

June 1, 2001

Mr. John Paul Cowan
Senior Vice President
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043

SUBJECT: PALISADES PLANT - NOTICE OF CONSIDERATION OF ISSUANCE OF
AMENDMENT TO FACILITY OPERATING LICENSE AND OPPORTUNITY FOR
A HEARING (TAC NO. MB1362)

Dear Mr. Cowan:

Enclosed is a copy of a "Notice of Consideration of Issuance of Amendment to Facility Operating License and Opportunity for a Hearing" related to the application dated March 2, 2001, as supplemented March 29, 2001, filed by Consumers Energy Company (CEC). CEC has subsequently been succeeded by Nuclear Management Company, LLC (NMC), as the licensed operator of the Palisades Plant. By letter dated May 17, 2001, NMC requested that the Commission continue to process and disposition licensing actions previously docketed and requested by CEC. The March 2, 2001, application proposes a license amendment to change the Technical Specifications to increase the limits on stored fuel enrichments and provide other more flexible fuel loading constraints for the new and spent fuel storage racks.

This notice is being forwarded by the Office of the Federal Register for publication.

Sincerely,

/RA/

Darl S. Hood, Senior Project Manager, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-255

Enclosure: Notice

cc w/encl: See next page

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Palisades Plant

cc:

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Covert, MI 49043

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May 2001

UNITED STATES NUCLEAR REGULATORY COMMISSIONNUCLEAR MANAGEMENT COMPANY, LLCDOCKET NO. 50-255NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO
FACILITY OPERATING LICENSE AND OPPORTUNITY FOR A HEARING

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of an amendment to Facility Operating License No. DPR-20, held by Nuclear Management Company, LLC (the licensee), for operation of the Palisades Plant located in Van Buren County, Michigan.

The proposed amendment would change the limiting conditions for operation (LCOs), surveillance requirements (SRs), and design features in the Technical Specifications (TSs) to provide more flexible fuel loading constraints for the Palisades fuel storage racks and accommodate future core designs. The changes affect TS Sections 3.7.15, "Spent Fuel Pool (SFP) Boron Concentration," 3.7.16, "Spent Fuel Assembly Storage," and 4.3, "Design Features--Fuel Storage." Allowed uranium enrichments for storage would be increased. Enrichment limits for new fuel storage racks (currently limited to fuel assemblies having a maximum average planar uranium-235 (U-235) enrichment of 4.20 weight percent) would be increased to allow storage of 24 unirradiated fuel assemblies having a maximum planar average U-235 enrichment of 4.95 weight percent, subject to proposed loading pattern constraints (e.g., the center row being empty if stored fuel exceeds 4.05 percent U-235 enrichments). Similarly, the new fuel storage racks could contain 36 unirradiated fuel assemblies having a maximum planar average U-235 enrichment of 4.05 weight percent, subject to similar proposed loading pattern constraints not necessarily requiring the center row

to be empty. Region I fuel storage racks (currently limited to a maximum enrichment of 4.40 weight percent) would be changed to allow storage of unirradiated or irradiated fuel up to 4.95 weight percent enrichment on the basis of revised criticality analyses that assume no credit for soluble boron in the pool under normal conditions, but which take credit for 1350 ppm of soluble boron under accident conditions. Enrichment requirements for Region II fuel storage racks (currently limited to 3.27 weight percent) would be changed to allow storage of unirradiated fuel up to 1.14 weight percent and irradiated fuel of equivalent reactivity up to 4.6 weight percent initial enrichment on the basis of criticality analyses that take credit for 850 ppm of soluble boron in the pool under normal conditions and 1350 ppm of soluble boron under accident conditions. The TSs (e.g., proposed Table 3.7.16-1) for allowable enrichments for fuel storage in Region II of the spent fuel pool or the north tilt pit would continue to be based upon a combination of initial enrichment and burnup, but the proposed change would also add decay time to this combination. The existing limitations that Region I spent fuel racks may contain only “new or partially spent” fuel assemblies, and that Region II spent fuel racks may contain only “partially spent” fuel assemblies, would be changed to “new or irradiated fuel assemblies which meet the initial enrichment, burnup, and decay time requirements of [the proposed revision to] Table 3.7.16-1.” The existing requirements that fuel assemblies in new or Region I fuel storage racks must contain “216 rods which are either UO_2 , $\text{Gd}_2\text{O}_3\text{UO}_2$, or solid metal” would be deleted. TS 3.7.15 would continue to require that the spent fuel pool boron concentration be equal to or greater than 1720 ppm whenever fuel is stored in the spent fuel pool, and be verified weekly; however, the optional Action statement A.2.2 to immediately initiate action to perform a spent fuel pool verification when the concentration is not within limits would be deleted (as would a related portion of the applicability statement regarding verification). The licensee also included changes to the associated TS Bases.

Before issuance of the proposed license amendment, the Commission will have made findings required by the Atomic Energy Act of 1954, as amended (the Act) and the Commission's regulations.

By July 2, 2001, the licensee may file a request for a hearing with respect to issuance of the amendment to the subject facility operating license and any person whose interest may be affected by this proceeding and who wishes to participate as a party in the proceeding must file a written request for a hearing and a petition for leave to intervene. Requests for a hearing and a petition for leave to intervene shall be filed in accordance with the Commission's "Rules of Practice for Domestic Licensing Proceedings" in 10 CFR Part 2. Interested persons should consult a current copy of 10 CFR 2.714 which is available at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>). If a request for a hearing or petition for leave to intervene is filed by the above date, the Commission or an Atomic Safety and Licensing Board, designated by the Commission or by the Chairman of the Atomic Safety and Licensing Board Panel, will rule on the request and/or petition; and the Secretary or the designated Atomic Safety and Licensing Board will issue a notice of hearing or an appropriate order.

As required by 10 CFR 2.714, a petition for leave to intervene shall set forth with particularity the interest of the petitioner in the proceeding, and how that interest may be affected by the results of the proceeding. The petition should specifically explain the reasons why intervention should be permitted with particular reference to the following factors: (1) the nature of the petitioner's right under the Act to be made a party to the proceeding; (2) the nature and extent of the petitioner's property, financial, or other interest in the proceeding; and (3) the possible effect of any order which may be entered in the proceeding on the petitioner's

interest. The petition should also identify the specific aspect(s) of the subject matter of the proceeding as to which petitioner wishes to intervene. Any person who has filed a petition for leave to intervene or who has been admitted as a party may amend the petition without requesting leave of the Board up to 15 days prior to the first prehearing conference scheduled in the proceeding, but such an amended petition must satisfy the specificity requirements described above.

Not later than 15 days prior to the first prehearing conference scheduled in the proceeding, a petitioner shall file a supplement to the petition to intervene which must include a list of the contentions which are sought to be litigated in the matter. Each contention must consist of a specific statement of the issue of law or fact to be raised or controverted. In addition, the petitioner shall provide a brief explanation of the bases of the contention and a concise statement of the alleged facts or expert opinion which support the contention and on which the petitioner intends to rely in proving the contention at the hearing. The petitioner must also provide references to those specific sources and documents of which the petitioner is aware and on which the petitioner intends to rely to establish those facts or expert opinion. Petitioner must provide sufficient information to show that a genuine dispute exists with the applicant on a material issue of law or fact. Contentions shall be limited to matters within the scope of the amendment under consideration. The contention must be one which, if proven, would entitle the petitioner to relief. A petitioner who fails to file such a supplement which satisfies these requirements with respect to at least one contention will not be permitted to participate as a party.

Those permitted to intervene become parties to the proceeding, subject to any limitations in the order granting leave to intervene, and have the opportunity to participate fully in the conduct of the hearing, including the opportunity to present evidence and cross-examine witnesses.

A request for a hearing or a petition for leave to intervene must be filed with the Secretary of the Commission, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, Attention: Rulemakings and Adjudications Staff, or may be delivered to the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, by the above date. A copy of the petition should also be sent to the Office of the General Counsel, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and to Arunas T. Udrys, Esquire, Consumers Energy Company, 212 West Michigan Avenue, Jackson, MI 49201, attorney for the licensee.

Nontimely filings of petitions for leave to intervene, amended petitions, supplemental petitions and/or requests for hearing will not be entertained absent a determination by the Commission, the presiding officer or the presiding Atomic Safety and Licensing Board that the petition and/or request should be granted based upon a balancing of the factors specified in 10 CFR 2.714(a)(1)(i)-(v) and 2.714(d).

If a request for a hearing is received, the Commission's staff may issue the amendment after it completes its technical review and prior to the completion of any required hearing if it publishes a further notice for public comment of its proposed finding of no significant hazards consideration in accordance with 10 CFR 50.91 and 50.92.

For further details with respect to this action, see the application for amendment dated March 2, 2001, as supplemented by letter dated March 29, 2001, which are available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland, and accessible electronically through the ADAMS Public Electronic Reading Room link at the NRC Web site (<http://www.nrc.gov>).

Dated at Rockville, Maryland, this 24th day of May 2001.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

Darl S. Hood, Senior Project Manager, Section I
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation