

May 21, 2001

EA-01-088

Mr. John Paul Cowan
Site Vice President
Palisades Nuclear Generating Plant
Consumers Energy Company
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: SUMMARY OF THE MAY 8, 2001, PUBLIC PREDECISIONAL ENFORCEMENT
CONFERENCE WITH CONSUMERS ENERGY COMPANY (PALISADES)

Dear Mr. Cowan:

On May 8, 2001, the Nuclear Regulatory Commission (NRC) held a public predecisional enforcement conference with Consumers Energy Company officials at the NRC Region III Office in Lisle, Illinois. The conference was held to obtain information to assist the NRC in making an enforcement decision regarding an apparent violation, described in NRC Inspection Report 50-255/01-06(DRP), for the failure to provide the Commission complete and accurate information in letters dated February 16, 2000, requesting enforcement discretion, and February 18, 2000, requesting a change to your Technical Specifications. Formal presentations were made by the Consumers Energy Company (licensee) staff. Enclosure 1 is a list of attendees for the conference, and Enclosure 2 is a copy of the slides used by the licensee during the meeting.

Following opening remarks by Mr. G. Grant, Director, Division of Reactor Projects, RIII, and the NRC staffs' summary of the apparent violation and the NRC enforcement policy, your staff and the NRC staff discussed the circumstances surrounding the apparent violation. Your staff acknowledged that, contrary to 10 CFR 50.9, incomplete and inaccurate information was provided to the NRC relative to the abandonment of the backup (underground) steam supply to Auxiliary Feedwater Pump P-8B. Your staff stated that although the incomplete and inaccurate information was provided, your staff performed an evaluation which determined that the conclusion of the Request for Notice of Enforcement Discretion and Technical Specification Change Request did not change.

Your staff provided background information regarding actions taken following the failure of the backup underground steam supply through valve CV-0522A. Your staff stated that a summary table was created for evaluations to abandon the line and the evaluations concluded that there was no impact on compliance with 10 CFR 50 Appendix R. However, your staff later identified an error in the table which resulted in the error being translated into supporting basis documents for the Request for Notice of Enforcement Discretion and Technical Specification Change Request.

Your staff stated that the Request for Notice of Enforcement Discretion and Technical Specification Change Request were not revised because of lack of linkage with your corrective action process and inadequate management oversight. Your staff discussed corrective actions taken and planned, including improved management oversight of the corrective action process, implementation of a validation process for NRC submittals and commitments, and sharing of lessons learned. Your staff stated that the errors in the basis documents were corrected and your staff provided clarification to your February 2000 submittals in a letter to the NRC dated May 2, 2001.

The NRC staff commented that, although the apparent incomplete and inaccurate information in the NRC submittals was discussed between your staff and the NRC resident staff in January and February 2001, and your staff initiated a corrective action document to evaluate the issue, it took your staff several weeks to conclude that the backup (underground) steam supply to Auxiliary Feedwater Pump P-8B was not needed to safely shutdown the plant in the event of a fire in the turbine building.

Your staff provided some NRC Enforcement Policy considerations as discussed in the attached slides, and reiterated that incomplete and inaccurate information did not affect your conclusions on which the requests for Request for Notice of Enforcement Discretion and Technical Specification Change Request were based. Mr. J. Dyer, Regional Administrator, concluded the meeting by reiterating the importance of licensees providing complete and accurate information to the NRC.

You will be advised by separate correspondence of the results of our deliberations on this matter. In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this summary and its enclosures will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Geoffrey Grant, Director
Division of Reactor Projects

Enclosures: 1. List of Meeting Attendees
2. Licensee's Slide Presentation

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

See Attached Distribution

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NAME	Passehl/trn		Vegel		Bajwa		EICS		Grant	
DATE	5/17/01		5/16/01		5/18/01		5/17/01		5/18/01	

OFFICIAL RECORD COPY

cc w/encl: R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
N. Haskell, Director, Licensing and Performance Assessment
R. Whale, Michigan Public Service Commission
Michigan Department of Environmental Quality
Department of Attorney General (MI)
Emergency Management Division, MI Department
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Palisades
May 8, 2001, PUBLIC PREDECISIONAL ENFORCEMENT CONFERENCE

Name	Organization
Phil Qualls	NRC
Jim Tatum	NRC
See-Meng Wang	NRC
Eric Weiss	NRC
Sam Miranda	NRC
Ken Lambert	NRC
Singh Bajwa	NRC
Jim Dyer	NRC-RIII
Geoff Grant	NRC-RIII
Tony Vogel	NRC-RIII
Dave Passehl	NRC-RIII
Jay Lennartz	NRC-RIII
Darl S. Hood	NRR/PDIII-1
Chris Nolan	NRC-OE
Brent Clayton	NRC-OE
Sonia Burgess	NRC-RIII
Nathan Haskell	Consumers Energy/Licensing
Daniel J. Malone	Consumers Energy/Engineering
John Paul Cowan	NMC
Douglas E. Cooper	Consumers Energy/Plant General Mgr.
Bob White	Consumers Energy/App R Supervisor