

10 CFR 50.90

August 26, 2002

U S Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

**DOCKET 50-255 - LICENSE DPR-20 - PALISADES NUCLEAR PLANT  
LICENSE AMENDMENT REQUEST: MISSED SURVEILLANCE USING THE  
CONSOLIDATED LINE ITEM IMPROVEMENT PROCESS**

Pursuant to 10 CFR 50.90, Nuclear Management Company, LLC (NMC) requests Nuclear Regulatory Commission (NRC) review and approval of a proposed license amendment for the Palisades Nuclear Plant. The proposed amendment would revise the Technical Specifications (TS) for missed surveillances in surveillance requirement (SR) 3.0.3.

Enclosure 1 provides a description of the proposed change, the requested confirmation of applicability, and plant-specific verifications. Enclosure 2 provides the proposed revised TS pages. Enclosure 3 provides the annotated TS pages showing the changes proposed. Enclosure 4 provides the existing TS Bases pages marked up to show the proposed changes (for information only).

NMC requests approval of this proposed license amendment by February 6, 2003 to support timely implementation of this change. NMC further requests a 120-day implementation period following amendment approval.

A copy of this request has been provided to the designated representative of the State of Michigan.

SUMMARY OF COMMITMENTS

This letter contains the following commitment and no revisions to existing commitments:

NMC will establish the Technical Specification Bases for SR 3.0.3 as adopted with the applicable license amendment.

I declare under penalty of perjury that the foregoing is true and accurate. Executed on August 26, 2002.



Laurie A. Lahti  
Manager, Licensing

CC Regional Administrator, USNRC, Region III  
Project Manager, USNRC, NRR  
NRC Resident Inspector – Palisades

Enclosures

**ENCLOSURE 1**

**NUCLEAR MANAGEMENT COMPANY  
PALISADES NUCLEAR PLANT  
DOCKET 50-255**

**LICENSE AMENDMENT REQUEST PURSUANT TO 10 CFR 50.90:  
MISSED SURVEILLANCE USING CONSOLIDATED LINE ITEM IMPROVEMENT  
PROCESS**

3 Pages Follow

## **1.0 INTRODUCTION**

Nuclear Management Company, LLC (NMC) requests to amend Operating License DPR-20 for the Palisades Nuclear Plant. The proposed change would revise Appendix A, Technical Specifications (TS) for missed surveillances in surveillance requirement (SR) 3.0.3.

## **2.0 DESCRIPTION**

The proposed changes are consistent with Nuclear Regulatory Commission (NRC) approved Industry/Technical Specification Task Force (TSTF) Standard Technical Specification (STS) change TSTF-358, Revision 6, which includes the NRC modifications described in Federal Register Notice 66FR32400 published June 14, 2001, and in response to public comments. The availability of this TS improvement was published in the Federal Register on September 28, 2001, as part of the consolidated line item improvement process (CLIP).

## **3.0 ASSESSMENT**

### **3.1 Applicability of Published Safety Evaluation**

NMC has reviewed the safety evaluation dated June 8, 2001, as part of the CLIP. This review included the NRC staff's evaluation, as well as the supporting information provided to support TSTF-358. NMC has concluded that the justifications presented in the TSTF proposal and the safety evaluation prepared by the NRC staff are applicable to Palisades and justify this amendment for the incorporation of the changes to the Palisades TS.

### **3.2 Optional Changes and Variations**

NMC is not proposing any variations or deviations from the TS changes described in the fully modified TSTF-358, Revision 6, or the NRC staff's model safety evaluation dated June 8, 2001.

## 4.0 REGULATORY ANALYSIS

### 4.1 No Significant Hazards Consideration Determination

NMC has reviewed the proposed no significant hazards consideration determination (NSHCD) published in the Federal Register on June 14, 2001 as part of the CLIP. NMC has concluded that the proposed NSHCD presented in the Federal Register notice is applicable to Palisades and is hereby incorporated by reference to satisfy the requirements of 10 CFR 50.91(a).

### 4.2 Verification and Commitments

As discussed in the notice of availability published in the Federal Register on September 28, 2001, for this TS improvement, plant-specific verifications were performed as follows:

NMC has established TS Bases for SR 3.0.3, which state that use of the delay period established in SR 3.0.3 is a flexibility which is not intended to be used as an operational convenience to extend surveillance intervals, but only for the performance of missed surveillances.

The modification will also include changes to the Bases for SR 3.0.3 that provide details on how to implement the new requirements. The Bases changes provide guidance for surveillance frequencies that are not based on time intervals, but are based on specified unit conditions, operating situations, or requirements of regulations. In addition, the Bases changes state that NMC is expected to perform a missed surveillance test at the first reasonable opportunity, taking into account appropriate considerations, such as the impact on plant risk and accident analysis assumptions, consideration of unit conditions, planning, availability of personnel, and time required to perform the surveillance. The Bases also state that the risk impact should be managed through the program in place to implement 10 CFR 50.65(a)(4) and its implementation guidance, NRC Regulatory Guide 1.182, "Assessing and Managing Risks Before Maintenance Activities at Nuclear Power Plants," and that the missed surveillance should be treated as an emergent condition, as discussed in Regulatory Guide 1.182. In addition, the Bases state that the degree of depth and rigor of the evaluation should be commensurate with the importance of the component and that a missed surveillance for an important component should be analyzed quantitatively. The Bases also state that the

results of the risk evaluation determine the safest course of action. In addition, the Bases state that all missed surveillances will be placed in the licensee's Corrective Action Program. Finally, NMC has a Bases Control Program consistent with Section 5.5 of the STS.

## **5.0 ENVIRONMENTAL EVALUATION**

NMC has reviewed the environmental evaluation included in the model safety evaluation dated June 8, 2001, as part of the CLIP. NMC has concluded that the staff's findings presented in that evaluation are applicable to Palisades and the evaluation is hereby incorporated by reference for this application.

## **6.0 CONCLUSION**

Based on the considerations described above, (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. The Palisades Plant Review Committee has reviewed this amendment request and has determined that the change involves no significant hazards consideration. The Palisades Offsite Safety Review Committee has concurred in this determination.

**ENCLOSURE 2**

**NUCLEAR MANAGEMENT COMPANY  
PALISADES NUCLEAR PLANT  
DOCKET 50-255**

**LICENSE AMENDMENT REQUEST PURSUANT TO 10 CFR 50.90:  
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**REVISED TECHNICAL SPECIFICATION PAGE 3.0-3  
AND  
TECHNICAL SPECIFICATION PAGE CHANGE INSTRUCTIONS**

**2 Pages Follow**

**ATTACHMENT TO LICENSE AMENDMENT NO.**

**FACILITY OPERATING LICENSE NO. DPR-20**

**DOCKET NO. 50-255**

Replace the following page of Appendix A Technical Specifications with the attached revised page. The revised page is identified by amendment number and contains marginal lines indicating the areas of change.

**REMOVE**

**3.0-3**

**INSERT**

**3.0-3**

### 3.0 SURVEILLANCE REQUIREMENT (SR) APPLICABILITY

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SR 3.0.1           SRs shall be met during the MODES or other specified conditions in the Applicability for individual LCOs, unless otherwise stated in the SR. Failure to meet a Surveillance, whether such failure is experienced during the performance of the Surveillance or between performances of the Surveillance, shall be failure to meet the LCO. Failure to perform a Surveillance within the specified Frequency shall be failure to meet the LCO except as provided in SR 3.0.3. Surveillances do not have to be performed on inoperable equipment or variables outside specified limits.

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SR 3.0.2           The specified Frequency for each SR is met if the Surveillance is performed within 1.25 times the interval specified in the Frequency, as measured from the previous performance or as measured from the time a specified condition of the Frequency is met.

For Frequencies specified as "once," the above interval extension does not apply.

If a Completion Time requires periodic performance on a "once per . . ." basis, the above Frequency extension applies to each performance after the initial performance.

Exceptions to this Specification are stated in the individual Specifications.

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SR 3.0.3           If it is discovered that a Surveillance was not performed within its specified Frequency, then compliance with the requirement to declare the LCO not met may be delayed, from the time of discovery, up to 24 hours or up to the limit of the specified Frequency, whichever is greater. This delay period is permitted to allow performance of the Surveillance. A risk evaluation shall be performed for any Surveillance delayed greater than 24 hours and the risk impact shall be managed.

If the Surveillance is not performed within the delay period, the LCO must immediately be declared not met, and the applicable Condition(s) must be entered.

When the Surveillance is performed within the delay period and the Surveillance is not met, the LCO must immediately be declared not met, and the applicable Condition(s) must be entered.

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**ENCLOSURE 3**

**NUCLEAR MANAGEMENT COMPANY  
PALISADES NUCLEAR PLANT  
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PROCESS**

**MARK-UP OF TECHNICAL SPECIFICATION  
PAGE 3.0-3  
(showing proposed changes)  
(additions are double underlined; deletions are strikethrough)**

**1 Page Follows**

### 3.0 SURVEILLANCE REQUIREMENT (SR) APPLICABILITY

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SR 3.0.1 SRs shall be met during the MODES or other specified conditions in the Applicability for individual LCOs, unless otherwise stated in the SR. Failure to meet a Surveillance, whether such failure is experienced during the performance of the Surveillance or between performances of the Surveillance, shall be failure to meet the LCO. Failure to perform a Surveillance within the specified Frequency shall be failure to meet the LCO except as provided in SR 3.0.3. Surveillances do not have to be performed on inoperable equipment or variables outside specified limits.

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SR 3.0.2 The specified Frequency for each SR is met if the Surveillance is performed within 1.25 times the interval specified in the Frequency, as measured from the previous performance or as measured from the time a specified condition of the Frequency is met.

For Frequencies specified as "once," the above interval extension does not apply.

If a Completion Time requires periodic performance on a "once per . . ." basis, the above Frequency extension applies to each performance after the initial performance.

Exceptions to this Specification are stated in the individual Specifications.

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SR 3.0.3 If it is discovered that a Surveillance was not performed within its specified Frequency, then compliance with the requirement to declare the LCO not met may be delayed, from the time of discovery, up to 24 hours or up to the limit of the specified Frequency, whichever is ~~less~~ greater. This delay period is permitted to allow performance of the Surveillance. A risk evaluation shall be performed for any Surveillance delayed greater than 24 hours and the risk impact shall be managed.

If the Surveillance is not performed within the delay period, the LCO must immediately be declared not met, and the applicable Condition(s) must be entered.

When the Surveillance is performed within the delay period and the Surveillance is not met, the LCO must immediately be declared not met, and the applicable Condition(s) must be entered.

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**ENCLOSURE 4**

**NUCLEAR MANAGEMENT COMPANY  
PALISADES NUCLEAR PLANT  
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**LICENSE AMENDMENT REQUEST PURSUANT TO 10 CFR 50.90:  
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PROCESS**

**MARK-UP OF TECHNICAL SPECIFICATION BASES PAGES  
(showing proposed changes, for information only)  
(additions are double underlined; deletions are strikethrough)**

**3 Pages Follow**

BASES

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SR 3.0.2  
(continued)

As stated in SR 3.0.2, the 25% extension allowed by SR 3.0.2 may be applied to Required Actions whose Completion Time is stated as "once per . . ." however, the 25% extension does not apply to the initial performance of a Required Action with a periodic Completion Time that requires performance on a "once per . . ." basis. The 25% extension applies to each performance of the Required Action after the initial performance. The initial performance of the Required Action, whether it is a particular Surveillance or some other remedial action, is considered a single action with a single Completion Time. One reason for not allowing the 25% extension to this Completion Time is that such an action usually verifies that no loss of function has occurred by checking the status of redundant or diverse components or accomplishes the function of the inoperable equipment in an alternative manner.

The provisions of SR 3.0.2 are not intended to be used repeatedly merely as an operational convenience to extend Surveillance intervals (other than those consistent with refueling intervals) or periodic Completion Time intervals beyond those specified.

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SR 3.0.3

SR 3.0.3 establishes the flexibility to defer declaring affected equipment inoperable or an affected variable outside the specified limits when a Surveillance has not been completed within the specified Frequency. A delay period of up to 24 hours or up to the limit of the specified Frequency, whichever is ~~less~~greater, applies from the point in time that it is discovered that the Surveillance has not been performed in accordance with SR 3.0.2, and not at the time that the specified Frequency was not met.

This delay period provides an adequate time to complete Surveillances that have been missed. This delay period permits the completion of a Surveillance before complying with Required Actions or other remedial measures that might preclude completion of the Surveillance.

The basis for this delay period includes consideration of plant conditions, adequate planning, availability of personnel, the time required to perform the Surveillance, the safety significance of the delay in completing the required Surveillance, and the recognition that the most probable result of any particular Surveillance being performed is the verification of conformance with the requirements.

BASES

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SR 3.0.3  
(continued)

~~When a Surveillance with a Frequency based not on time intervals, but upon specified plant conditions or operational situations, is discovered not to have been performed when specified, SR 3.0.3 allows the full delay period of 24 hours to perform the Surveillance.~~

~~SR 3.0.3 also provides a time limit for completion of Surveillances that become applicable as a consequence of MODE changes imposed by Required Actions.~~

[INSERT 1]

Failure to comply with specified Frequencies for SRs is expected to be an infrequent occurrence. Use of the delay period established by SR 3.0.3 is a flexibility which is not intended to be used as an operational convenience to extend Surveillance intervals.

[INSERT 2]

If a Surveillance is not completed within the allowed delay period, then the equipment is considered inoperable or the variable is considered outside the specified limits and the Completion Times of the Required Actions for the applicable LCO Conditions begin immediately upon expiration of the delay period. If a Surveillance is failed within the delay period, then the equipment is inoperable, or the variable is outside the specified limits and the Completion Times of the Required Actions for the applicable LCO Conditions begin immediately upon the failure of the Surveillance.

Completion of the Surveillance within the delay period allowed by this Specification, or within the Completion Time of the ACTIONS, restores compliance with SR 3.0.1.

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SR 3.0.4

SR 3.0.4 establishes the requirement that all applicable SRs must be met before entry into a MODE or other specified Condition in the Applicability.

This Specification ensures that system and component OPERABILITY requirements and variable limits are met before entry into MODES or other specified conditions in the Applicability for which these systems and components ensure safe operation of the plant.

The provisions of this Specification should not be interpreted as endorsing the failure to exercise the good practice of restoring systems or components to OPERABLE status before entering an associated MODE or other specified condition in the Applicability.

### **Insert 1:**

When a Surveillance with a Frequency based not on time intervals, but upon specified unit conditions, operating situations, or requirements of regulations (e.g., prior to entering MODE 1 after each fuel loading, or in accordance with 10 CFR 50, Appendix J, as modified by approved exemptions, etc.) is discovered to not have been performed when specified, SR 3.0.3 allows for the full delay period of up to the specified Frequency to perform the Surveillance. However, since there is not a time interval specified, the missed Surveillance should be performed at the first reasonable opportunity.

SR 3.0.3 provides a time limit for, and allowances for the performance of, Surveillances that become applicable as a consequence of MODE changes imposed by Required Actions.

### **Insert 2**

While up to 24 hours or the limit of the specified Frequency is provided to perform the missed Surveillance, it is expected that the missed Surveillance will be performed at the first reasonable opportunity. The determination of the first reasonable opportunity should include consideration of the impact on plant risk (from delaying the Surveillance as well as any plant configuration changes required or shutting the plant down to perform the Surveillance) and impact on any analysis assumptions, in addition to unit conditions, planning, availability of personnel, and the time required to perform the Surveillance. This risk impact should be managed through the program in place to implement 10 CFR 50.65(a)(4) and its implementation guidance, NRC Regulatory Guide 1.182, "Assessing and Managing Risk Before Maintenance Activities at Nuclear Power Plants." This Regulatory Guide addresses consideration of temporary and aggregate risk impacts, determination of risk management action thresholds, and risk management action up to and including plant shutdown. The missed Surveillance should be treated as an emergent condition as discussed in the Regulatory Guide. The risk evaluation may use quantitative, qualitative, or blended methods. The degree of depth and rigor of the evaluation should be commensurate with the importance of the component. Missed Surveillances for important components should be analyzed quantitatively. If the results of the risk evaluation determine the risk increase is significant, this evaluation should be used to determine the safest course of action. All missed Surveillances will be placed in the licensee's Corrective Action Program.