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FOR IMMEDIATE RELEASE  
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NRC STAFF PROPOSES \$50,000 FINE AGAINST CONSUMERS POWER COMPANY  
FOR FAILING TO ADEQUATELY CORRECT DESIGN PROBLEMS

The Nuclear Regulatory Commission staff has proposed a \$50,000 fine against Consumers Power Company for failing to take prompt corrective actions for problems found with equipment cooling systems at the Palisades Nuclear Power Plant. The plant is located at Covert, Michigan.

During design reviews in 1989 and 1990, utility personnel found design problems with two systems which provide cooling water to various pieces of equipment in the plant. (The reactor cooling system was not affected by these findings.) An NRC inspection in January-February 1994 determined that adequate corrective actions were not taken for these problems.

In one instance, the system which provides cooling for the pumps in the emergency reactor cooling system relied on a non-safety-related compressed air system to actuate valves. Therefore, if there was a major pipe break in the reactor cooling system and -- at the same time there was a loss of offsite electrical power -- the pumps in the emergency reactor cooling system might fail because of inadequate cooling.

The NRC inspection also identified additional design problems which had not been adequately corrected: (1) failure to include a valve in the equipment cooling water system in the leakage test program; (2) failure to perform a seismic evaluation of bent instrument tubing and supports for a heat exchanger found in January 1994; and (3) two instances of problems associated with flow rate testing in the equipment cooling water system.

"We have concluded that weaknesses in management oversight and communications resulted in your engineering organization's not understanding the system's design and a failure to adequately define who was responsible for maintaining the design," stated John A. Martin, NRC Regional Administrator, in notifying the company of the fine.

"We recognize you have taken significant actions to address management and engineering issues at Palisades. However, deficiencies of this nature take time to resolve and in the interim you are susceptible to additional problems. Thus,

additional scrutiny of engineering activities is essential."

Consumers Power Company has until June 6, 1994, to pay the fine or protest it. If the fine is protested and subsequently imposed by the NRC staff, the utility may request a hearing.

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