

September 19, 2002

Mr. Douglas E. Cooper
Site Vice President
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: ASSESSMENT FOLLOW-UP LETTER - PALISADES NUCLEAR PLANT

Dear Mr. Cooper:

On July 25, 2002, you submitted a performance indicator change for data that had been submitted for the 1st (calendar) quarter of 2002. As documented in that change submittal, you crossed the threshold from Green to White for the Drill and Exercise Performance (DEP) performance indicator in that calendar quarter. Subsequently, the performance indicator returned to the Green band of performance based on the data for the 2nd quarter of 2002.

During the 1st quarter of 2002, plant performance was within the Regulatory Response column of the NRC's Action Matrix, as a result of a White inspection finding in the mitigating systems cornerstone identified in October 2001. That finding concerned the location of smoke detectors in the northwest portions of the cable spreading rooms. In July of 2002, the NRC performed a supplemental inspection of the issue and documented the results of that inspection in NRC Inspection Report No. 50-255/02-08.

Since the DEP performance indicator is not in the same cornerstone as the previous White inspection finding, we have continued to assess Palisades performance to be in the Regulatory Response column of the NRC's Action Matrix. Therefore, we plan to conduct supplemental inspection 95001 during the week of February 3, 2003, to review the issues that resulted in the White performance indicator and that contributed to your original misreporting of the indicator. This inspection procedure is conducted to provide assurance that the root causes and contributing causes of risk significant performance issues are understood, the extent of condition is identified, and the corrective actions are sufficient to prevent recurrence.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter will be made available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

D. Cooper

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Please contact Mr. Kenneth Riemer at (630) 829-9757 with any questions you may have regarding this letter.

Sincerely,

/RA/

Cynthia D. Pederson, Director
Division of Reactor Safety

Docket No. 50-255
License No. DPR-20

cc: R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
L. Lahti, Manager, Licensing
R. Anderson, Chief Nuclear Officer, NMC
A. Udrys, Esquire, Consumers Energy Company
S. Wawro, Nuclear Asset Director, Consumers Energy Company
W. Rendell, Supervisor, Covert Township
Office of the Governor
Michigan Department of Environmental Quality
Department of Attorney General (MI)

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S. Wawro, Nuclear Asset Director, Consumers Energy Company
W. Rendell, Supervisor, Covert Township
Office of the Governor
Michigan Department of Environmental Quality
Department of Attorney General (MI)

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