

SAFEGUARDS INFORMATION

February 25, 2002

Michael B. Sellman
President and CEO
Palisades Plant
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

SUBJECT: ISSUANCE OF ORDER FOR INTERIM SAFEGUARDS AND SECURITY
COMPENSATORY MEASURES FOR - PALISADES PLANT

Dear Mr. Sellman:

The U.S. Nuclear Regulatory Commission (NRC) has issued the enclosed Order that modifies the current operating license for your facility to require compliance with the specified interim safeguards and security compensatory measures. The Order applies to all Addressees listed in Attachment 1 to the enclosed Order. These interim compensatory measures are listed in Attachment 2 (contains Safeguards Information) to the enclosed Order. The Commission recognizes that you have voluntarily and responsibly implemented additional security measures following the events of September 11, 2001, but, in light of the continuing generalized high-level threat environment, the Commission concludes that the security measures should be embodied in an Order, consistent with the established regulatory framework. The Commission has determined that the generalized high-level threat environment requires that the enclosed Order be effective immediately.

These actions are interim and the basis for the Order is the need to take prudent actions to address security requirements in the present generalized high-level threat environment. This Order does not obviate the need for licensees to continue to meet the objectives of Security Level III described in NRC Information Notice 98-35, and maintain the effectiveness of existing security measures taken in response to the events of September 11, 2001. The requirements will remain in effect pending notification from the Commission that a significant change in the threat environment has occurred, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs.

The enclosed Order calls for responses and actions within specified time frames. Please contact your Licensing Project Manager to facilitate resolution of any issues related to compliance with the requirements in the enclosed Order, or if you have any other questions.

NOTICE: Attachment 2 to the Order (Interim Compensatory Measures) contains "Safeguards Information." Upon separation of Attachment 2 to the Order, this letter, the enclosed Order, and Attachment 1 to the Order (Address List) are "DECONTROLLED."

SAFEGUARDS INFORMATION

M. Sellman

-2-

The enclosed Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Docket No. 50-255

Enclosures: 1. Order
 2. Order Attachment 1 - Address List
 3. Order Attachment 2 - Interim Compensatory Measures for
 High Threat Environment (Safeguards Information)

cc w/enclosures 1 and 2 only: See next page

Palisades Plant

cc:

Mr. Robert A. Fenech, Senior Vice President
Nuclear, Fossil, and Hydro Operations
Consumers Energy Company
212 West Michigan Avenue
Jackson, MI 49201

Arunas T. Udry, Esquire
Consumers Energy Company
212 West Michigan Avenue
Jackson, MI 49201

Regional Administrator, Region III
U.S. Nuclear Regulatory Commission
801 Warrenville Road
Lisle, IL 60532-4351

Supervisor
Covert Township
P. O. Box 35
Covert, MI 49043

Office of the Governor
P. O. Box 30013
Lansing, MI 48909

U.S. Nuclear Regulatory Commission
Resident Inspector's Office
Palisades Plant
27782 Blue Star Memorial Highway
Covert, MI 49043

Drinking Water and Radiological
Protection Division
Michigan Department of
Environmental Quality
3423 N. Martin Luther King Jr Blvd
P. O. Box 30630 CPH Mailroom
Lansing, MI 48909-8130

Michigan Department of Attorney General
Special Litigation Division
630 Law Building
P.O. Box 30212
Lansing, MI 48909

Mr. Roy A. Anderson
Executive Vice President and
Chief Nuclear Officer
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Laurie A. Lahti
Manager - Licensing
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043

Steven T. Wawro
Nuclear Asset Director
Consumers Energy Company
Palisades Plant
27780 Blue Star Memorial Highway
Covert, MI 49043

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

Mr. Douglas E. Cooper
Site Vice President
Palisades Plant
27780 Blue Star Memorial Highway
Covert, MI 49043

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Sincerely,

/RA/

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Accession No. ML020490064 (Package)

Accession No. ML020 (Cover Letter)

Accession No. ML020510635 (Order)

Accession No. ML020520654 (Order Attachment 1 - Address List)

Accession No. ML020520654 (Order Attachment 1 - Address List)

OFFICE	DLPM/PM	DLPM//LA	DLPM/SC	DIPM/D
NAME	REnnis	BClayton	JClifford	BBoger
DATE	2/21/02	2/21/02	2/21/02	2/22/02
OFFICE	OGC	DLPM/D	NRR/ADPT	NRR/D
NAME	LChandler	JZwolinski	BSheron N/A	SCollins
DATE	2/22/02	2/22/02		2/25/02

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Sincerely,

/RA/

Samuel J. Collins, Director
Office of Nuclear Reactor Regulation

Docket No(s).

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Project Director

Section Chief

Project Manager

Licensing Assistant

Region Contact

Accession No. ML020520754 (Package)

Accession No. ML020510637 (Cover Letter)

Accession No. ML020510635 (Order)

Accession No. ML020520654 (Order Attachment 1 - Address List)

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