SAFEGUARDS INFORMATION

September 21, 2004

Mr. Daniel J. Malone Site Vice President Nuclear Management Company, LLC Palisades Nuclear Plant 27780 Blue Star Memorial Highway Covert, MI 49043-9530

SUBJECT: SECURITY PLAN PROVISIONS FOR ENHANCED OWNER CONTROLLED

AREA SURVEILLANCE AND RESPONSE (TAC NO. MC2949)

Dear Mr. Malone:

On May 14, 2004, the Nuclear Regulatory Commission's (NRC) staff completed an evaluation of lessons learned from the pilot expanded force-on-force exercises. As a result of this evaluation, surveillance and response in the owner controlled area was identified as one aspect of security at nuclear power plant facilities that required further improvement.

The NRC staff worked with the industry's Security Working Group and the Nuclear Energy Institute to develop appropriate provisions to be included in physical security plans. These provisions have been discusses with your staff for incorporation into your facility's physical security plan.

Specific security plan language developed to achieve this objective is included as an enclosure to this letter.

Thank you for your cooperation in resolving this issue. Should you have further questions on this matter, please call Juan Peralta at 301-415-6689 or me at 301-415-7083.

Sincerely,

/RA/

Scott A. Morris, Chief Reactor Security Section Division of Nuclear Security Office of Nuclear Security and Incident Response

Enclosure: As stated

cc: See next page

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NOTICE: Enclosure transmitted herewith contains "Safeguards Information." When separated from Enclosure(s) this Cover Document is "DECONTROLLED"

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/RA/
Scott A. Morris, Chief
Reactor Security Sect

Reactor Security Section
Division of Nuclear Security
Office of Nuclear Security and Incident Response

Enclosure: As stated cc: See next page Docket Nos.: 50-255

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Palisades Plant

CC:

Robert A. Fenech, Senior Vice President Nuclear, Fossil, and Hydro Operations Consumers Energy Company 1945 Parnall Rd. Jackson, MI 49201

Arunas T. Udrys, Esquire Consumers Energy Company 1 Energy Plaza 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

Michigan Department of Environmental Quality Waste and Hazardous Materials Division Hazardous Waste and Radiological Protection Section Nuclear Facilities Unit Constitution Hall, Lower-Level North 525 West Allegan Street P.O. Box 30241 Lansing, MI 48909-7741 Michigan Department of Attorney General Special Litigation Division 525 West Ottawa St. Sixth Floor, G. Mennen Williams Building Lansing, MI 48913

Manager, Regulatory Affairs Nuclear Management Company, LLC 27780 Blue Star Memorial Highway Covert, MI 49043

Director of Nuclear Assets Consumers Energy Company Palisades Nuclear Plant 27780 Blue Star Memorial Highway Covert, MI 49043

John Paul Cowan
Executive Vice President & Chief Nuclear
Officer
Nuclear Management Company, LLC
700 First Street
Hudson, WI 54016

Jonathan Rogoff, Esquire Vice President, Counsel & Secretary Nuclear Management Company, LLC 700 First Street Hudson, WI 54016

Douglas E. Cooper Senior Vice President - Group Operations Palisades Nuclear Plant Nuclear Management Company, LLC 27780 Blue Star Memorial Highway Covert, MI 49043

Daniel J. Malone Site Vice President Palisades Nuclear Plant Nuclear Management Company, LLC 27780 Blue Star Memorial Highway Covert, MI 49043