENVILLE ROAD
LISLE, ILLINOIS 60532-4351
October 14, 1997

Public

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

SUBJECT: NRC INSPECTION REPORT NO. 50-255/97009(DRP)

Dear Mr. Palmisano:

On August 27, 1997, the NRC completed an inspection 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. Within these areas, the inspection consisted of a selective examination of procedures and representative records, interviews with personnel, and observation of activities in progress. The purpose of the inspection effort was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements. The summary contained in the report provides an overview of our assessment of your performance.

During this inspection period the licensee performed prompt and thorough reviews of several operational issues, including an increase in main turbine vibration, repetitive failures of the thermal margin monitor, and the availability of emergency diesel generator lube oil. However, resident inspector review of these issues revealed additional opportunities for early discovery and resolution by existing licensee programs. In contrast, system engineering has demonstrated that it can proactively identify problems by performing a critical review of system performance. An example is the review performed by the system engineer of the high pressure safety injection system and high pressure air system. This review identified several component failures that were not classified as maintenance preventable functional failures but required increased attention due to the frequency of the component failures.

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

Sincerely,

Mark J. Taylor for

Geoffrey E. Grant, Director
Division of Reactor Projects

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

Enclosure: Inspection Report No. 50-255/97009(DRP)

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Environmental Quality
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/s/Marc L. Dapas for

Geoffrey E. Grant, Director
Division of Reactor Projects

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