



July 7, 2006

10 CFR 50.73

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

Palisades Nuclear Plant
Docket 50-255
License No. DPR-20

Cancellation of Licensee Event Report 05-007, "Inoperable Emergency Diesel Generator For A Time Longer Than Permitted By Technical Specifications"

By letter dated January 19, 2006, Nuclear Management Company, LLC transmitted Palisades Nuclear Plant Licensee Event Report (LER) 05-007, "Inoperable Emergency Diesel Generator For A Time Longer Than Permitted By Technical Specifications." The LER described the inoperability of emergency diesel generator (EDG) 1-2 due to a fuel oil leak, which had resulted from a component failure in the fuel oil injection system. The occurrence was reported in accordance with 10 CFR 50.73(a)(2)(i)(B) as a condition prohibited by Technical Specifications, and 10 CFR 50.73(a)(2)(v)(D) as a condition that could have prevented fulfillment of the safety function of a system needed to mitigate the consequences of an accident.

Subsequent evaluation of past operability has concluded that EDG 1-2 was operable but degraded, rather than inoperable. This conclusion was based in part, on the results of evaluations of both the load carrying capability of EDG 1-2, and the potential for a fire occurring in the EDG 1-2 room with the subject fuel oil leak, which showed acceptable results.

Since EDG 1-2 was not inoperable as was previously reported in LER 05-007, there was no condition prohibited by Technical Specifications, and no condition that could have prevented the fulfillment of the safety function of a system needed to mitigate the consequences of an accident. Consequently, the reporting criteria of 10 CFR 50.73(a)(2)(i)(B) and 10 CFR 50.73(a)(2)(v)(D) are not applicable. Therefore, LER 05-007 is being cancelled.

Summary of Commitments

This letter contains no new commitments and no revisions to existing commitments.

A handwritten signature in black ink, appearing to read 'Paul A. Harden', with a stylized, cursive script.

Paul A. Harden
Site Vice President, Palisades Nuclear Plant
Nuclear Management Company, LLC

CC Administrator, Region III, USNRC
Project Manager, Palisades, USNRC
Resident Inspector, Palisades, USNRC