UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

November 3, 2010

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

SUBJECT: PALISADES NUCLEAR PLANT - AUDIT OF THE LICENSEE'S MANAGEMENT OF REGULATORY COMMITMENTS (TAC NO. ME4231)

Dear Sir:

An audit of the Nuclear Management Company commitment management program was performed at the Palisades Nuclear Plant (PNP) site on August 2 through 4, 2010. The U.S. Nuclear Regulatory Commission (NRC) staff concludes that, based on the audit, (1) PNP has established an effective commitment management program, (2) PNP has implemented NRC commitments on a timely basis, and (3) with some minor inconsistencies, which were discussed with the licensee during the exit meeting on August 4, 2010, PNP has implemented an effective program for managing NRC commitment changes.

Details of the audit are set forth in the enclosed audit report. This audit report covers the commitment management program current at the time of the audit. You may have changed the commitment management program after the audit which is beyond the scope of this report.

The NRC staff appreciates the resources that were made available by your staff for performing the audit. If you have any questions, I may be reached at (301) 415-8371.

Sincerely,

Mahesh Chawla, Project Manager
Plant Licensing Branch III-1
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-255

Enclosure: Audit Report

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NUCLEAR REGULATORY COMMISSION
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AUDIT REPORT BY THE OFFICE OF NUCLEAR REACTOR REGULATION (NRR)

AUDIT OF ENTERGY NUCLEAR OPERATIONS, INC. (ENO) MANAGEMENT OF REGULATORY COMMITMENTS MADE TO THE NUCLEAR REGULATORY COMMISSION (NRC)

PALISADES NUCLEAR PLANT

DOCKET NO. 50-255

1.0 INTRODUCTION AND BACKGROUND

On September 7, 2004, NRR Office Instruction LIC-105, Revision 1, "Managing Regulatory Commitments Made by Licensees to the NRC," was published. LIC-105, which is publicly available electronically from the Agencywide Documents Access and Management System (ADAMS) Public Electronic Reading Room on the Internet at the NRC website (Accession No. ML042320463), provides the NRC staff and its stakeholders with a common reference for handling regulatory commitments made by licensees of commercial nuclear reactors to the NRC staff. The guidance is consistent with the industry guidance prepared by the Nuclear Energy Institute (NEI), NEI 99-04, "Guidance for Managing NRC Commitment Changes."

According to LIC-105, which cites the definition from NEI 99-04, a "regulatory commitment" is an explicit statement to take a specific action agreed to, or volunteered by a licensee, and submitted in writing on the docket to the NRC. LIC-105 further directs the NRR Project Manager to "audit the licensee's commitment management program by assessing the adequacy of the licensee's implementation of a sample of commitments made to the NRC in past licensing actions (amendments, reliefs, exemptions, etc.) and activities (bulletins, generic letters, etc.)." The audit is to be performed every 3 years.

2.0 AUDIT SCOPE AND RESULTS

2.1 Audit Scope

The audit was performed at the Palisades Nuclear Plant (PNP) site from August 2 through 4, 2010. Since the previous audit was performed during the period of August 27 through 31, 2007, the scope of this audit encompasses approximately 3 years prior to the date of the audit.

LIC-105 limits the audit of commitments to those made in writing to the NRC as a result of past licensing actions (amendments, exemptions, etc.) or licensing activities (bulletins, generic letters, etc.). Prior to the audit, in order to generate a list of items for the audit, the NRC staff performed Public, Web-Based ADAMS search for commitments listed in licensing actions and licensing activity submittals dated in the last 3 years. From this list, the NRC staff selected a

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representative sample of regulatory commitments to audit. The selection of the sample list covered a variety of systems, disciplines and licensing actions important to NRC staff's decision-making process. This list also included commitment changes. The licensee was also asked to provide a list of regulatory commitments related to licensing actions from its Commitment Management System (CMS). The NRC staff again ensured that the sample selected related to the licensee's licensing action and licensing activity submittals and asked the licensee to provide documentation to support the audit.

The licensee provided the list and the documentation to support the NRC staff's audit in each of the sample areas discussed above. The licensee's documentation included summary sheets providing the status of the commitment and appropriate backup documentation, as needed (i.e., plant procedures, examination records, and/or other plant documentation). The attached table lists the commitments selected for this audit.

2.2 Verification of Licensee's Implementation of NRC Commitments

The primary focus of this part of the audit was to confirm that the licensee has implemented those commitments made to the NRC as part of past licensing actions/activities. For commitments that had not yet been implemented, the NRC staff aimed to ascertain that they have been captured in an effective program for future implementation.

The licensee's Commitment Management Program is described in ENO's Nuclear Management Manual, "EN-LI-110", Rev. 2. The purpose of this procedure is to ensure that the commitments made to the NRC in written correspondence are actively managed through the use of a CMS. Management includes capturing new commitments, changing existing commitments, and closing/deleting commitments. The procedure does not provide any detailed instructions on how to manage commitment related activities such as entering, changing or closing out the commitments in the database.

Interviews with the Palisades personnel provided the information on the existing tracking mechanism for commitments. At present, the licensee enters commitments made to the NRC into a comprehensive database called "Paperless Condition Reporting System (PCRS)." The NRC commitments are entered as License Action Requests (LARs). The database also includes other types of documents such as Condition Reports (CRs), Work Tasks (WTs) etc. The commitments are searchable by the date of the letter which made the original commitment. If a letter contains more than one commitment, each of the commitments is assigned the same LAR number with a sub-task designator such as LO-LAR-2009-0244-01, where -01 denotes the action number. After the commitments are entered in the system, they get assigned to the appropriate plant personnel in co-ordination with the responsible department. The PCRS provides the current status of the commitments in addition to other information such as reportability requirements, due date, closure date etc. In the case of NRC commitments, there are also check boxes to ensure concurrence required for closure, and also approval requirement for an extension of a NRC commitment.

The PCRS also sends to the designated personnel, an initial e-mail notifications of corrective action assignments and reminders 7 days prior to pending corrective action due dates. Individuals assigned for completing a NRC Commitment are responsible for updating PCRS upon completion of the commitment, and also providing the necessary closure documents to the Licensing Department. The Licensing Department Technical Specialist reviews and closes the

commitment in PCRS. All the pertinent documents related to the commitment are scanned into the system during the closeout process of the commitment. The system maintains all the necessary documentation relating to NRC commitments.

The NRC staff found that the licensee's procedure EN-LI-110, Rev. 2, meets the intent and is consistent with the guidance provided in NEI 99-04, Rev. 0. If a NRC commitment affects a plant procedure, a cross-reference is provided in the procedure to identify the commitment. However, there is no distinction made between an "obligation" and a "commitment".

The NRC staff reviewed documentation generated by the licensee related to the sample items listed in the attached table that are categorized as Commitments in response to different categories of documents such as PNP Amendments, QA Topical Report, Bulletins and Generic Letters to assess the implementation of the licensee's procedures, including the status of their completion. The licensee has made changes to the commitments using the Commitment Change Evaluation (CCE) Form. However, filling of CCE form to make a commitment change is not strictly adhered to. The Commitment Change process is being used to close the commitments in response to the old licensee event reports, notice of violations and inspection reports, since these are no longer considered to be commitments. For the sample of commitments selected for the audit, the NRC staff found that the licensee's commitment tracking program had captured all of the regulatory commitments. The review of the PCRS reflected their status consistent with the program. However, the NRC staff noted that implementation of the program had some minor deficiencies. These observations are described Section 2.4.

2.3 Verification of the Licensee's Program for Managing NRC Commitment Changes

2.3.1 Change Control Procedure Verification

The NRC staff reviewed the licensee's procedure EN-LI-110, Rev. 2, against NEI 99-04, Revision 0. Regulatory Commitment Changes are processed and tracked by Site Licensing and are approved by the Site Management. The evaluation of any commitment changes is to be done by filling a CCE form. The NRC staff reviewed this form and found it to be consistent with the Commitment Change Process described in NEI 99-04.

The NRC staff found that the licensee's procedures for handling the commitment change are in general, consistent with the guidance in NEI 99-04.

2.3.2 Procedure Implementation Assessment

2.3.2.1 Commitment Changes Reported to the NRC

The NRC staff reviewed documentation generated by the licensee related to the sample items listed in the attached table that are categorized as Commitment Change. The NRC staff found that, with a few minor inconsistencies, the licensee had properly addressed each regulatory commitment change selected for this audit and that the licensee had implemented an effective program to manage commitment changes. The NRC staff observations and suggestions are described in Section 2.4.

2.3.2.2 Commitment Changes Not Reported to the NRC

The licensee indicated that there were several commitment changes which were not reported to the NRC. These were related to the old commitments made in response to inspection activities, License Event Reports, etc., which did not meet the definition of commitments in accordance with NEI 99-04. Therefore, these changes were not reported to the NRC.

2.3.2.3 Notifications to the NRC of Commitment Changes

These changes were reviewed and found to be appropriate and acceptable by the NRC Staff.

2.3.2.4 Traceability of Commitments

Although not specifically stated in the guidance from NEI 99-04, according to LIC-105, traceability of the commitments is advantageous for the licensee's control of NRC commitments. At Palisades, the numbering system for commitments is not consistent and part of the reason is the older commitments which are assigned the CR numbers. The commitments are tracked through CRs which provide the relevant information.

The fulfillment of the commitments is accomplished by corrective actions (CAs) generated from the CRs. They typically get assigned the same numbers as the CRs with a sub task number. As an example, for Alternative Source Term (AST) commitment made in ENO letter dated September 21, 2007 (ADAMS Accession No. ML072640608), there were two CRs generated (CR-PLP-2007-02645, and CR-PLP-2007-04434). The CAs have typical numbers such CR-PLP-2007-02645 CA-00005, which is the fifth task associated with this CR.

However, these numbers do not show up in documents with consistency. There were minor typographical errors found, although the plant personnel do understand and recognize the associated tasks with the commitments, the system could be improved to make it more transparent and easy to use.

The old numbering system is also carried through from programs such as "Passport" (number format such as 2010897), "CACTIS" (number format such as 01089722-01, -01 being the action number). PCRS initially used CRs or WTs to ensure commitment completion. Some of the number format examples are: CR-PLP-2008-1111-01 or - CA1 or LO-WTPLP-2009-1111-01 or CA1. This creates a tremendous amount of confusion and makes it cumbersome for plant personnel to recognize and follow the commitments. After learning more about PCRS and discussion with other counterparts of ENO, it was recognized that LARs should be generated to track commitments. All current commitments are tracked with LARs. The number format for a LAR is LO-LAR-2009-0244-01, where -01 denotes the action number for the task.

The cross reference from one numbering system to another is not provided in any procedure. There are several procedures that govern the commitment tracking process, which is also a major factor of confusion. However, the station does have the capability to search the commitment database in order to retrieve the historical data.

Procedural steps do provide traceability of the commitments to the procedures and vice versa. Procedure revisions are handled in accordance with procedure EN-AD-101, Rev. 11, titled "Procedure Process." This procedure provides cross-reference to EN-LI-110, Rev. 2, and has several caution steps regarding commitments during the procedure revision process. The procedural review and approval form (Attachment 9.1) require verification that the Nuclear Management Manual procedure commitment review process plateau is complete. Thus, traceability between commitments and procedural changes is maintained.

2.4 Audit Observations and Suggestions

1. In one case it was found that the commitment description was different in the response letter when compared to the original letter which made the commitment. It is recommended that the commitment description be maintained consistently.

2. The commitments are entered in the database which also contains other tasks which are not commitments. However, the commitments made to NRC are identified. Having a separate database for NRC commitments may be an improvement to the system. The licensee could explore this option for feasibility.

3. The identification of the various action items and tasks is buried into the text and may be carried over to other documents, thus making it difficult to identify completion of the commitments.

4. The older commitments were entered as WTs thus lowering the threshold for extending due dates. In one case, the due date was extended eleven times. Although, this was a Updated Final Safety Analysis Report in accordance with 50.71(e) which is done every 18 months. But it was unusual to see due date extension every month.

5. NRC Resident Inspectors are not usually kept informed of all the commitment changes. They do get the notification via letters on the dockets.

6. The licensee's procedure EN-LI-110, Rev. 2, section 5.5 states "When changes to commitments are necessary, commitments are changed in accordance with the Commitment Change Process shown in Attachment 9.3." Attachment 9.3 provides a flow chart to follow in order to revise a commitment. Attachment 9.4 in this procedure is the CCE form. However, the licensee does not strictly adhere to filling of the CCE form. Although in some cases it may be trivial to fill the CCE form, adherence to NEI guidance is recommended.

7. The commitment tracking process is not transparent due to absence of having a single numbering system and also due to changeover from the old databases to the new one. The commitments are under various numbering formats and also some of the older databases are maintained, which causes confusion in maintaining the traceability of the commitments.

3.0 CONCLUSION

The NRC staff concludes that, based on the above audit, (1) ENO has established an effective commitment management program, (2) ENO has implemented NRC commitments on a timely basis, and (3) with some minor inconsistencies, which were discussed with the licensee during the exit meeting on August 4, 2010, ENO has implemented an effective program for managing NRC commitment changes.

4.0 LICENSEE PERSONNEL CONTACTED FOR THIS AUDIT

Barbara Dotson

Principal Contributor: Mahesh Chawla

AUDIT OF ENO MANAGEMENT OF

REGULATORY COMMITMENTS

AT PALISADES NUCLEAR PLANT

PERFORMED DURING AUGUST 2 THROUGH AUGUST 4, 2010

LIST OF COMMITMENTS INCLUDED IN THE AUDIT

Item No.	Category	Commitment Number	Commitment Letter/Date	Description of Commitment	Status	ADAMS Accession No.
1	Relief Request	CMT082011303	07/31/07 08/10/07 09/25/07	Perform repair or replacement in accordance with the applicable code requirements no later than the end of fuel cycle 20, which is expected to be in 2009.	Withdrawn	ML072130503 ML072250407 ML072690239
2	Amendment	A-36249	04/27/09 08/04/09	LAR – Removal of the plant-specific Technical Specification requirements will be performed concurrently with the implementation of the 10 CFR 26, Subpart I requirements. This commitment will be completed no later than October 1, 2009.	Closed	ML091390436 ML091680321
3	Surveillance Program	CMT032011139	04/07/03 01/26/09	NMC will inspect containment dome tendon D1-38 and adjacent tendons D1-36 and D1-40 for free water and chemically combined water during the 35-year tendon surveillance.	Closed	ML031050404 ML090270928

Item No.	Category	Commitment Number	Commitment Letter/Date	Description of Commitment	Status	ADAMS Accession No.
4	Amendment	LO-LAR-2010-00162	03/31/2010 05/13/2010 06/02/2010	1. ENO will make repairs to correct the existing seal leakage on CRD-22 prior to entering Mode 2, following the next Mode 3 entry. 2. ENO will perform a reactor shutdown in accordance with current procedural requirements if CRD seal leakage exceeds two gallons per minute.	Closed	ML100920476 ML101330455 ML101380534
5	Inspection	CR-PLP-2008-04017	01/30/07 02/27/07 09/22/08 10/02/08	NMC will inspect the Alloy 600/82/182 pressurizer butt welds per MRP-139, on a frequency of at least four years, until the Alloy 600/82/182 pressurizer butt-welds are mitigated or removed at PNP. NMC will notify the NRC in writing, prior to making any changes to this commitment.	Open (commitment change was withdrawn)	ML070310270 ML070590333 ML082680182 ML082800455

Item No.	Category	Commitment Number	Commitment Letter/Date	Description of Commitment	Status	ADAMS Accession No.
6	Relief Request	LO-WTPLP-2009-00147	2/6/09	In lieu of implementing the "demonstrated volumetric or surface leak path assessment through all J-groove welds" as required by ASME Code Case N-729-1 as conditioned by 10 CFR 50.55a(g)(6)(ii)(D)(3), ENO will perform a volumetric leak path assessment in the 2009 PNP refueling outage that meets the requirements of the First Revised NRC Order EA-03-009, IV.C.(5)(b)(i). The proposed volumetric leak path examination area will include the length and circumference of the nozzle annulus sufficient to assess a potential leakage path.	Closed	ML090370840
7	Amendment (Commitment Revision)	CR-PLP-2007-04434	09/07/07 09/21/07	Revised commitment: Prior to restart (Mode 2) from 2007 refueling outage, ENO will revise Section 2.4, "Total Radial Peaking Factor," of the Core Operating Limits Report to include an evaluation on the pin power/burnup of the design core against the following criteria: ...	Closed	ML072540784 ML072640608
8	Amendment	CR-PLP-2007-04511	07/07/06	NMC will implement an alternate buffer program to achieve a pH of 7.0 – 8.0 post-LOCA with recirculation, during the 2007 fall refueling outage at PNP.	Closed	ML061920235

Item No.	Category	Commitment Number	Commitment Letter/Date	Description of Commitment	Status	ADAMS Accession No.
9	License Renewal	LO-LAR-2009-00244	4/26/06 9/28/06 3/13/08	NMC will revise the Alloy 600 Program to update the PWSCC (primary water stress corrosion cracking)...	Closed	ML061170214 ML062710074 ML080770454
10	Inspection	LO-WTPLP-2009-00173	02/27/07 03/29/07 12/12/07 05/14/09	1. NMC will determine unidentified leakage daily... 2. If the unidentified Primary Coolant System (PCS) leakage increases 0.1 gallons per minute... 3. If unidentified PCS leakage increases 0.25 gpm above... 4. NMC will determine the baseline PCS leakage rate from data... 5. NMC will provide inspection results of any bare metal visual examinations... 6. NMC will complete inspections of the pressurizer Alloy 600/82/182 butt-welds...	Closed	ML070590333 ML070800449 ML073461017 ML091350203
11	License Renewal (commitment revision)	LO-LAR-2009-00244	03/23/09 03/10/10	ENO will submit the revised Reactor Vessel Internals Program for NRC review and approval by March 24, 2010.	Closed	ML090830419 ML100710083
12	GL 2004-02 (commitment revision)	LO-WTPLP-2008-0511 (Ref: 2011308)	06/17/08 06/30/09	ENO will complete actions to resolve GSI-191 at PNP by December 31, 2008, provided no hardware modification is required. If plant hardware modification	Open	ML081690612 ML091820275

Item No.	Category	Commitment Number	Commitment Letter/Date	Description of Commitment	Status	ADAMS Accession No.
				is required, then ENO will complete actions to resolve GSI-191 prior to restart from the 2009 refueling outage.		
13	GL 2008-01	LO-WTPLP-2008-512	05/13/08	1. Complete the detailed walkdowns of inaccessible sections of systems described in GL 2008-01 prior to startup from 2009 refueling outage. 2. Complete evaluations of GL 2008-01 subject systems within 60 days following the completion of the 2009 refueling outage. 3. Any other corrective actions that are identified during 2009 refueling outage that cannot be completed during the outage will be implemented prior to restart following the 2010 refueling outage.	Closed Closed Open	ML081340542

November 3, 2010

Vice President, Operations
Entergy Nuclear Operations, Inc.
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