



Consumers
Power

**POWERING
MICHIGAN'S PROGRESS**

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Chief Operating Officer

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Nuclear Regulatory Commission
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Washington, DC 20555

DOCKET 50-255 - LICENSE DPR-20 - PALISADES PLANT
RESPONSE TO SALP 12 REPORT NO. 50-255/93001

The NRC letter dated December 1, 1993 transmitted the SALP 12 Report for the Palisades Nuclear Plant. On December 14, 1993 a meeting with the NRC provided an opportunity to discuss the NRC assessments and our plans to address performance problems. The public was invited to observe. Additionally, that letter requested us to respond in writing within 30 days after the meeting and specifically describe our plans to improve our performance in Operations and Engineering. This letter provides that response.

We agree with your assessment that our performance declined during the SALP 12 period. I have sent a letter to all Nuclear Operations employees, attaching the SALP 12 report, to ensure that everyone understands the need to improve our performance.

In the Operations area, we have developed and are implementing plans which are designed to effect long term improvement and correction of underlying issues by identifying operator performance problems, improving internal communications and enhancing management's ability to, before they become problems, identify underlying issues.

In the engineering area, the Manager of Nuclear Engineering and Construction and the Palisades Plant General Manager are changing the method of control of engineering and plant modifications to strengthen management control and oversight. These changes include raising the level of approval authority for modifications to that of the Engineering Managers and requiring a multi-disciplinary review of the design and quality verification plan for all modifications which will affect plant safety. Also, our expectations of engineers regarding quality and ownership of engineering work are being clarified by our development of more stringent standards for technical reviews of engineering work; and, by implementing action to ensure that those responsible for engineering will be cognizant of the fact that they are responsible for all engineering including that performed for the Palisades

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plant by others who are from areas within and outside Consumers Power Company.

Another topic discussed at the December 14, 1993 meeting was our self assessment processes. These processes cross organizational boundaries and will undergo substantial changes in 1994. We have initiated a "reengineering" effort that will take a fresh look at our corrective action processes and expand them to include non-consequential events. This activity will address problem reporting, root cause evaluation and trending. We are nearing completion of an effort to clarify the role of the Nuclear Performance Assessment Department (NPAD) and gain alignment of that role throughout Nuclear Operations.

Finally, to ensure the effective performance and effective use of the self assessment process, I will sponsor and participate in a Nuclear Management and Safety Committee which will meet at least quarterly and will include the Vice President of Nuclear Operations, the Director of NPAD, a designated nuclear manager and four members who are not employees of Consumers Power Company or its related companies. The purpose of this oversight committee is to provide more diverse observations of our performance and promote a more questioning attitude throughout the Nuclear Operations Department.

We expect to discuss the progress of the above described corrective actions and the results they provide at future management meetings with the NRC staff.



Michael G. Morris
Executive Vice President
and Chief Operating Officer

CC Administrator, Region III, USNRC
NRC Resident Inspector - Palisades