



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

REGION III
2443 WARRENVILLE ROAD, SUITE 210
LISLE, IL 60532-4352

March 3, 2010

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

SUBJECT: ANNUAL ASSESSMENT LETTER – PALISADES NUCLEAR PLANT
(05000255/2010001)

Dear Mr. Schwarz:

On February 11, 2010, the NRC staff completed its performance review of the Palisades Nuclear Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2009. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility.

This performance review and enclosed inspection plan do not include security information. A separate letter designated and marked as "Official Use Only - Security Information" will include the Security Cornerstone review and resultant inspection plan.

Overall, Palisades Nuclear Plant operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter at Palisades was within the Regulatory Response column of the NRC's Action Matrix based on one inspection finding of low-to-moderate safety significance (White) in the Initiating Events Cornerstone, from the fourth quarter of 2009, which involved degradation of the neutron absorption capability of the Spent Fuel Pool plates. Therefore, we plan to conduct a supplemental inspection (95001) in response to the White finding in the Initiating Events Cornerstone. Please notify us of your readiness to conduct this supplemental inspection. This supplemental inspection is in addition to reactor oversight process (ROP) baseline inspections at your facility.

Also, during this assessment period, the White finding in the Occupational Radiation Safety Cornerstone, from the fourth quarter of 2008, which involved the failure to recognize and assess the impact of radiological hazards in the work place, was closed after the successful completion of a supplemental inspection (95001) on September 25, 2009. Therefore, the White finding was no longer considered on the Action Matrix after the third quarter 2009.

In the 2009 mid-cycle assessment letter dated September 1, 2009 [ADAMS Ref. ML092440376], we advised you of a substantive cross-cutting issue (SCCI) in the area of human performance (HP) with cross-cutting themes in the aspects of documentation/procedures (H.2(c)) and planning (H.3(a)). You have instituted actions to improve performance in these areas. The inspectors reviewed your cause analysis and progress to date on addressing both cross-cutting aspects. Based on this review, the NRC has gained confidence in your ability to correct the conditions. With respect to the SCCI in the aspect of H.2(c), the NRC noted that you have developed a plan and infrastructure to revise procedures that will correct the SCCI. Even though not many procedures have been revised and some issues remain with those procedures that have been revised, over the past four quarters there have been no findings with a cross-cutting aspect in H.2(c). In addition, the inspectors have noted increased standards and sustained improvement in the use of procedures at the site. Therefore, the NRC currently has confidence in your ability to fully resolve the issues.

With respect to the SCCI in planning, H.3(a), both the NRC and your organization noted an increase in condition reports reflective of deficiencies in your work planning and preparation process. The NRC evaluated this increase and noted some issues had causal factors associated with the planning cross-cutting aspect. Your staff has identified corrective actions that should reasonably address the SCCI. Additionally, the number of findings with a cross-cutting aspect in planning has been reduced and there have been no findings with that aspect for the previous two quarters. The NRC has confidence in your ability to correct the concerns identified and sustained improvement has been observed in the aspect. Our review of both SCCI themes is documented in Inspection Report 05000255/2009005.

Based on your performance and efforts to programmatically address the cross-cutting issues, we have gained confidence in both your planning techniques and procedure/documentation adequacy during this assessment period. As a result, the human performance substantive cross-cutting issue is closed.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through June 30, 2011. We also plan on performing several special and infrequently performed inspections that include: Inspection Procedure (IP) 92709, "Licensee Strike Contingency Plans"; IP 71003, "Post-Approval Site Inspection for License Renewal" (Phase 1 and 2); and IP 92702, "Follow up on Traditional Enforcement Actions, Including Violations, Deviations, Confirmatory Orders, and Alternative Dispute Resolution Confirmatory Action Letters." The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the mid-cycle review.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

C. Schwarz

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If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact John (Jack) B. Giessner at 630-829-9619 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Steven West, Director
Division of Reactor Projects

Docket No. 50-255; 72-007
License No. DPR-20

Enclosure: Palisades Inspection/Activity Plan

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Palisades
Inspection / Activity Plan
03/01/2010 - 06/30/2011

Planned Dates		Inspection Activity	Title	No. of Staff on Site
Start	End			
		BI EP - EP EXERCISE INSPECTION / PI VERIFICATION		3
03/01/2010	03/05/2010	IP 7111401	Exercise Evaluation	
03/01/2010	03/05/2010	IP 71151-EP01	Drill/Exercise Performance	
03/01/2010	03/05/2010	IP 71151-EP02	ERO Drill Participation	
03/01/2010	03/05/2010	IP 71151-EP03	Alert & Notification System	
		BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
03/08/2010	03/12/2010	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
03/08/2010	03/12/2010	IP 71151-BI01	Reactor Coolant System Activity	
03/08/2010	03/12/2010	IP 71151-PR01	RETS/ODCM Radiological Effluent	
		STRIKE - STRIKE CONTINGENCY - OPS/MAINT		2
05/02/2010	06/01/2010	IP 92709	Licensee Strike Contingency Plans	
		ADR - CONFIRMATORY ORDER FOR ADR		1
05/10/2010	12/10/2010	IP 92702	Followup On Corrective Actions For Violations And Deviations	
		BI ENG - TRIENNIAL HEAT SINK INSPECTION		2
05/24/2010	05/28/2010	IP 7111107T	Heat Sink Performance	
		BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
05/24/2010	05/28/2010	IP 2515/173	Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative	
05/24/2010	05/28/2010	IP 71124.07	Public Radiation Safety	
		BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
07/26/2010	07/30/2010	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
07/26/2010	07/30/2010	IP 71124.02	Occupational ALARA Planning and Controls	
07/26/2010	07/30/2010	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
07/26/2010	07/30/2010	IP 71124.04	Occupational Dose Assessment	
07/26/2010	07/30/2010	IP 71151-OR01	Occupational Exposure Control Effectiveness	
		OL PREP - PALISADES INIT PREP - JULY 2010		3
07/26/2010	07/30/2010	W90222	OL - INITIAL EXAM - AUG 2010 - PALI	
		RI ENG - TRIENNIAL FIRE INS INFOR GATHERING TRIP		5
08/02/2010	08/06/2010	IP 7111105T	Fire Protection [Triennial]	
		BI ENG - TRIENNIAL FIRE PROTECTION INSPECTION		5
08/16/2010	09/03/2010	IP 7111105T	Fire Protection [Triennial]	
		OL EXAM - PALISADES INIT EXAM - AUG. 2010		3
08/16/2010	08/27/2010	W90222	OL - INITIAL EXAM - AUG 2010 - PALI	
		BI ENG - ENGINEERING INSERVICE INSPECTION		1
10/04/2010	10/29/2010	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	

**Palisades
Inspection / Activity Plan
03/01/2010 - 06/30/2011**

Planned Dates		Inspection Activity	Title	No. of Staff on Site
Start	End			
		BI ENG - ENGINEERING INSERVICE INSPECTION		1
10/04/2010	10/29/2010	IP 7111108P	Inservice Inspection Activities - PWR	
		RENEWAL - LICENSE RENEWAL 71003 - PHASE 1		2
10/04/2010	10/29/2010	IP 71003	Post-Approval Site Inspection for License Renewal	
		BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
10/04/2010	10/08/2010	IP 2515/179	Verification of Licensee Responses to NRC Requirement for Inventories of Materials Tracked in NSTS	
10/04/2010	10/08/2010	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
10/04/2010	10/08/2010	IP 71124.02	Occupational ALARA Planning and Controls	
		RENEWAL - LICENSE RENEWAL 71003 - PHASE 2		2
01/24/2011	02/11/2011	IP 71003	Post-Approval Site Inspection for License Renewal	
		BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
02/14/2011	02/18/2011	IP 71124.05	Radiation Monitoring Instrumentation	
		BI ENG - COMPONENT DESIGN BASES INSPECTION		6
03/26/2011	04/29/2011	IP 7111121	Component Design Bases Inspection	
		BI EP - EP ROUTINE INSPECTION / PI VERIFICATION		2
04/11/2011	04/15/2011	IP 7111402	Radiological Environmental Monitoring Program	
04/11/2011	04/15/2011	IP 7111403	Emergency Response Organization Augmentation Testing	
04/11/2011	04/15/2011	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
04/11/2011	04/15/2011	IP 71151-EP01	Drill/Exercise Performance	
04/11/2011	04/15/2011	IP 71151-EP02	ERO Drill Participation	
04/11/2011	04/15/2011	IP 71151-EP03	Alert & Notification System	
		BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
04/25/2011	04/29/2011	IP 71124.04	Occupational Dose Assessment	
04/25/2011	04/29/2011	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
04/25/2011	04/29/2011	IP 71151-BI01	Reactor Coolant System Activity	
04/25/2011	04/29/2011	IP 71151-PR01	RETS/ODCM Radiological Effluent	

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Steven West, Director
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Letter to C. Schwarz from S. West dated March 3, 2010.

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(05000255/2010001)

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