

January 4, 1991

Docket No. 50-255

Mr. Gerald B. Slade  
Plant General Manager  
Palisades Plant  
27780 Blue Star Memorial Highway  
Covert, Michigan 49043

Dear Mr. Slade:

SUBJECT: DRAFT FULL-TERM OPERATING LICENSE, PALISADES PLANT (TAC NO. 11218)

Enclosed is a draft of the proposed Full-Term Operating License for the Palisades Plant. The license has been rewritten in a format consistent with that of plants which have been recently licensed and provisions that are no longer applicable have been removed. Specifically, existing license conditions 3.E and 3.J have been removed and existing license condition 3.F has been revised to reflect currently approved security plans.

Please review the draft license to assure it accurately reflect the license conditions currently applicable for Palisades and verify that the conditions which have been removed are no longer required. Your prompt response to this request is appreciated and will allow the timely issuance of the full-term license.

Sincerely,

L. B. Marsh, Director  
Project Directorate III-1  
Division of Reactor Projects III/IV/V  
Office of Nuclear Reactor Regulation

Enclosure:  
As stated

cc: See next page

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SMEADOR  
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PALISADES DRAFT LICENSE 11218

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AMASCIANTONIO  
1/3/91 *adm*

*LM*  
D/PD31:DRP345  
LMARSH  
1/4/91

PALISADES DRAFT LICENSE 11218



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

January 4, 1991

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Sincerely,

A handwritten signature in cursive script that reads "L B Marsh".

L. B. Marsh, Director  
Project Directorate III-1  
Division of Reactor Projects III/IV/V  
Office of Nuclear Reactor Regulation

Enclosure:  
As stated

cc: See next page

Mr. Gerald B. Slade  
Consumers Power Company

Palisades Plant

cc:

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Jackson, Michigan 49201

Judd L. Bacon, Esquire  
Consumers Power Company  
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Jackson, Michigan 49201

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Covert Township  
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Covert, Michigan 49043

Resident Inspector  
c/o U.S. Nuclear Regulatory Commission  
Palisades Plant  
27782 Blue Star Memorial Hwy.  
Covert, Michigan 49043

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Mr. David L. Brannen  
Vice President  
Palisades Generating Plant  
c/o Bechtel Power Corporation  
15740 Shady Grove Road  
Gaithersburg, Maryland 20877



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D. C. 20555

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CONSUMERS POWER COMPANY  
DOCKET NO. 50-255  
PALISADES NUCLEAR PLANT  
FACILITY OPERATING LICENSE

License No. DPR-20

1. The Nuclear Regulatory Commission (the Commission or the NRC) has found that:
  - A. The application for a license filed by Consumers Power Company (the licensee) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and the Commission's regulations set forth in 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
  - B. Construction of the Palisades Nuclear Plant (the facility) has been substantially completed in conformity with Construction Permit No. CPPR-25 and the application, as amended, the provisions of the Act and the regulations of the Commission, and has been operating under a provisional license since March 24, 1971;
  - C. The facility will operate in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission (except as exempted from compliance in Section 2.D. below);
  - D. 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 set forth in 10 CFR Chapter I;
  - E. Consumers Power Company is technically qualified to engage in the activities authorized by this license in accordance with the Commission's regulations set forth in 10 CFR Chapter I;
  - F. Consumers Power Company has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements," of the Commission's regulations;
  - G. The issuance of this license will not be inimical to the common defense and security or to the health and safety of the public;

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- H. The issuance of this license is in accordance with 10 CFR Part 51 of the Commission's regulations and all applicable requirements have been satisfied; and
  - I. The receipt, possessions, and use of source, byproduct and special nuclear material as authorized by this license will be in accordance with the Commission's regulations in 10 CFR Parts 30, 40 and 70.
2. Provisional Operating License No. DPR-20, dated March 24, 1971 as amended, is superseded in its entirety by Facility Operating License No. DPR-20 hereby issued to Consumers Power Company (the licensee or CPCo) to read as follows:
- A. This license applies to the Palisades Nuclear Plant, a pressurized water reactor and associated equipment (the facility). The facility is located in Van Buren County, Michigan, and is described in the licensee's Updated Final Safety Analysis Report, as supplemented and amended, and in the licensee's Environmental Report, as supplemented and amended.
  - B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:
    - (1) CPCo, pursuant to Section 103 of the Act and 10 CFR Part 50, to possess, use and operate the facility at the designated location in Van Buren County, Michigan, in accordance with the procedures and limitations set forth in this license;
    - (2) CPCo, pursuant to the Act and 10 CFR Part 70, to receive, possess and use at any time special nuclear material as reactor fuel, in accordance with the limitations for storage and amounts required for reactor operation, as described in the Updated Final Safety Analysis Report, as supplemented and amended;
    - (3) CPCo, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use at any time any byproduct, source and special nuclear material as sealed neutron sources for reactor startup, sealed sources for reactor instrumentation and radiation monitoring equipment calibration, and as fission detectors in amounts as required;
    - (4) CPCo, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to receive, possess, and use in amounts as required any byproduct, source or special nuclear material without restriction to chemical or physical form, for sample analysis or instrument calibration or associated with radioactive apparatus or components; and
    - (5) CPCo, pursuant to the Act and 10 CFR Parts 30, 40 and 70, to possess, but not separate, such byproduct and special nuclear materials as may be produced by the operations of the facility.

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- C. This license shall be deemed to contain and is subject to the conditions specified in the Commission's regulations set forth in 10 CFR Chapter I and is subject to all applicable provisions of the Act and to the rules, regulations and orders of the Commission now or hereafter in effect; and is subject to the additional conditions specified or incorporated below:

(1) Maximum Power Level

The licensee is authorized to operate the facility at reactor core power levels not in excess of 2530 Megawatts thermal (100 percent rated power) in accordance with the conditions specified herein.

(2) Technical Specifications and Environmental Protection Plan

The Technical Specifications contained in Appendix A, as revised through Amendment No. are hereby incorporated in the license. The licensee shall operate the facility in accordance with the Technical Specifications.

- D. The facility has been granted certain exemptions from the requirements of Section III.G of Appendix R to 10 CFR Part 50, "Fire Protection Program for Nuclear Power Facilities Operating Prior to January 1, 1979." This section relates to fire protection features for ensuring the systems and associated circuits used to achieve and maintain safe shutdown are free of fire damage. These exemptions were granted and sent to the licensee in letters dated February 8, 1983, July 12, 1985 and July 23, 1985.

In addition, the facility has been granted certain exemptions from Appendix J to 10 CFR Part 50, "Primary Reactor Containment Leakage Testing for Water Cooled Power Reactors." This section contains leakage test requirements, schedules and acceptance criteria for tests of the leak-tight integrity of the primary reactor containment and systems and components which penetrate the containment. These exemptions were granted and sent to the licensee in a letter dated December 6, 1989.

These exemptions granted pursuant to 10 CFR 50.12, are authorized by law, will not present an undue risk to the public health and safety, and are consistent with the common defense and security. With these exemptions, the facility will operate, to the extent authorized herein, in conformity with the application, as amended, the provisions of the Act, and the rules and regulations of the Commission.

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E. Physical Protection

The licensee shall fully implement and maintain in effect all provisions of the Commission approved physical security, guard training and qualification, and safeguards contingency plans including amendments made pursuant to provisions of the Miscellaneous Amendments and Search Requirements revisions to 10 CFR 73.55 (51 FR 27817 and 27822) and to the authority of 10 CFR 50.90 and 10 CFR 50.54(p). The plans, which contain Safeguards Information protected under 10 CFR 73.21 are entitled: "Palisades Plant Physical Security Plan," through Revisions 25, dated June 4, 1990, approved June 13, 1990; "Palisades Plant Suitability Training and Qualification Plan," through Revision 9, dated November 22, 1989, approved December 18, 1989; and "Palisades Plant Safeguards Contingency Plan," through Revision 2, dated September 30, 1988, approved November 8, 1988. Changes made in accordance with 10 CFR 73.55 shall be implemented in accordance with the schedule set forth therein.

- F. Except as otherwise provided in the Technical Specifications or Environmental Protection Plan, the licensee shall report any violations of the requirements contained in Section 2.C of this license in the following manner: initial notification shall be made within 24 hours to the NRC Operations Center via the Emergency Notification System with written follow-up within thirty days in accordance with the procedures described in 10 CFR 50.73(b), (c), and (e).
- G. The licensee shall have and maintain financial protection of such type and in such amounts as the Commission shall require in accordance with Section 170 of the Atomic Energy Act of 1954, as amended, to cover public liability claims.
- H. This license is effective as of the date of issuance and shall expire at midnight on March 14, 2007.

FOR THE NUCLEAR REGULATORY COMMISSION

Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

Date of Issuance:

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