

December 9, 1999

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

**SUBJECT: NRC INSPECTION REPORT 50-255/99015(DRS)**

Dear Mr. Palmisano:

On November 9, 1999, the NRC completed an inspection at your Palisades Nuclear Generating Plant. The enclosed report presents the results of that inspection. The purpose of this inspection was to determine if inservice inspection (ISI) program activities were conducted in accordance with NRC and the 1989 American Society of Mechanical Engineers (ASME) Code requirements.

Areas examined are identified in the report. Within those areas, the inspection consisted of a selective examination of procedures and representative records, and interviews with personnel. The objective of the inspection effort was to determine whether activities authorized by the license were conducted safely and in accordance with NRC requirements.

In general, the inspectors concluded that the ISI program was implemented in accordance with Code requirements. Particularly, your implementation of the industry sponsored Performance Demonstration Initiative requirements for ultrasonic examinations was considered proactive. However, while your application of these requirements resulted in high quality examinations, the procedures and associated examinations were not in accordance with your Code of record (1989 Edition). As such, two violations were identified.

The two violations are being treated as Non-Cited Violations (NCV), consistent with Section VII.B.1.a of the Enforcement Policy. The NCV are described in the subject inspection report. If you contest the violations or severity level of the NCVs, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with copies to the Regional Administrator, Region III, and the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosures will be placed in the Public Document Room.

PDR A DOCK

T. Palmisano

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The NRC will gladly discuss any questions you may have concerning this inspection.

Sincerely

John M. Jacobson, Chief  
Mechanical Engineering Branch

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

Enclosure: Inspection Report 50-255/99015(DRS)

cc w/encl: R. Fenech, Senior Vice President, Nuclear  
Fossil and Hydro Operations  
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R. Whale, Michigan Public Service Commission  
Michigan Department of Environmental Quality  
Department of Attorney General (MI)  
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