

November 13, 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, PROPOSED NO SIGNIFICANT HAZARDS CONSIDERATION DETERMINATION, AND OPPORTUNITY FOR A HEARING (TAC NO. MB3282)

Dear Mr. Cowan:

Enclosed is a copy of a "Notice of Consideration of Issuance of Amendment to Facility Operating License, Proposed No Significant Hazards Consideration Determination, and Opportunity for a Hearing," for your application dated October 16, 2001. The proposed amendment would add a condition to the Operating License to extend certain Technical Specification surveillance requirement (SR) intervals, one time. The SR intervals would be extended up to 65 days, but no later than April 30, 2003, to permit them to be performed during the next refueling outage, which has been rescheduled because the plant is currently in a forced extended outage.

The notice is being forwarded to 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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OFFICIAL RECORD COPY

Palisades Plant

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UNITED STATES NUCLEAR REGULATORY COMMISSIONNUCLEAR MANAGEMENT COMPANY, LLCDOCKET NO. 50-255NOTICE OF CONSIDERATION OF ISSUANCE OF AMENDMENT TO
FACILITY OPERATING LICENSE, PROPOSED NO SIGNIFICANT HAZARDS
CONSIDERATION DETERMINATION, 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 issued to Nuclear Management Company, LLC (the licensee), for operation of the Palisades Plant located in Van Buren County, Michigan.

The proposed amendment would add a condition to the Operating License to extend certain Technical Specification surveillance requirement (SR) intervals, one time. The SR intervals would be extended up to 65 days, but no later than April 30, 2003, to permit them to be performed during the next refueling outage, which has been rescheduled because the plant is currently in a forced extended outage. The affected SRs are those which cannot reasonably be performed during the current forced outage. These are SR 3.3.3.3 (Item 3.a of Table 3.3.3-1) regarding the channel calibration of the safety injection and refueling water tank low level; SR 3.3.4.3 (Item 1 of Table 3.3.4-1) regarding the channel functional test of the safety injection signal function; SR 3.3.4.3 (Item 3 of Table 3.3.4-1) regarding the channel functional test of the recirculation actuation signal function; SR 3.3.5.1 regarding the channel functional test of the diesel generator undervoltage start logic; SR 3.5.2.8 (high pressure safety injection to hot leg motor-operated (MO) valves MO-3082 and MO-3083) regarding the throttle valve position stop in the correct position; SR 3.7.8.2 (non-critical service water header isolation valve CV-1359

only) regarding the automatic valve actuating to the correct position upon an actual or simulated actuation signal; SR 3.8.1.7 regarding the emergency alternating current (AC) power performing, as required, upon an actual or simulated loss of offsite power signal; SR 3.8.1.9 regarding the emergency AC power performing, as required, upon an actual or simulated restoration of offsite power; SR 3.8.1.10 regarding load sequencing for each automatic load sequencer; and SR 3.8.1.11 regarding the emergency AC power performing, as required, upon an actual or simulated loss of offsite power signal in conjunction with an actual or simulated safety injection signal.

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.

The Commission has made a proposed determination that the amendment request involves no significant hazards consideration. Under the Commission's regulations in 10 CFR 50.92, this means that operation of the facility in accordance with the proposed amendment would not (1) involve a significant increase in the probability or consequences of an accident previously evaluated; or (2) create the possibility of a new or different kind of accident from any accident previously evaluated; or (3) involve a significant reduction in a margin of safety. As required by 10 CFR 50.91(a), the licensee has provided its analysis of the issue of no significant hazards consideration, which is presented below:

Nuclear Management Company, LLC has evaluated whether or not a significant hazards consideration is involved with the proposed amendment using the three standards set forth in 10 CFR 50.92, "Issuance of Amendment." The following evaluation supports the finding that operation of the facility in accordance with the proposed change would not:

1. Involve a significant increase in the probability or consequences of an accident previously evaluated.

The proposed License Condition does not affect or create any accident initiators or precursors. As such, the proposed license condition does not increase the probability of an accident. The proposed license condition does not involve operation of the required structures, systems or components (SSCs) in a manner or configuration different from those previously recognized or evaluated.

The proposed surveillance requirement (SR) extension requests do not reduce the required operable SSCs of any of the affected Limiting Condition for Operation sections, does not increase the allowed outage time of any required operable SSCs, and does not reduce the requirement to know that the deferred SRs could be met at all times. Deferral of testing does not, by itself, increase the potential that the testing would not be met.

Therefore, operation of the facility in accordance with the proposed License Condition would not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. Create the possibility of a new or different kind of accident from any previously evaluated.

The proposed License Condition does not involve a physical alteration of any SSC or a change in the way any SSC is operated. The proposed license condition does not involve operation of any required SSCs in a manner or configuration different from those previously recognized or evaluated. No new failure mechanisms will be introduced by the SR deferrals being requested.

Thus, this change does not create the possibility of a new or different kind of accident from any accident previously evaluated.

3. Involve a significant reduction in a margin of safety.

The proposed License Condition does not, by itself, introduce a failure mechanism. Past performance of the SRs in question has demonstrated reliability in passing the deferred SRs. The required operable SSCs have not been reduced. The proposed license condition does not involve any physical changes to the plant or manner in which the plant is operated.

Therefore, the proposed License Condition would not involve a significant reduction in a margin of safety.

The NRC staff has reviewed the licensee's analysis and, based on this review, it appears that the three standards of 10 CFR 50.92(c) are satisfied. Therefore, the NRC staff proposes to determine that the amendment request involves no significant hazards consideration.

The Commission is seeking public comments on this proposed determination. Any comments received within 30 days after the date of publication of this notice will be considered in making any final determination.

Normally, the Commission will not issue the amendment until the expiration of the 30-day notice period. However, should circumstances change during the notice period such that failure to act in a timely way would result, for example, in derating or shutdown of the facility, the Commission may issue the license amendment before the expiration of the 30-day notice period, provided that its final determination is that the amendment involves no significant hazards consideration. The final determination will consider all public and State comments received. Should the Commission take this action, it will publish in the FEDERAL REGISTER a notice of issuance and provide for opportunity for a hearing after issuance. The Commission expects that the need to take this action will occur very infrequently.

Written comments may be submitted by mail to the Chief, Rules and Directives Branch, Division of Administrative Services, Office of Administration, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001, and should cite the publication date and page number of this FEDERAL REGISTER notice. Written comments may also be delivered to Room 6D59, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland, from 7:30 a.m. to 4:15 p.m. Federal workdays. Documents may be examined, and/or copied for a fee, at the NRC's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland.

The filing of requests for hearing and petitions for leave to intervene is discussed below. By December 13, 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, or electronically on the Internet at the NRC Web site <http://www.nrc.gov/NRC/CFR/index.html>. If there are problems in accessing the document, contact the Public Document Room Reference staff at 1-800-397-4209, 301-415-4737, or by e-mail to pdr@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 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.

If a hearing is requested, the Commission will make a final determination on the issue of no significant hazards consideration. The final determination will serve to decide when the hearing is held.

If the final determination is that the amendment request involves no significant hazards consideration, the Commission may issue the amendment and make it immediately effective, notwithstanding the request for a hearing. Any hearing held would take place after issuance of the amendment.

If the final determination is that the amendment request involves a significant hazards consideration, any hearing held would take place before the issuance of any amendment.

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, Michigan 49201.

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).

Further details with respect to this action, see the application for amendment dated October 26, 2001, which is available for public inspection at the Commission's Public Document Room, located at One White Flint North, 11555 Rockville Pike (first floor), Rockville, Maryland. Publicly available records will be accessible from the Agencywide Documents Access and Management Systems (ADAMS) Public Electronic Reading Room on the Internet at the NRC Web site, <http://www.nrc.gov/NRC/ADAMS/index.html>. Persons who do not have access to ADAMS or who encounter problems in accessing the documents located in ADAMS, should contact the NRC Public Document Room Reference staff by telephone at 1-800-397-4209, 301-415-4737 or by e-mail to pdr@nrc.gov.

Dated at Rockville, Maryland, this 6th day of November 2001.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

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