

October 20, 2006

EA-06-213

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

SUBJECT: OFFICE OF INVESTIGATIONS REPORT NO. 3-2005-004  
PALISADES NUCLEAR PLANT

Dear Mr. Harden:

This refers to an investigation by the U.S. Nuclear Regulatory Commission (NRC) Office of Investigations (OI) that was completed on April 28, 2006, at the Palisades Nuclear Plant (Palisades) operated by the Nuclear Management Company, LLC (NMC). The investigation concerned possible incomplete and inaccurate information in a November 2, 2004, letter from the NMC to the NRC requesting an emergency change to the Palisades Technical Specifications. In that letter, the NMC requested the Technical Specifications be changed to add additional restrictions that limit the cool down rates for the reactor.

Title 10 Code of Federal Regulations (CFR) 50.91(a)(6), "Notice for Public Comment; State Consultation," provides in part, that an NRC licensee requesting an emergency amendment to plant Technical Specifications must explain why the emergency situation occurred and why the licensee could not avoid the situation. Information in the November 2, 2004, letter, from the NMC indicated that emergency circumstances existed, that the condition was unavoidable and that compliance with the current Technical Specifications would be insufficient to assure plant safety. This information appeared to be incomplete and/or inaccurate, in that as early as June 2004, several members of the Palisades staff had indications that a change to the plant Technical Specifications could possibly be required to accommodate repairs to the reactor vessel head and would necessitate a change in the Technical Specifications associated with cooling down. However, we determined that the NMC's analysis of the repair and its impact on the Technical Specifications was not complete and the need to change the Technical Specifications was not recognized by the NMC until the analysis required by 10 CFR 50.59, "Changes, Tests and Experiments," was completed on October 26, 2004. Therefore, the statement in the November 2, 2004, letter from the NMC that emergency circumstances existed and the condition was unavoidable was complete and accurate and did not violate 10 CFR 50.9, "Completeness and Accuracy of Information." As a result, the NRC staff is not proposing enforcement action in this matter.

Please contact David E. Hills, Chief, Engineering Branch 1, with questions. Mr. Hills can be reached at telephone number (630) 829-9733.

You are not required to respond to this letter. However, should you choose to respond, your response should be sent to the U.S. Nuclear Regulatory Commission, ATTN: Regional Administrator, Region III, 2443 Warrenville Road, Suite 210, Lisle, IL 60532-4352 with a copy to the Enforcement Officer at the same address and a copy to the NRC Resident Inspector at the Palisades Nuclear Plant, and marked "Response to An Enforcement Action, EA-06-213," within 30 days of the date of this letter.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and your response, if you choose to respond, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, proprietary, or safeguards information so that it can be made available to the Public without redaction.

Sincerely,

*/RA/*

James L. Caldwell  
Regional Administrator

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

- cc: 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  
L. Lahti, Manager, Regulatory Affairs  
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S. Wawro, Director of Nuclear Assets, Consumers Energy Company  
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<sup>1</sup> No legal objection received by e-mail from Jenny Longo, OGC, on September 13, 2006.

<sup>2</sup> HQ concurrence received by e-mail from Robert Fretz, OE, on October 16, 2006.

Letter from J. Caldwell to P. Harden dated October 20, 2006

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PALISADES NUCLEAR PLANT

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