



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**

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

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November 1, 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: PALISADES NUCLEAR PLANT
NRC SECURITY BASELINE INSPECTION REPORT 05000255/2010403(DRS)

Dear Mr. Schwarz:

On September 10, 2010, 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 on September 23, 2010, with you 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 two findings 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 before the inspectors left the site. The NRC is treating these violations as non-cited violations (NCV) consistent with Section 2.3.2.a of the NRC Enforcement Policy because of the very low security significance of the violations and because they were entered into your corrective action program. If you contest the subject or severity of a NCV, you should provide a response within 30 days of the date of this inspection report, with the basis for your denial, to the U. S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington DC 20555-0001, with a copy to the Regional Administrator, U.S. Nuclear Regulatory Commission - Region III, 2443 Warrenville Road, Suite 210, Lisle, IL 60532-4352; the Director, Office of Enforcement, U. S. Nuclear Regulatory Commission, Washington, DC 20555- 0001; and the Resident Inspector Office at the Palisades Nuclear Plant.

Enclosure contains Sensitive Unclassified
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C. Schwarz

-2-

In addition, if you disagree with the cross-cutting aspect assigned to any finding in this report, you should provide a response within 30 days of the date of this inspection report, with the basis for your disagreement, to the Regional Administrator, Region III, and the NRC Resident Inspector at the Palisades Nuclear Plant.

The findings were NRC-identified.

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 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). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

In accordance with 10 CFR 2.390(b)(1)(ii), the NRC is waiving the affidavit requirements for your response, if any. This practice will ensure that your response will not be made available electronically for public inspection in the NRC Public Document Room or from the NRC's document system, ADAMS. If Safeguards Information is necessary to provide an acceptable response, please provide the level of protection described in 10 CFR 73.21. Otherwise, mark your entire response "Security-Related Information-Withhold Under 10 CFR 2.390" and follow the instructions for withholding in 10 CFR 2.390(b)(1).

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

Sincerely,

/RA/

Richard A. Skokowski, Chief
Plant Support Branch
Division of Reactor Safety

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

Nonpublic Enclosure: Inspection Report 05000255/2010403;
w/Attachment: Supplemental Information

cc w/encl: S. Coker, NSIR/DSO/DDSO/ST
C. Johnson, NSIR
J. Trapp, Region I
M. Ernstes, RII
M. Shannon, RIV
K. Yale, State Liaison Officer, State of Michigan

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Letter to Mr. Chris J. Schwarz from Mr. Richard A. Skokowski dated November 1, 2010.

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NRC SECURITY BASELINE INSPECTION REPORT 05000255/2010403(DRS)

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