

June 1, 2006

Paul A. Harden  
Site Vice President  
Nuclear Management Company, LLC  
27780 Blue Star Memorial Highway  
Covert, MI 49043-9530

SUBJECT: SAFETY EVALUATION REPORT WITH CONFIRMATORY ITEM RELATED  
TO THE LICENSE RENEWAL OF PALISADES NUCLEAR PLANT

Dear Mr. Harden:

By letter dated March 22, 2005, Nuclear Management Company, LLC (NMC or the applicant) submitted an application to the U.S. Nuclear Regulatory Commission (NRC) for the renewal of the Palisades Nuclear Plant (PNP) operating license for up to an additional 20 years. The license renewal application (LRA) was submitted pursuant to Title 10 of the *Code of Federal Regulations* Part 54, "Requirements for Renewal of Operating Licenses for Nuclear Power Plants." The NRC (staff) determined that the LRA was complete and acceptable for docketing on June 8, 2005.

The staff has reviewed the PNP LRA and has developed the enclosed "Safety Evaluation Report With a Confirmatory Item related to the License Renewal of the Palisades Nuclear Plant," herein after referred to as the Safety Evaluation Report (SER). This SER reflects the status of the staff's review of the LRA, requests for additional information (RAIs), the applicant's responses to the NRC staff's RAIs and other questions related to the LRA through April 26, 2006, unless otherwise noted. Issuance of the enclosed SER is an important milestone for both the applicant and the staff.

The staff has identified one confirmatory item in its review that must be resolved before it can make a final determination on the application. This confirmatory item is identified in Section 1.6 of the SER, along with an explanation of the information required to satisfactorily resolve the issue. In order to resolve this item, the staff needs the additional information, as identified in the SER.

In accordance with the schedule for completing the review of the PNP LRA, the applicant is requested to review the enclosed SER, verify its accuracy, and provide comments to the NRC staff by July 28, 2006. The NRC staff plans to review the current content and format of the SER for further improvement while incorporating the applicant's comments. A complete and revised SER will then be issued by October 31, 2006.

P. Harden

-2-

The staff is committed to completing the review of the PNP SER in a timely manner. If you have any questions regarding this matter, please contact the license renewal project manager, Juan Ayala, at 301-415-4063 or by e-mail at [JXA3@nrc.gov](mailto:JXA3@nrc.gov).

Sincerely,

**/RA PTKuo for/**

Frank Gillespie, Director  
Division of License Renewal  
Office of Nuclear Reactor Regulation

Docket No. 50-255

Enclosure:  
As stated

cc w/encl: See next page

P. Harden

-2-

The staff is committed to completing the review of the PNP SER in a timely manner. If you have any questions regarding this matter, please contact the license renewal project manager, Juan Ayala, at 301-415-4063 or by e-mail at [JXA3@nrc.gov](mailto:JXA3@nrc.gov).

Sincerely,

**/RA PTKuo for/**

Frank Gillespie, Director  
Division of License Renewal  
Office of Nuclear Reactor Regulation

Docket No. 50-255

Enclosure:  
As stated

cc w/encl: See next page

DISTRIBUTION: See Next Page

ADAMS Accession Nos.:  
Ltr. - **ML061530001**  
SER - **ML061530042**  
Pkg. - **ML061390253**

Document Name: E:\Filenet\ML061530001.wpd

OFFICE	PM:DLR:RLRA	LA:DLR:RLRA	OGC NLO	BC:DLR:RLRA	BC:DLR:RLRC
NAME	JAyala	YEdmonds	SUttal (with changes)	LLund	KChang
DATE	6 / 1 / 06	6 / 1 / 06	6 / 1 / 06	6 / 1 / 06	6 / 1 / 06
OFFICE	D:DCI	D:DE	D:DRA	D:DSS	D:DLR
NAME	JGrobe	MMayfield (EImbro for)	JLyons (MTschiltz for)	TMartin (JWermiel for)	FGillespie (PTKuo for)
DATE	5 / 31 / 06	5 / 31 / 06	5 / 31 / 06	5 / 31 / 06	6 / 1 / 06

OFFICIAL RECORD COPY

Palisades Nuclear Plant

cc:

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

Arunas T. Udryns, Esquire  
Consumers Energy Company  
1 Energy Plaza  
Jackson, MI 49201

Regional Administrator, Region III  
U.S. Nuclear Regulatory Commission  
2443 Warrenville Road, Suite 210  
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  
27780 Blue Star Memorial Highway  
Covert, MI 49043

Michigan Department of Environmental  
Quality  
Waste and Hazardous Materials Division  
Radiological Protection and Medical Waste  
Section  
Nuclear Facilities Unit - Lou Brandon  
Constitution Hall, Lower-Level North  
525 West Allegan Street  
P.O. Box 30241  
Lansing, MI 48909-7741

Laurie A. Lahti, Manager  
Regulatory Affairs  
Nuclear Management Company, LLC  
Palisades Nuclear Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043

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

Michael Sellman  
President and Chief Executive 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

Robert A. Vincent  
License Renewal Project Manager  
Palisades Nuclear Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043

Mr. James Ross  
Nuclear Energy Institute  
1776 I Street, NW, Suite 400  
Washington, DC 20006-3708

Palisades Nuclear Plant

cc:

Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE, Room 1A  
Washington, DC 20426

Chairperson  
Michigan Public Service Commission  
P.O. Box 30221  
Lansing, MI 48909-7721

David Lewis  
Pillsbury Winthrop Shaw Pittman, LLP  
2300 N Street, NW  
Washington, DC 20037

Mike Keegan  
P.O. Box 331  
Monroe, MI 48161

Letter to Paul A. Harden from Frank Gillespie dated June 1, 2006

SUBJECT: SAFETY EVALUATION REPORT WITH CONFIRMATORY ITEMS RELATED  
TO THE LICENSE RENEWAL OF PALISADES NUCLEAR PLANT

**HARD COPY**

DLR R/F

**E-MAIL:**

JFair  
RWeisman  
AMurphy  
RPettis  
GGalletti  
DShum  
GBagchi  
SSmith (srs3)  
SDuraiswamy  
YL (Renee) Li  
RidsNrrDir  
RidsNrrDirRlra  
RidsNrrDirRlrb  
RidsNrrDe  
RidsNrrDci  
RidsNrrEemb  
RidsNrrDeEeeb  
RidsNrrDeEqva  
RidsNrrDss  
RidsNrrDnrl  
RidsOgcMailCenter  
RidsNrrAdes  
DLR Staff  
-----  
MPadovan  
PLougheed, RIII  
JEllegood, RIII  
JGiessner, RIII  
AStone, RIII  
LRaghavan  
RidsOpaMail