

September 2, 1998

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. 50-255/98012 AND NOTICE OF VIOLATION

Dear Mr. Palmisano

On July 24, 1998, the NRC completed an inspection at your Palisades facility. The focus of this inspection was to review engineering and technical support provided to the plant and the effectiveness of your controls in identifying, resolving, and preventing problems. The inspection also included review of previously identified inspection items. The enclosed report presents the results of that inspection.

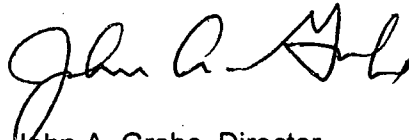
Overall, the team concluded that the engineering and technical support provided by the design and system engineering groups was effective. In particular, implementation of the modification and the 10 CFR 50.59 processes, as well as the condition reporting system appeared to be functioning well. The team also concluded that Palisades had an effective program for identifying, resolving, and preventing problems. Corrective actions and enhancements to the program over the past two years had resulted in improvements.

Based on the results of this inspection, the NRC has determined that a violation of NRC requirements occurred. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it is described in detail in the subject inspection report. The NRC has concluded that information regarding the reason for the violation, the corrective actions taken and planned to correct the violation and prevent recurrence is already adequately addressed on the docket in LER 96-013 and Inspection Report No. 50-255/94002. Therefore, you are not required to respond to this letter unless the description therein does not accurately reflect your corrective actions or your position. In that case, or if you choose to provide additional information, you should follow the instructions specified in the enclosed notice.

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In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures, and your response, if you choose to provide additional information, will be placed in the NRC Public Document Room.

Sincerely



John A. Grobe, Director
Division of Reactor Safety





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

Enclosures: 1. Notice of Violation
2. Inspection Report
No. 50-255/98012(DRS)

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

DOCUMENT NAME: G:/DRS/PAL98012.DRS

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T. Palmisano

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