

SAFEGUARDS INFORMATION

November 6, 2007

EA-07-255

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

SUBJECT: NRC INSPECTION REPORT 05000255/2007404(DRS); PRELIMINARY
GREATER THAN GREEN FINDING FOR PALISADES NUCLEAR PLANT

Dear Mr. Schwarz:

On October 23, 2007, the U.S. Nuclear Regulatory Commission (NRC) completed a security baseline inspection at 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 during an initial inspection debrief on August 31, 2007, and during the final exit meeting/telecon on October 23, 2007, with Ms. L. Lahti 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 with the conditions of your license. The inspector reviewed selected procedures and records, observed activities, and interviewed personnel.

This report documents a finding that has the potential for significance of greater than very low security significance (i.e., greater than Green as determined by the Physical Protection Significance Determination Process), and one finding of very low security significance (i.e., Green as determined by the Physical Protection Significance Determination Process). The deficiencies were promptly corrected or compensated for, and the plant was in compliance with applicable physical protection and security requirements within the scope of this inspection

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.

Gregory Hansen, RIII/DRS/PSB
Name and organization of person making determination.

Date of determination: 10/23/2007

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before the inspectors left the site. One of the findings had a cross-cutting aspect in the area of Problem Identification and Resolution because the licensee failed to properly assess elements of their security program, consistent with physical protection. The other finding had a cross-cutting aspect in the area of Human Performance because personnel did not follow procedures. The findings were NRC identified.

Because of the very low security significance of the Green finding, and because it was entered into your corrective action program, the NRC is treating an associated violation as a non-cited violation (NCV) consistent with Section VI.A.1 of the NRC Enforcement Policy. 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, United States Nuclear Regulatory Commission, Washington, DC 20555-0001; and the NRC Resident Inspector at the Palisades Nuclear Plant.

Because of the potential of greater than very low security significance of the greater than Green finding, the NRC is treating an associated violation as an apparent violation (AV) consistent with Section VI.A.1 of the NRC Enforcement Policy. We are providing you with an opportunity: (1) to attend a Regulatory Conference where you can present to the NRC your perspective on the facts and assumptions the NRC used to arrive at the finding and assess its significance; or (2) submit your position on the finding to the NRC in writing. If you request a Regulatory Conference, it should be held within 30 days of the receipt of this letter and we encourage you to submit supporting documentation at least 1 week prior to the conference in an effort to make the conference more efficient and effective. In the interest of protecting sensitive, security-related information, if a Regulatory Conference is held, it will not be open for public observation. If you decide to submit only a written response, such submittal should be sent to the NRC (address provided above) within 30 days of your receipt of this letter.

Please contact Eric Duncan, Chief, Plant Support Branch at 630-829-9757 within 10 business days of the date of your receipt of this letter to notify the NRC of your intentions.

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 System (PARS) component of NRC's Agencywide Documents Access and Management 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 enclosures, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

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

Sincerely,

/RA by Anne T. Boland for/

Steven West, Director
Division of Reactor Safety

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

Nonpublic Enclosure: Inspection Report 05000255/2007404(DRS)
w/Attachment: Supplemental Information
(SAFEGUARDS INFORMATION)

cc w/encl **(SAFEGUARDS INFORMATION):**

D. Riffle (NSIR/DSO/DDSO)
Office of the Governor

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
State Liaison Officer, State of Michigan
Supervisor, Covert Township
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Dept of Attorney General

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C. Faison, Manager, Licensing
L. Lahti, Manager, Licensing
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Supervisor, Covert Township
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Dept of Attorney General

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Letter to Christopher J. Schwarz from Steven West dated November 6, 2007.

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