

July 9, 2001

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

SUBJECT: PALISADES PLANT - ISSUANCE OF AMENDMENT RE: REVISION TO
TECHNICAL SPECIFICATIONS BASES CONTROL PROGRAM
(TAC NO. MB1376)

Dear Mr. Cowan:

The Commission has issued the enclosed Amendment No. 204 to Facility Operating License No. DPR-20 for the Palisades Plant. The amendment consists of changes to the Technical Specifications (TSs) in response to the application by Consumers Energy Company (CEC) dated March 5, 2001, as revised March 30, 2001. 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 amendment changes TS Section 5.5.12, "Programs and Manuals--Technical Specifications (TS) Bases Control Program," in accordance with Nuclear Energy Institute TS Task Force (TSTF) Standard TS Change Traveler, TSTF-364, "Revision to TS Bases Control Program to Incorporate Changes to 10 CFR 50.59," Revision 0.

A copy of our related safety evaluation is also enclosed. The Notice of Issuance will be included in the Commission's biweekly *Federal Register* notice.

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

Enclosures: 1. Amendment No. 204 to DPR-20
2. Safety Evaluation

cc w/encls: See next page

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Palisades Plant

cc:

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NUCLEAR MANAGEMENT COMPANY, LLC

DOCKET NO. 50-255

PALISADES PLANT

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 204

License No. DPR-20

1. The Nuclear Regulatory Commission (the Commission) has found that:
 - A. The application for amendment by the licensee dated March 5, 2001, as revised March 30, 2001, complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's rules and regulations set forth in 10 CFR Chapter 1;
 - B. The facility will operate in conformity with the application, the provisions of the Act, and the rules and regulations of the Commission;
 - C. There is reasonable assurance (i) that the activities authorized by this amendment can be conducted without endangering the health and safety of the public; and (ii) that such activities will be conducted in compliance with the Commission's regulations;
 - D. The issuance of this amendment will not be inimical to the common defense and security or to the health and safety of the public;
 - E. The issuance of this amendment is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied.

2. Accordingly, the license is amended by changes to the Technical Specifications as indicated in the attachment to the license amendment and Paragraph 2.C.(2) of Facility Operating License No. DPR-20 is hereby amended to read as follows:

The Technical Specifications contained in Appendix A, as revised through Amendment No. 204, and the Environmental Protection Plan contained in Appendix B are hereby incorporated in the license. NMC shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.

3. This license amendment is effective as of the date of issuance and shall be implemented within 60 days.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA by B. Wetzel for/

Claudia M. Craig, Chief, Section 1
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Attachment: Changes to the Technical Specifications

Date of Issuance: July 9, 2001

ATTACHMENT TO LICENSE AMENDMENT NO. 204

FACILITY OPERATING LICENSE NO. DPR-20

DOCKET NO. 50-255

Revise Appendix A of the Technical Specifications by removing the page identified below and inserting the enclosed page. The revised page is identified by amendment number and contains marginal lines indicating the areas of change.

REMOVE

5.0-19

INSERT

5.0-19

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION
RELATED TO AMENDMENT NO. 204 TO FACILITY OPERATING LICENSE NO. DPR-20

NUCLEAR MANAGEMENT COMPANY, LLC

PALISADES PLANT

DOCKET NO. 50-255

1.0 INTRODUCTION

By application dated March 5, 2001, as revised by letter dated March 30, 2001, Consumers Energy Company (CEC) requested a change to the Technical Specifications (TSs) for the Palisades Plant. The proposed amendment would revise TS 5.5.12, "Programs and Manuals-- Technical Specifications (TS) Bases Control Program," which currently states, in part, that licensees may make changes to Bases without prior Nuclear Regulatory Commission (NRC) approval provided the changes do not "involve...[a] change to the updated FSAR [Final Safety Analysis Report] or Bases that involves an unreviewed safety question as defined in 10 CFR 50.59." The proposed amendment would change this quoted portion of TS 5.5.12 to state "require...[a] change to the updated FSAR or Bases that requires NRC approval pursuant to 10 CFR 50.59."

On May 15, 2001, CEC was 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 NRC continue to process and disposition licensing actions previously docketed and requested by CEC.

2.0 EVALUATION

The existing requirements governing the authority of production and utilization facility licensees to make changes to their facilities and procedures, or to conduct tests or experiments, without prior NRC approval are contained in 10 CFR 50.59, "Changes, Tests, and Experiments." When the Palisades TSs were issued, 10 CFR 50.59 provided that licensees may make changes to the facility or procedures as described in the safety analysis report, or conduct tests or experiments not described in the safety analysis report, without prior Commission approval, unless the proposed change, test, or experiment involves a change to the TSs incorporated in the license or an unreviewed safety question. Section 50.59(a)(2) stated that a proposed change, test, or experiment shall be deemed to involve an unreviewed safety question (i) if the probability of occurrence or the consequences of an accident or malfunction of equipment important to safety previously evaluated in the safety analysis report may be increased; or (ii) if a possibility for an accident or malfunction of a different type than any evaluated previously in the safety analysis report may be created; or (iii) if the margin of safety as defined in the basis

for any TS is reduced. On October 4, 1999, the NRC published in the *Federal Register* (64 FR 53582) a change to 10 CFR 50.59 addressing a number of issues concerning implementation of the current rule, and removing the term "unreviewed safety question."

The Nuclear Energy Institute in its Technical Specification Task Force (TSTF) Standard TS Change Traveler, TSTF-364, "Revision to TS Bases Control Program to Incorporate Changes to 10 CFR 50.59," suggested changes that should be made to TS Section 5.5.12 to be consistent with the change to 10 CFR 50.59 regarding removal of the term "unreviewed safety question." The NRC staff has approved TSTF-364, Revision 0, as an acceptable model for use by licensees seeking to change TS Section 5.5.12 to reference 10 CFR 50.59 rather than "unreviewed safety question."

On the basis of its review of the licensee's application dated March 5, 2001, as revised March 30, 2001, the NRC staff finds that the proposed changes to Palisades TS Section 5.5.12 are consistent with the NRC-approved TSTF-364, Revision 0, and 10 CFR 50.59. Therefore, the proposed changes are acceptable.

4.0 STATE CONSULTATION

In accordance with the Commission's regulations, the Michigan State official was notified of the proposed issuance of the amendment. The State official indicated agreement with the NRC staff's proposed issuance of the amendment.

5.0 ENVIRONMENTAL CONSIDERATION

The amendment changes a requirement with respect to the installation or use of a facility component located within the restricted area as defined in 10 CFR Part 20. The NRC staff has determined that the amendment involves no significant increase in the amounts, and no significant change in the types, of any effluents that may be released offsite, and that there is no significant increase in individual or cumulative occupational radiation exposure. The Commission has previously issued a proposed finding that the amendment involves no significant hazards consideration, and there has been no public comment on such finding (66 FR 13801). Accordingly, the amendment meets the eligibility criteria for categorical exclusion set forth in 10 CFR 51.22(c)(9). Pursuant to 10 CFR 51.22(b) no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendment.

6.0 CONCLUSION

The Commission has concluded, based upon the considerations discussed above, that: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner, (2) such activities will be conducted in compliance with the Commission's regulations, and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

Principal Contributor: D. Hood

Date: July 9, 2001