

November 10, 2004

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

SUBJECT: PALISADES NUCLEAR PLANT INFORMATION REQUEST FOR NRC  
BIENNIAL MODIFICATION AND 10 CFR 50.59 (MOD/50.59) BASELINE  
INSPECTION REPORT 05000255/2004013(DRS)

Dear Mr. Malone:

On December 13, 2004, the NRC will begin a Modification and 10 CFR 50.59 (Mod/50.59) baseline inspection at the Palisades Nuclear Plant. This inspection will be performed in accordance with NRC baseline inspection procedures IP 71111.02, IP 71111.17B, IP 37001, and IP 71152. The on-site portion of the inspection will take place December 13 through 17, 2004.

Experience has shown that these baseline Mod/50.59 inspections are resource intensive, both for the NRC inspectors and the licensee staff. In order to minimize the inspection impact on the site and to ensure a productive inspection for both parties, we have enclosed a request for documents needed for the inspection. These documents have been divided into three groups. The first group is necessary to ensure that the inspection team is adequately prepared for the inspection. This information should be available to the Regional Office no later than December 3, 2004. The inspection team will review this information and, by close of business December 8, 2004, will request specific items that should be available for review when the team arrives on site. The second group of requested documents contains additional items that the team will review, or need access to, during the inspection. Please have this information available by the first day of the on-site inspection, December 13, 2004. The third group lists information necessary to aid the inspection team in tracking issues identified as a result of the inspection. It is requested that this information be provided to the lead inspector as the information is generated during the inspection. It is important that all of these documents are up to date and complete in order to minimize the number of additional documents requested during the preparation and/or the onsite portions of the inspection.

The lead inspector for this inspection is Mr. Hershell A. (Al) Walker. We understand that our regulatory contact for this inspection is Ms. B. Dotson of your organization. If there are any questions about the inspection or the material requested, please contact the lead inspector at (630) 829-9728 or via e-mail at haw@nrc.gov.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be 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).

Sincerely,

***/RA by Ann Marie Stone for/***

David E. Hills, Chief  
Materials Engineering Branch  
Division of Reactor Safety

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

Enclosure: Reactor Modification and 10 CFR 50.59 Supporting Documentation  
Modification and 50.59 Inspection Document Request

cc w/encl: J. Cowan, Executive Vice President  
and Chief Nuclear Officer  
R. Fenech, Senior Vice President, Nuclear  
Fossil and Hydro Operations  
D. Cooper, Senior Vice President - Group Operations  
Manager, Regulatory Affairs  
J. Rogoff, Vice President, Counsel and Secretary  
A. Udrys, Esquire, Consumers Energy Company  
Director of Nuclear Assets, Consumers Energy Company  
Supervisor, Covert Township  
Office of the Governor  
Michigan Department of Environmental Quality -  
Waste and Hazardous Materials Division  
Michigan Department of Attorney General

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J. Rogoff, Vice President, Counsel and Secretary  
A. Udrys, Esquire, Consumers Energy Company  
Director of Nuclear Assets, Consumers Energy Company  
Supervisor, Covert Township  
Office of the Governor  
Michigan Department of Environmental Quality -  
Waste and Hazardous Materials Division  
Michigan Department of Attorney General

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INITIAL DOCUMENT REQUEST

**MODIFICATION AND 50.59 INSPECTION DOCUMENT REQUEST**

**Inspection Report:** 05000255/2004013

**Inspection Dates:** December 13 - 17, 2004

**Inspection Procedures:** IP 71111-02, "Changes, Tests, or Experiments"  
IP 71111-17B, "Permanent Plant Modifications"  
IP 37001, "10 CFR 50.59 Safety Evaluation Program"  
IP 71152, "Identification and Resolution of Problems"

**Lead Inspector:** H. Walker, Team Leader  
(630) 829-9728

**Team Members:** T. Bilik, Inspector  
J. Neurauter, Inspector  
C. Acosta Acevedo, Observer

***I. Information Requested for In-Office Preparation Week***

The following information is requested by December 3, 2004, or sooner, to facilitate the selection of specific items that will be reviewed during the onsite inspection week. The team will select specific items from the information requested below and submit a list to your staff by close of business, December 8, 2004. We request that the specific items selected from these lists be available and ready for review on the first day of inspection. All requested information should cover the time frame from the last modification inspection exit (December 6, 2002) or the last 50.59 inspection exit (December 6, 2002) to the present. If you have any questions regarding this information, please call the team leader as soon as possible. Information may be sent by hard copy to H. A. Walker at the Division of Reactor Safety (DRS) in Region III or **electronically** to haw@nrc.gov.

- (1) List of "permanent plant modifications" to risk significant systems, structures or components. (For the purpose of this inspection, permanent plant modifications include permanent: plant changes, design changes, set point changes, equivalency evaluations, suitability analyses, and commercial grade dedications.)

The list should contain the number of each document, the title, the revision (or date), the affected system, and the risk significance (if at all possible). In addition to the list, please provide a brief (one paragraph) description of each modification and a list of associated calculations and affected procedures.

- (2) List of all 10 CFR 50.59 completed evaluations involving: (a) changes to the facility (modifications); (b) procedure revisions; (c) tests or non-routine operating configurations; or (d) changes to the USFAR or technical specification bases.

## INITIAL DOCUMENT REQUEST

The list should contain the number and title of each document, and the corresponding number and type of the affected document (i.e., the modification or procedure to which the evaluation applies). The list should NOT include any evaluations in which prior NRC approval was sought and obtained.

- (3) List of all 10 CFR 50.59 changes that have been screened out as not requiring a full evaluation involving: (a) changes to the facility (modifications); (b) procedure revisions; (c) tests or non-routine operating configurations; or (d) changes to the USFAR or technical specification bases.

The list should contain the number and title of each document and the corresponding number and type of the affected document (i.e., the modification or procedure to which the evaluation applies).

- (4) List of any modifications, procedure revisions, or UFSAR changes where it was determined that 10 CFR 50.59 did not apply.
- (5) List of corrective action documents (open and closed) that address plant permanent modification or 10 CFR 50.59 issues, concerns, or processes.

The list should contain the number, title and revision (or date) of each document, the affected system and corresponding documentation (if applicable), and should be sorted in order of significance.

- (6) Copies of procedures addressing the following: modifications, design changes, set point changes, equivalency evaluations or suitability analyses, commercial grade dedications, post-modification testing, 10 CFR 50.59 evaluation and screenings and UFSAR updates.
- (7) Name(s) and phone numbers for the regulatory and technical contacts.

## **II. Information Requested to be Available on First Day of Inspection (December 13, 2004)**

- (1) Copies of all selected items from Section I. This includes copies of associated documents such as calculations, post-modification test packages, 10 CFR 50.59 evaluations or screenings, and any corrective action documents.
- (2) Copies of these documents do not need to be solely available to the team as long as the inspectors have easy and unrestrained access to them.
- Updated Final Safety Analysis Report;
  - Technical Specifications;
  - Latest IPE/PRA Report;
  - Vendor Manuals; and
  - The Latest 10 CFR 50.59 FSAR Update Submittal.

## INITIAL DOCUMENT REQUEST

- (3) Please ensure that other supporting documents for the selected items have been located and are readily retrievable as the team will likely be requesting these documents during the inspections. Examples of supporting documents are:
- Drawings supporting the modifications;
  - Procedures affected by the modifications; and
  - UFSAR change papers generated due to a 10 CFR 50.59 evaluation.
- (4) Current management and engineering organizational chart.

### ***III. Information Requested to be provided throughout the inspection***

- (1) Copies of any corrective action documents generated as a result of the team's questions or queries during this inspection.
- (2) Copies of the list of questions submitted by the team members and the status/resolution of the information requested (provide daily during the inspection to each team member).

If you have questions regarding the information requested, please contact the team leader at (630) 829-9728.