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John F. McCann
Vice President - Nuclear Safety,
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ENOC-10-00030
September 8, 2010

Mr. Mark A. Satorius
Regional Administrator, Region III
U. S. Nuclear Regulatory Commission
2443 Warrenville Road, Suite 210
Lisle, IL 60532-4352

SUBJECT: **Entergy Response for Action 6 of Confirmatory Order EA-09-060**

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

References: 1. NRC letter dated November 10, 2009; Mark A. Satorius to Entergy Nuclear Operations, Inc; regarding Confirmatory Order EA-09-060.

Dear Sir:

Entergy is providing the attached proposed presentation in accordance with Action 6 of the Confirmatory Order (Reference 1), which states:

“Entergy shall provide a lessons-learned presentation to the Regional Utility Groups for the NRC Regions in which Entergy operates nuclear facilities within one year of the date of the issuance of the Confirmatory Order. That lessons-learned presentation shall address the events which gave rise to the Confirmatory Order and the corrective actions taken. Entergy shall provide a copy of the proposed presentation to the Regional Administrator, Region III, for review prior to the presentation.”

The attached lessons-learned presentation addresses the events which gave rise to the Confirmatory Order and the corrective actions taken. Entergy will present this information to the Regional Utility Groups (RUG I, III, and IV) by end of day November 10, 2010. The first presentation is scheduled for October 12, 2010 with RUG I.

RECEIVED SEP 13 2010

There are no new commitments identified in this letter. If you have questions regarding this proposed presentation please contact Edward Weinkam, Senior Manager, Licensing at 612-840-8181.

I declare under penalty of perjury that the foregoing is true and correct. Executed on 9/8/2010

Sincerely,



JFM / ew / krk

Attachment: Proposed Presentation "NRC Order EA-09-060 Lessons-Learned and Compliance with 10 CFR 50.9"

cc:

Document Control Desk, USNRC
Project Manager, Palisades, USNRC
Resident Inspector, Palisades, USNRC
Site Vice President, Palisades, Entergy
NSA Director, Palisades, Entergy
Licensing Manager, Palisades, Entergy

ATTACHMENT I TO ENOC-10-00030

PROPOSED PRESENTATION TO
REGIONAL UTILITY GROUPS
FOR
REGIONS I, III, AND IV

**NRC ORDER EA-09-060 LESSONS LEARNED AND
COMPLIANCE WITH 10 CFR 50.9**

ENTERGY NUCLEAR OPERATIONS, INC
PALISADES NUCLEAR PLANT
DOCKET 50-255
LICENSE DPR-20

**NRC ORDER EA-09-060
LESSONS-LEARNED
AND COMPLIANCE
WITH 10 CFR 50.9**

PALISADES NUCLEAR PLANT

Entergy Nuclear, Inc
Presentation to RUG I, III, and IV

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PURPOSE

To provide the RUG:

- An understanding of the events which led the NRC to issue a Confirmatory Order to Entergy in November 2009; and
- An overview of the key lessons learned and corrective actions.

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THE EVENT

BACKGROUND

- Entergy purchased Palisades in April 2007
- Security challenges noted in Due Diligence
- Multiple changes in Palisades Security management occurred during the transition
- Entergy corporate Security management increased oversight at Palisades

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THE EVENT

Chronology of Key Events

- Entergy's Director, Nuclear Security led an informal self assessment of Palisades Security in October 2007
- An issue regarding a security system power supply was identified during the assessment
- Misunderstanding affected management's response to the issue

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THE EVENT

Chronology of Key Events (continued)

- Initial response to concern:
 - Director ordered the Security Specialist to write a Condition Report.
 - Director also instructed a Security Specialist to work with Palisades Engineering to obtain a technical evaluation.

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THE EVENT

Chronology of Key Events (continued)

CR-PLP-2007-05448 (Oct. 24, 2007)

Condition Description: "Evaluate security power supplies to determine compliance with the security plan, 10 CFR, and the DBT order."

CA2: "Initiate and track to completion an engineering analysis of the areas identified in the CR."

CA2 closed: "Engineering evaluation led security to enhance and broaden search requirements at the checkpoint."

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THE EVENT

Chronology of Key Events (continued)

CR-PLP-2007-05758 (Nov. 12, 2007)

Condition Description: “A recent protective strategy assessment identified an enhancement to the checkpoint operation that would improve defensive strategy.”

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THE EVENT

Chronology of Key Events (continued)

- Telephone Conference (Director, Nuclear Security / NRC Inspector) (February 2008)
 - Recollection of the two participants differs.
 - NRC questioned whether the site was in compliance with its Security Plan.
 - Director indicated that it was.
 - Review of Security Plan revealed a survivability requirement previously unknown to the Director.

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INVESTIGATION

- NRC issued a White Finding for the technical aspect
- OI investigations followed for 50.5 and 50.9 aspect
- The Company and individuals are subject to OI
- Among other things, the investigations focused on completeness and accuracy of:
 - Both Condition Reports; and
 - The Director's verbal communications with the NRC Inspector.

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ENFORCEMENT ACTION

- NRC initiated enforcement action against the Company and the Director, Nuclear Security (July 14, 2009)
 - Cited potential violation of 10 C.F.R § 50.9 (a)
- Entergy resolved its action by ADR - - Confirmatory Order (Nov. 10, 2009)
- Director contested - - NRC declined to take enforcement action (Feb. 12, 2010)

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LESSONS LEARNED AND CORRECTIVE ACTIONS

Three primary focus areas of corrective actions:

- Change management and succession planning
- Addressing SGI in the CAP process
- Verbal interactions with NRC

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LESSONS LEARNED AND CORRECTIVE ACTIONS

CHANGE MANAGEMENT AND SUCCESSION PLANNING

- Integration of Palisades into Entergy fleet
- Rapid turnover in site Security management

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LESSONS LEARNED AND CORRECTIVE ACTIONS

Corrective Action: Succession Planning

- Entergy conducted a self assessment of its succession planning in Q1 2010.
- Entergy corporate succession planning process is in place, but written policy for Nuclear Division to be developed.
- Site Security Manager was not previously identified as a key position in the succession plan.

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LESSONS LEARNED AND CORRECTIVE ACTIONS

Addressing SGI in CAP Process

- Existing CAP process did not specify requirements on the handling of SGI in Condition Reports
- Existing CAP processes and peer reviews not as effective when information is not readily available due to SGI protections
- Overreliance on a few individuals to determine significance and resolution of issues involving SGI

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**LESSONS LEARNED
AND
CORRECTIVE ACTIONS**

Corrective Action: CAP Enhancements

- Condition Report must clearly identify when an issue involves SGI
- Clear link / cross-reference required between CAP documents and the SGI documents
- Condition screening and action closures may require SGI-qualified personnel
- Final closure review must be by SGI-qualified personnel

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**LESSONS LEARNED
AND
CORRECTIVE ACTIONS**

Verbal Interactions with NRC

- Process for verbal interactions is not as rigorous or as structured as it is for NRC correspondence
- Opportunities for verbal interactions are much more prevalent than written interactions
- Employees at all levels must understand significance of complete and accurate communications with NRC

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LESSONS LEARNED AND CORRECTIVE ACTIONS

Corrective Action: Employee Training

- Providing training to the Entergy Nuclear workforce
- Instructor-based or computer-based delivery, depending upon level and specific responsibilities for communicating with NRC
- Addresses 10 CFR 50.9 and 50.5

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CONCLUSION

- Database search indicates recent increase in 50.9-related findings
- Opportunities for 50.9 errors exist at all levels of the organization
- Nature of SGI can challenge processes that rely on information transparency
- Best defense is a knowledgeable workforce

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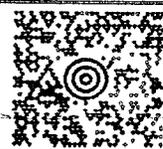
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