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**Christopher J. Schwarz**  
Site Vice President  
Palisades Nuclear Plant

September 27, 2010

U.S. Nuclear Regulatory Commission  
Attn: Document Control Desk  
Washington, DC 20555

**SUBJECT:** Notification Letter Designating Palisades Balance-of-Plant  
Systems within the Cyber Security Rule Scope  
Entergy Nuclear Operations, Inc.  
Palisades Nuclear Plant  
Docket No. 50-255  
License No. DPR-20

**Reference:** 1. NERC, "Request for Data or Information: Nuclear Power Plant 'Bright-Line' Survey," dated June 14, 2010  
2. Letter from Michael Moon (NERC) to Jim Ellis, "NERC's Response to the Completed Bright-Line Survey, Palisades Nuclear Station" dated August 27, 2010

Dear Sir or Madam:

By Order dated March 19, 2009<sup>1</sup>, the Federal Energy Regulatory Commission (FERC) clarified that the "balance-of-plant" equipment within a nuclear power plant is subject to compliance with the FERC approved Critical Infrastructure Protection (CIP) Reliability Standards. Paragraph 50 of the Order provides for an exception from the CIP Reliability Standards for equipment in the balance-of-plant that is subject to the Nuclear Regulatory Commission (NRC) cyber security regulations. Pursuant to paragraph 50 of the Order, the North American Electric Reliability Corporation (NERC) has been engaging in a "Bright-Line" determination process (Reference 1) to clarify the systems that would be subject to the NRC cyber security rule (10 CFR 73.54), and those that would be subject to the CIP Reliability Standards.

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<sup>1</sup> *Mandatory Reliability Standards for Critical Infrastructure Protection, Order On Clarification*, Order No. 706-B, 126 FERC ¶ 61,229 (March 19, 2009).

In the Reference 2 letter, NERC is requiring that Palisades Nuclear Plant (PNP) provide the NRC with a letter identifying all balance-of-plant systems, structures, and components (SSCs) considered important-to-safety with respect to the NRC's cyber security regulation. As documented in our response to the Bright-Line survey, balance-of-plant SSCs in Attachment 1 of the survey are important-to-safety, and thus, are within the scope of 10 CFR 73.54.

In accordance with the requirements of 10 CFR 73.54 (b)(1), a comprehensive identification of SSCs subject to the requirements of 10 CFR 73.54 will be developed during the implementation of the cyber security program. The program is implemented in accordance with the schedule submitted to the NRC, by letter dated July 26, 2010, with the PNP Cyber Security Plan. This identification of SSCs will be available for inspection upon completion and will contain, at a minimum, those SSCs as identified in Attachment 1 of the Bright-Line Survey. Providing the requested information in this alternate manner satisfies the intent of the NERC letter.

In the Reference 2 letter, NERC is also requiring that each nuclear power plant submit a revised cyber security plan to the NRC for its review and approval. On or before November 30, 2010, Entergy Nuclear Operations, Inc. will supplement our Cyber Security Plan submittal to clarify the scope of systems described in Section 2.1, "Scope and Purpose." Section 2.1, will be amended to clarify the balance-of-plant SSCs that will be included in the scope of the cyber security program.

The new commitments contained in this submittal are summarized in the attachment.

Sincerely,



cjs/rbh

Attachment: List of Regulatory Commitments

CC Regional Administrator, Region III, USNRC  
Project Manager, Palisades, USNRC  
Resident Inspector, Palisades, USNRC  
Designated Michigan Officials

Michael Moon  
Director of Compliance Operations  
North American Electric Reliability Corporation  
116-390 Village Boulevard  
Princeton, NJ 08540

**Attachment 1**

**List of Regulatory Commitments**