

July 21, 1997

Mr. Thomas C. Bordine  
Licensing Manager  
Palisades Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043

SUBJECT: PALISADES PLANT - ISSUANCE OF AMENDMENT RE: OPERATING LICENSE AND  
TECHNICAL SPECIFICATION CHANGES TO REFLECT COMPANY NAME CHANGE  
(TAC NO. M98290)

Dear Mr. Bordine:

The Commission has issued the enclosed Amendment No. 176 to Facility  
Operating License No. DPR-20 for the Palisades Plant. The amendment consists  
of changes to the Facility Operating License and Technical Specifications (TS)  
in response to your application dated March 27, 1997, as supplemented July 7,  
1997.

The amendment revises the Palisades Plant license and TS to reflect the  
company's name change from Consumers Power Company to Consumers Energy  
Company.

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,

ORIGINAL SIGNED BY

Robert G. Schaaf, Project Manager  
Project Directorate III-1  
Division of Reactor Projects - III/IV  
Office of Nuclear Reactor Regulation

Docket No. 50-255

Enclosures: 1. Amendment No. 176 to DPR-20  
2. Safety Evaluation

*DFD 1/1*

cc w/encl: See next page

DISTRIBUTION: See attached page

DOCUMENT NAME: G:\WPDOCS\PALISADE\PAL98290.AMD \*SEE PREVIOUS CONCURRENCE

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DATED: July 21, 1997

AMENDMENT NO. 176 TO FACILITY OPERATING LICENSE NO. DPR-20-PALISADES

Docket File  
PUBLIC  
PDIII-1 Reading  
J. Roe  
C. Jamerson  
R. Schaaf  
L. Tran  
D. Wigginton  
OGC  
G. Hill (2)  
W. Beckner  
D. Matthews  
ACRS  
B. Burgess, RIII  
SEDB (TLH3)

Mr. Thomas C. Bordine  
Consumers Energy Company

Palisades Plant

cc:

Mr. Thomas J. Palmisano  
Site Vice President  
Palisades Plant  
27780 Blue Star Memorial Highway  
Covert, Michigan 49043

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

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

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, Michigan 48909-8130

M. I. Miller, Esquire  
Sidley & Austin  
54th Floor  
One First National Plaza  
Chicago, Illinois 60603

Gerald Charnoff, Esquire  
Shaw, Pittman, Potts and Trowbridge  
2300 N Street, N. W.  
Washington DC 20037

Mr. Thomas A. McNish  
Vice President & Secretary  
Consumers Energy Company  
212 West Michigan Avenue  
Jackson, Michigan 49201

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

Judd L. Bacon, Esquire  
Consumers Energy Company  
212 West Michigan Avenue  
Jackson, Michigan 49201

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

Jerry Sarno  
Township Supervisor  
Covert Township  
36197 M-140 Highway  
Covert, Michigan 49043

Office of the Governor  
Room 1 - Capitol Building  
Lansing, Michigan 48913



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

CONSUMERS ENERGY COMPANY

DOCKET NO. 50-255

PALISADES PLANT

AMENDMENT TO FACILITY OPERATING LICENSE

Amendment No. 176  
License No. DPR-20

1. The Nuclear Regulatory Commission (the Commission) has found that:
  - A. The application for amendment by Consumers Power Company (now renamed Consumers Energy Company) dated March 27, 1997, as revised July 7, 1997, 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 I;
  - 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 the following paragraphs of Facility Operating License No. DPR-20 are hereby amended to read as follows:
  1. A. The application for a license filed by Consumers Power Company (CPCo) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;

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\* On March 11, 1997, the name "Consumers Power Company" was changed to "Consumers Energy Company."

- E. CCo\* is technically qualified to engage in the activities authorized by this license, as amended, in accordance with 10 CFR Chapter I;
  - F. CCo\* has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements";
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 Energy Company to read as follows:
- A. This license applies to the Palisades Plant, a pressurized light water moderated and cooled reactor and electrical generating equipment (the facility). The facility is located in Van Buren County, Michigan, and is described in Consumers Energy Company's Updated Final Safety Analysis Report, as supplemented and amended, and in Consumers Energy Company's Environmental Report, as supplemented and amended.
  - B. (1) Consumers Energy Company, pursuant to Section 104b of the Atomic Energy Act of 1954, as amended, and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," to possess, use, and operate the facility in accordance with the limitations set forth in this license;
  - (2) Consumers Energy Company, pursuant to the Act and 10 CFR Parts 40 and 70, to receive, possess, and use source and 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) Consumers Energy Company, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive possess, and use byproduct, source, and special nuclear material as sealed sources for reactor startup, reactor instrumentation, radiation monitoring equipment calibration, and fission detectors in amounts as required;
  - (4) Consumers Energy Company, 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 for sample analysis or instrument calibration, or associated with radioactive apparatus or components; and
  - (5) Consumers Energy Company, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to possess, but not separate, such

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\* On March 11, 1997, the name "Consumers Power Company" was changed to "Consumers Energy Company."

byproduct and special nuclear materials as may be produced by the operations of the facility.

- C. (1) Consumers Energy Company is authorized to operate the facility at steady-state reactor core power levels not in excess of 2530 Megawatts thermal (100 percent rated power) in accordance with the conditions specified herein.
- (2) The Technical Specifications contained in Appendix A, as revised through Amendment No. 176, and the Environmental Protection Plan contained in Appendix B are hereby incorporated in the license. Consumers Energy Company shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.
- (3) Consumers Energy Company shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility and as approved in the SERs dated 09/01/78, 03/19/80, 02/10/81, 05/26/83, 07/12/85, 01/29/86, 12/03/87, and 05/19/89 and subject to the following provisions:
- a. Consumers Energy Company may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.
  - b. Consumers Energy Company may alter specific features of the approved fire protection program provided:
    - Such changes do not result in failure to complete the fire protection program as approved by the Commission. Consumers Energy Company shall maintain in auditable form, a current record of all such changes, including an analysis of the effects of the change on the fire protection program and shall make such records available to the Commission Inspectors upon request. All changes to the approved program shall be reported annually, along with the FSAR revision; and
- 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 CPCo\*

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\* On March 11, 1997, the name "Consumers Power Company" was changed to "Consumers Energy Company."

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 CPCo\* in a letter dated December 6, 1989.

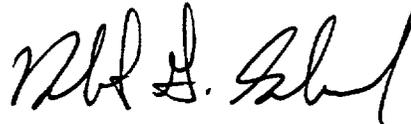
- E. Consumers Energy Company shall fully implement and maintain in effect all provisions of the Commission-approved "Palisades Plant Physical Security Plan," "Palisades Plant Suitability Training and Qualification Plan," and "Palisades Plant Safeguards Contingency Plan," and all approved amendments. Consumers Energy Company may make changes to these plans without prior Commission approval, if the changes do not decrease the safeguards effectiveness of the plans, in accordance with 10 CFR 50.54(p)(2).
- G. Consumers Energy Company 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.

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\* On March 11, 1997 the name "Consumers Power Company" was changed to "Consumers Energy Company".

3. This license amendment is effective as of the date of issuance.

FOR THE NUCLEAR REGULATORY COMMISSION



Robert G. Schaaf, Project Manager  
Project Directorate III-1  
Division of Reactor Projects - III/IV  
Office of Nuclear Reactor Regulation

Attachments: (1) Pages 1-4 of License No. DPR-20\*\*  
(2) Changes to the Technical Specifications  
(3) Appendix B Cover page

Date of Issuance: July 21, 1997

\*\* Pages 1-4 are attached, for convenience, for the composite license to reflect these changes.

ATTACHMENT TO LICENSE AMENDMENT NO. 176

FACILITY OPERATING LICENSE NO. DPR-20

DOCKET NO. 50-255

LICENSE

REMOVE

1  
2  
3  
4

INSERT

1  
2  
3  
4

Revise Appendix A Technical Specifications by removing the pages identified below and inserting the attached pages. The revised pages are identified by amendment number and contain vertical lines indicating the areas of change.

5-1  
6-30

5-1  
6-30

Revise Appendix B Environmental Protection Plan (Non-Radiological) by removing the pages identified below and inserting the attached pages. The revised pages are identified by amendment number.

Cover page

Cover page



UNITED STATES  
NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001

CONSUMERS ENERGY COMPANY

DOCKET NO. 50-255

PALISADES PLANT

FACILITY OPERATING LICENSE

License No. DPR-20

1. The Nuclear Regulatory Commission (the Commission) has found that:
  - A. The application for a license filed by Consumers Power Company (CPCo) complies with the standards and requirements of the Atomic Energy Act of 1954, as amended (the Act), and 10 CFR Chapter I, and all required notifications to other agencies or bodies have been duly made;
  - B. Construction of the Palisades Plant (the facility) has been completed in conformity with Provisional 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 operating 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 that the activities authorized by this Facility Operating License can be conducted without endangering the health and safety of the public;
  - E. CPCo\* is technically qualified to engage in the activities authorized by this license, as amended, in accordance with 10 CFR Chapter I;
  - F. CPCo\* has satisfied the applicable provisions of 10 CFR Part 140, "Financial Protection Requirements and Indemnity Agreements";
  - 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;
  - H. The issuance of this license is in accordance with 10 CFR Part 51 and all applicable requirements have been satisfied; and
  - I. The receipt, possession, and use of source, byproduct, and special nuclear material as authorized by this license will be in accordance with 10 CFR Parts 30, 40, and 70.

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\* On March 11, 1997, the name "Consumers Power Company" was changed to "Consumers Energy Company."

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 Energy Company to read as follows:

A. This license applies to the Palisades Plant, a pressurized light water moderated and cooled reactor and electrical generating equipment (the facility). The facility is located in Van Buren County, Michigan, and is described in Consumers Energy Company's Updated Final Safety Analysis Report, as supplemented and amended, and in Consumers Energy Company's Environmental Report, as supplemented and amended.

B. Subject to the conditions and requirements incorporated herein, the Commission hereby licenses:

(1) Consumers Energy Company, pursuant to Section 104b of the Atomic Energy Act of 1954, as amended, and 10 CFR Part 50, "Domestic Licensing of Production and Utilization Facilities," to possess, use, and operate the facility in accordance with the limitations set forth in this license;

(2) Consumers Energy Company, pursuant to the Act and 10 CFR Parts 40 and 70, to receive, possess, and use source and 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) Consumers Energy Company, pursuant to the Act and 10 CFR Parts 30, 40, and 70, to receive possess, and use byproduct, source, and special nuclear material as sealed sources for reactor startup, reactor instrumentation, radiation monitoring equipment calibration, and fission detectors in amounts as required;

(4) Consumers Energy Company, 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 for sample analysis or instrument calibration, or associated with radioactive apparatus or components; and

(5) Consumers Energy Company, 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.

C. This license shall be deemed to contain and is subject to all applicable provisions of the Act; 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) Consumers Energy Company is authorized to operate the facility at steady-state reactor core power levels not in excess of 2530 Megawatts thermal (100 percent rated power) in accordance with the conditions specified herein.

- (2) The Technical Specifications contained in Appendix A, as revised through Amendment No. 176, and the Environmental Protection Plan contained in Appendix B are hereby incorporated in the license. Consumers Energy Company shall operate the facility in accordance with the Technical Specifications and the Environmental Protection Plan.
- (3) Consumers Energy Company shall implement and maintain in effect all provisions of the approved fire protection program as described in the Final Safety Analysis Report for the facility and as approved in the SERs dated 09/01/78, 03/19/80, 02/10/81, 05/26/83, 07/12/85, 01/29/86, 12/03/87, and 05/19/89 and subject to the following provisions:
- a. Consumers Energy Company may make changes to the approved fire protection program without prior approval of the Commission only if those changes would not adversely affect the ability to achieve and maintain safe shutdown in the event of a fire.
  - b. Consumers Energy Company may alter specific features of the approved fire protection program provided:
    - Such changes do not result in failure to complete the fire protection program as approved by the Commission. Consumers Energy Company shall maintain in auditable form, a current record of all such changes, including an analysis of the effects of the change on the fire protection program and shall make such records available to the Commission Inspectors upon request. All changes to the approved program shall be reported annually, along with the FSAR revision; and
    - Temporary changes to specific fire protection features which may be necessary to accomplish maintenance or modifications are acceptable provided interim compensatory measures are implemented.
- 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 CPCo\* 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

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\* On March 11, 1997, the name "Consumers Power Company" was changed to "Consumers Energy Company."

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 CPCo\* 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.

- E. Consumers Energy Company shall fully implement and maintain in effect all provisions of the Commission-approved "Palisades Plant Physical Security Plan," "Palisades Plant Suitability Training and Qualification Plan," and "Palisades Plant Safeguards Contingency Plan," and all approved amendments. Consumers Energy Company may make changes to these plans without prior Commission approval, if the changes do not decrease the safeguards effectiveness of the plans, in accordance with 10 CFR 50.54(p)(2).
- 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 30 days in accordance with the procedures described in 50.73(b), (c), and (e).
- G. Consumers Energy Company 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

Original Signed By: Thomas E. Murley

Thomas E. Murley, Director  
Office of Nuclear Reactor Regulation

Attachments:

1. Appendix A - Technical Specifications
2. Appendix B - Environmental Protection Plan

Date of Issuance: February 21, 1991

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\* On March 11, 1997, the name "Consumers Power Company" was changed to "Consumers Energy Company."

## 5.0 DESIGN FEATURES

### 5.1 SITE

The Palisades reactor shall be located on 437 acres owned by Consumers Energy Company on the eastern shore of Lake Michigan approximately four and one-half miles south of the southern city limits of South Haven, Michigan. Figure 5-1 shows the plan of the site. The minimum distance to the boundary of the exclusion area as defined in 10 CFR 100.3 shall be 677 meters.

### 5.2 CONTAINMENT DESIGN FEATURES

#### 5.2.1 Containment Structure

- a. The containment structure completely encloses the primary coolant system to minimize release of radioactive material to the environment should a failure of the primary coolant system occur. The prestressed, post-tensioned concrete structure provides adequate biological shielding for both normal operation and accident situations and is designed for low leakage at a design pressure of 55 psig and 283°F.

The principal design basis for the structure is that it be capable of withstanding the internal pressure resulting from a design basis loss-of-coolant accident. In this event, the total energy contained in the water of the primary coolant system is assumed to be released into the containment through a double-ended break of the largest primary coolant pipe coincident with a loss of normal and standby electrical power. Subsequent pressure behavior is determined by the engineered safety features and the combined influence of energy sources and heat sinks.

- b. The external design pressure of the containment shell is 3 psig. This value is approximately 0.5 psig greater than the maximum external pressure that could be developed if the containment were sealed during a period of low barometric pressure and high temperature and, subsequently, the containment atmosphere were cooled with a concurrent major rise in barometric pressure. Vacuum breakers are therefore not provided.
- c. The containment is designed as a seismic Class I structure.

**6.8.2.6 RECORDS**

Records of NPAD activities shall be maintained. Reports shall be prepared and distributed as indicated below:

- a. The results of reviews, performed pursuant to Section 6.8.2.4.1 and Section 6.8.2.4.2, shall be reported to the Vice President - NOD at least monthly.
- b. A report assessing the overall nuclear safety performance of Palisades shall be provided to senior Consumers Energy Company management annually.

**6.8.3 PLANT SAFETY AND LICENSING**

**6.8.3.1 FUNCTION**

The Plant Safety and Licensing staff shall review proposed changes in design or operation and such other matters as the PRC may assign to identify issues significant to nuclear safety and recommend nuclear safety improvements.

**6.8.3.2 COMPOSITION**

The Plant Safety and Licensing staff responsible for the review function shall be an experienced technical staff meeting the qualifications of Section 6.3.

**6.8.3.3 RESPONSIBILITIES**

The Plant Safety and Licensing staff may provide nuclear safety review as delegated by PRC for:

- a. Procedures, programs and changes thereto identified in Specifications 6.4 and 6.5 and any additional procedures and changes thereto identified by the Plant General Manager as significant to nuclear safety.
- b. All proposed tests or experiments.
- c. All proposed changes or modifications to plant systems or equipment.
- d. The Site Emergency Plan.

PALISADES PLANT  
FACILITY OPERATING LICENSE DPR-20  
APPENDIX B

**ENVIRONMENTAL PROTECTION PLAN  
(NON-RADIOLOGICAL)**



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

SAFETY EVALUATION BY THE OFFICE OF NUCLEAR REACTOR REGULATION  
RELATED TO AMENDMENT NO. 176 TO FACILITY OPERATING LICENSE NO. DPR-20  
CONSUMERS ENERGY COMPANY  
PALISADES PLANT  
DOCKET NO. 50-255

1.0 INTRODUCTION

By letter dated March 27, 1997, as supplemented July 7, 1997, Consumers Energy Company (the licensee) requested changes to the Facility Operating License No. DPR-20 and the Technical Specifications (TS) appended to Facility Operating License No. DPR-20 for the Palisades Plant. The amendment would revise the company name from Consumers Power Company to Consumers Energy Company.

The July 7, 1997, letter provided supplementary information within the scope of the original application and did not change the NRC staff's initial proposed no significant hazards considerations determination.

2.0 BACKGROUND

In the March 27, 1997, letter, the licensee makes the following statement:

"the corporate existence continues uninterrupted, and all legal characteristics remain the same. Thus, there is no change in the ownership, state of incorporation, registered agent, registered office, directors, officers, rights or liabilities of the Company, nor is there a change in the function of the Company or the way in which it does business. The Company's financial responsibility for the Palisades Plant and its sources of funds to support the facility will remain the same. Further, this name change does not impact the Company's ability to comply with any of its obligations or responsibilities under the license."

3.0 EVALUATION

The name change should have no effect or impact on the regulatory obligations of the licensee under the laws and regulations administered by the Commission or the licensee's qualifications to hold the license and should not change in any way the business of the licensee with the Commission. There should be no change in the safety and security of the public from the name change and the antitrust condition applicable to Consumers Power Company will continue to apply to Consumers Energy Company. We find the proposed changes to Facility Operating License No. DPR-20 and to the Technical Specifications (TS) appended to Facility Operating License No. DPR-20 for the Palisades Plant to be administrative in nature and therefore 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 Michigan State official had no comments.

#### 5.0 ENVIRONMENTAL CONSIDERATION

Pursuant to 10 CFR 51.22, 51.32, 51.35, an environmental assessment and finding of no significant impact has been prepared and published in the Federal Register on May 30, 1997, (62 FR 29378). Accordingly, based upon the environmental assessment, the staff has determined that the issuance of the amendment will not have a significant effect on the quality of the human environment.

#### 6.0 CONCLUSION

The Commission has concluded, based on 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 Contributors: L. Tran  
D. Wigginton

Date: July 21, 1997