

FEB 12 1985

Docket No. 50-255

Consumers Power Company  
ATTN: Mr. R. B. DeWitt  
Vice President  
Nuclear Operations  
212 West Michigan Avenue  
Jackson, MI 49201

Gentlemen:

Enclosed for your review, prior to our scheduled meeting of March 12, 1985, is the SALP Board Report for the Palisades Nuclear Generating Station, covering the period July 1, 1983 through October 31, 1984.

The overall regulatory performance of the Palisades facility was acceptable, but appeared to have declined considerably from the prior SALP appraisal period. In your review of this report, you should understand that the ratings reflect our overall assessment in each functional area for a 16 month period ending October 31, 1984. During the previous SALP period, we noted several positive performance indications, and these appeared to continue during the beginning of this appraisal period. However, it appears performance began to decline substantially during 1984, and continued this downward trend after the SALP period. Thus, had we provided a "snapshot" assessment near the end of the period, rather than an average assessment for 16 months, Category 3 ratings likely would have resulted in some of the functional areas. To highlight the declining performance, we note that Plant Operations went from a Category 1 rating in the previous SALP period to Category 2 in this period and, furthermore, continued to decline during this period. Performance in the area of Radiological Controls was also lower, although it remained as a Category 2 rating. Maintenance, although remaining a Category 2, declined during the period and the extensive backlog of maintenance items and its impact on the status of plant equipment is a matter of concern to us. Performance in the area of Emergency Preparedness declined from a Category 1 rating in the last SALP period to a Category 2 rating this period. The area of Quality Program and Administrative Controls declined from a Category 1 rating last period to a Category 2 this period, and was further determined to be declining during the period when judged on its effectiveness in ensuring a high level of regulatory performance. In the areas of fire protection and housekeeping, and security, the improving trends noted during the previous SALP period did not continue during this SALP period.

8502150139 850212  
PDR ADOCK 05000255  
G PDR

1E40  
1/1

FEB 12 1985

In view of the above, it is imperative that timely and decisive management action be taken to stem this downward trend in regulatory performance at the Palisades facility. To assist us in evaluating your actions, we request that you provide a written response to this SALP report within thirty days of your receipt of this letter. Your response should address each of the functional areas except for fire protection and housekeeping, refueling, and licensing activities, and should describe actions to improve performance. We also note that there have been several recent organizational and personnel changes at the Palisades facility. Our concern is that because of such changes, a certain amount of "institutional knowledge" may have been lost which could contribute to declining performance. Please provide your views on this area of concern as part of your written response.

In evaluating the performance during this appraisal period, the Board considered two items which had not been considered during previous assessment periods. First, it is recognized that the Palisades facility was in an extended maintenance outage during a large portion of this rating period. Thus, the items evaluated were based on somewhat different conditions than had the reactor been primarily in operations during this period. Secondly, during the period from October 1, 1983 through the end of the assessment period, inspection activities were carried out on the basis of a "Trial Inspection Program." The major difference was that routine specialist inspections were kept to a minimum, and the majority of the inspection effort was conducted on an "as needed" basis in areas selected by a Regional Review Committee which met on a monthly basis. Our review of the data from this inspection program indicates that the overall level of inspection effort at the plant (compared to the routine inspection program previously conducted) was not significantly changed, although there was a redistribution of some inspector-hour totals among the various inspection disciplines. We conclude that this variation in the Inspection Program did not substantially change the SALP process, nor the basis for arriving at the various ratings.

You will have an opportunity to present your comments on the SALP report at the meeting on March 12, 1985. We will also consider any written comments received within 30 days after the meeting, in addition to your 30 day written response specifically requested above.

In accordance with Section 2.790 of the NRC's "Rules of Practice," Part 2, Title 10, Code of Federal Regulations, a copy of this letter and the SALP Report will be placed in the NRC's Public Document Room.

FEB 12 1985

Should you have any questions concerning the SALP report, we would be pleased to discuss them with you.

Sincerely,

**Original** signed by  
**A. Bert** Davis

James G. Keppler  
Regional Administrator

Enclosure: SALP Report  
No. 50-255/85-01

cc w/encl:  
D. J. VandeWalle, Nuclear  
Licensing Administrator  
J. F. Firlit, General Manager  
DMB/Document Control Desk (RIDS)  
Resident Inspector, RIII  
Ronald Callen, Michigan  
Public Service Commission  
J. M. Taylor, IE  
H. R. Denton, NRR  
Regional Administrators  
RI, RII, RIV, RV

RIII  
JFI  
Suermann/rr  
02/08/85  
11

RIII  
New  
Wright  
2/11/85

RIII  
Shaffer

RIII  
Muretus  
2/11/85

RIII  
Davis  
2/12

RIII  
Keppler  
2/12