

SAFEGUARDS INFORMATION

August 8, 2007

Mr. Christopher J. Schwarz
Site Vice President
Entergy Nuclear Operations, Inc.
Palisades Nuclear Plant
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: PALISADES NUCLEAR PLANT
NRC SECURITY BASELINE INSPECTION REPORT 05000255/2007403(DRS)

Dear Mr. Schwarz:

On June 29, 2007, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection of your Palisades Nuclear Plant. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on June 29, 2007, with you and other members of your staff.

The inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents one finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The deficiency was promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection before the inspector left the site. The finding was licensee-identified.

EXEMPT FROM PUBLIC DISCLOSURE
May be exempt from public release under the Freedom of Information Act (5 U.S.C. 552)
Exemption number: 5
Nuclear Regulatory Commission review required before public release.
G. Hansen, RIII/DRS/PSB
Name and organization of person making determination.
Date of determination: 7/25/07

Enclosure contains Safeguards Information. Upon separation, this page is decontrolled.

SAFEGUARDS INFORMATION

C. Schwarz

-2-

NRC is treating this violation as a Non-Cited Violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy because of the very low security significance of this violation, and because it was entered into your corrective action program. If you contest this NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region III; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Palisades Nuclear Plant.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA by D. Funk acting for/

Eric Duncan, Chief
Plant Support Branch
Division of Reactor Safety

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

Nonpublic Enclosure: Inspection Report 05000255/2007403(DRS)
w/Attachment: Supplemental Information
(SAFEGUARDS INFORMATION)

DISTRIBUTION
See next page

Enclosure contains Safeguards Information. Upon separation, this page is decontrolled.
--

SAFEGUARDS INFORMATION

SAFEGUARDS INFORMATION

C. Schwarz

-2-

NRC is treating this violation as a Non-Cited Violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy because of the very low security significance of this violation, and because it was entered into your corrective action program. If you contest this NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the Nuclear Regulatory Commission, ATTN.: Document Control Desk, Washington DC 20555-0001; with copies to the Regional Administrator, Region III; the Director, Office of Enforcement, U.S. Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Palisades Nuclear Plant.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.
Sincerely,

/RA by D. Funk acting for/

Eric Duncan, Chief
Plant Support Branch
Division of Reactor Safety

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

Nonpublic Enclosure: Inspection Report 05000255/2007403(DRS)
w/Attachment: Supplemental Information
(SAFEGUARDS INFORMATION)

DISTRIBUTION
See next page

Enclosure contains Safeguards Information. Upon separation, this page is decontrolled.

SEE PREVIOUS CONCURRENCES

DOCUMENT NAME: C:\FileNet\ML072260190.wpd

Publicly Available Non-Publicly Available Sensitive Non-Sensitive

To receive a copy of this document, indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

OFFICE	RIII	RIII	RIII	RIII
NAME	GHansen:jb	CLipa	DFunk JDM	EDuncan DFunk for
DATE	08/02/07	08/08/07	08/02/07	08/08/07

OFFICIAL RECORD COPY

SAFEGUARDS INFORMATION

SAFEGUARDS INFORMATION

Letter to Christopher J. Schwarz from Eric Duncan dated August 8, 2007

SUBJECT: PALISADES NUCLEAR PLANT
NRC SECURITY BASELINE INSPECTION REPORT 05000255/2007403(DRS)

cc w/encl (**SAFEGUARDS INFORMATION**):
D. Riffle, NSIR/DSO/DDSO
State Liaison Officer, State of Michigan

cc w/o encl (**SAFEGUARDS INFORMATION**):
M. Kansler, President and Chief Executive Officer/
Chief Nuclear Officer
J. Herron, Senior Vice President
Senior Vice President, Engineering and
Technical Services
M. Balduzzi, Senior Vice President and
Chief Operating Officer, Regional
Operations, NE
O. Limpas, Vice President, Engineering
J. Ventosa, General Manager, Engineering
J. DeRoy, Vice President, Operations Support
Director, NSA
J. McCann, Director, Nuclear Safety & Licensing
E. Harkness, Director of Oversight
General Manager, Plant Operations
C. Faison, Manager, Licensing
L. Lahti, Manager, Licensing
W. Dennis, Assistant General Counsel
W. DiProfio
W. Russell
G. Randolph
Supervisor, Covert Township
Office of the Governor
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Dept of Attorney General

Enclosure contains Safeguards Information. Upon
separation, this page is decontrolled.

SAFEGUARDS INFORMATION

SAFEGUARDS INFORMATION

Letter to Christopher J. Schwarz from Eric Duncan dated August 8, 2007

SUBJECT: PALISADES NUCLEAR PLANT
NRC SECURITY BASELINE INSPECTION REPORT 05000255/2007403(DRS)

cc w/encl (**SAFEGUARDS INFORMATION**):
D. Riffle, NSIR/DSO/DDSO
State Liaison Officer, State of Michigan

cc w/o encl (**SAFEGUARDS INFORMATION**):
M. Kansler, President and Chief Executive Officer/
Chief Nuclear Officer
J. Herron, Senior Vice President
Senior Vice President, Engineering and
Technical Services
M. Balduzzi, Senior Vice President and
Chief Operating Officer, Regional
Operations, NE
O. Limpas, Vice President, Engineering
J. Ventosa, General Manager, Engineering
J. DeRoy, Vice President, Operations Support
Director, NSA
J. McCann, Director, Nuclear Safety & Licensing
E. Harkness, Director of Oversight
General Manager, Plant Operations
C. Faison, Manager, Licensing
L. Lahti, Manager, Licensing
W. Dennis, Assistant General Counsel
W. DiProfio
W. Russell
G. Randolph
Supervisor, Covert Township
Office of the Governor
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Dept of Attorney General

ADAMS Distribution: w/out encl (**SAFEGUARDS INFORMATION**)

MLC
TEB
RidsNrrDirslrib
GEG
KGO
JBG
JAE
CAA1
LSL
A. Boland, DRS (hard copy - IR's only)
DRPIII
DRSIII
PLB1
TXN
ROPreports@nrc.gov

Enclosure contains Safeguards Information.
Upon separation, this page is decontrolled.

SAFEGUARDS INFORMATION