

JAN 31 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:

This refers to the routine inspection conducted by Mr. E. R. Swanson of this office during the period of November 26, 1984 through January 4, 1985 at the Palisades Nuclear Generating Plant authorized by NRC Provisional Operating License No. DPR-20 and to the discussion of our findings with Mr. J. F. Firlit and others of your staff at the conclusion of the inspection.

The enclosed copy of our inspection report identifies areas examined during the inspection. Within these areas, the inspection consisted of a selective examination of procedures and representative records, observations, and interviews with personnel.

During this inspection, certain of your activities appeared to be in noncompliance with NRC requirements, as specified in the enclosed Appendix. A written response is required.

Although the specific noncompliance has been categorized as a Severity Level IV violation, it is nonetheless of significant concern to the NRC because of the circumstances leading up to its occurrence. Specifically, not only was a required surveillance test not completed, but subsequent verifications also failed to identify the incorrect setting of a Limiting Safety System Setting. Of equal concern is the fact that the setpoint error was only detected coincidentally due to a review of the P-50C pump flow data, and not as a result of a comprehensive and integrated system review of primary system flow parameters following your 1981 steam generator tube plugging.

Consequently, in your response please address the actions you plan to take in the area of surveillance to preclude recurrence of this type of event. Specifically, these actions should assure: the adequacy of scheduling; data review for acceptance and applicability; and post refueling outage review to ensure all required special tests have been completed.

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In accordance with 10 CFR 2.790(a), a copy of this letter and the enclosures will be placed in the NRC Public Document Room unless you notify this office, by telephone, within ten days of the date of this letter and submit written application to withhold information contained therein within thirty days of the date of this letter. Such application must be consistent with the requirements of 2.790(b)(1). If we do not hear from you in this regard within the specified periods noted above, a copy of this letter, the enclosures, and your response to this letter will be placed in the Public Document Room.

The responses directed by this letter (and the accompanying Notice) are not subject to the clearance procedures of the Office of Management and Budget as required by the Paperwork Reduction Act of 1980, PL 96-511.

We will gladly discuss any questions you have concerning this inspection.

Sincerely,

"Original Signed by C.E. Norelius"

C. E. Norelius, Director
Division of Reactor Projects

Enclosures:

- 1. Appendix, Notice of Violation
- 2. Inspection Report No. 50-255/84-27(DRP)

cc w/encls:

- 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

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