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PNP 2012-046

June 20, 2012

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

**SUBJECT: License Amendment Request – Cyber Security
Plan Implementation Schedule Milestones**

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

- References:
1. NRC letter to Entergy Nuclear Operations, Inc., "Palisades Nuclear Plant - Issuance of Amendment Regarding the Cyber Security Plan: (TAC No. ME4355)," dated July 28, 2011 (ADAMS Accession Number ML111801243)
 2. Entergy Nuclear Operations, Inc., letter to NRC, "Response to Additional Requests for Additional Information (RAIs) and Revision to the PNP Cyber Security Plan," dated April 4, 2011 (ADAMS Accession Number ML110950688)

Dear Sir or Madam:

In Reference 1, the NRC issued License Amendment No. 243 to the Renewed Facility Operating License for Palisades Nuclear Plant (PNP) that approved the PNP Cyber Security Plan and associated implementation milestone schedule. The Cyber Security Plan Implementation Schedule contained in Reference 2 was utilized as a portion of the basis for the NRC safety evaluation report provided by Reference 1. Entergy Nuclear Operations, Inc. (ENO) is planning to implement the requirements of Implementation Schedule Milestone 6 in a slightly different manner than described in the approved Implementation Schedule. Although no change to the Implementation Schedule date is proposed, the change to the description of the milestone activity is conservatively considered to be a change to the Implementation Schedule, and in accordance with the provisions of 10 CFR 50.4 and 10 CFR 50.90, ENO is submitting this request for an amendment to the Renewed Facility Operating License for PNP. The PNP Cyber Security Plan, Revision 0, was previously provided in Reference 2.

This letter contains security-related information – Attachments 1 and 4 are withheld from public disclosure per 10 CFR 2.390.

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Attachment 1 provides an evaluation of the proposed change. Attachment 2 contains the proposed marked-up operating license page for the Physical Protection license condition for PNP to reference the commitment change provided in this submittal. Attachment 3 contains page change instructions and the proposed revised operating license page. Attachment 4 contains a change to the scope of Implementation Milestone 6. ENO requests that Attachments 1 (Sections 1, 2, and 3) and 4 which contain security-related information (SRI) be withheld from public disclosure in accordance with 10 CFR 2.390.

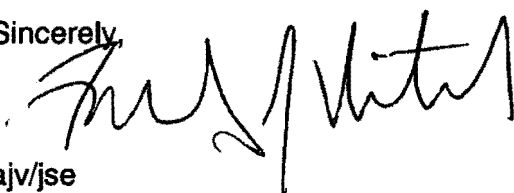
The proposed change has been evaluated in accordance with 10 CFR 50.91(a)(1) using criteria in 10 CFR 50.92(c), and it has been determined that the change involves no significant hazards consideration. The bases for the determination is included in Attachment 1.

ENO requests this license amendment be effective as of its date of issuance. Although this request is neither exigent nor emergency, your review and approval is requested prior to December 31, 2012.

The revised commitment contained in this submittal is summarized in Attachment 5.

I declare under penalty of perjury that the foregoing is true and correct. Executed on June 20, 2012.

Sincerely,



ajv/jse

- Attachments:
1. Analysis of Proposed Operating License Change (contains SRI)
 2. Proposed PNP Operating License Change (mark-up)
 3. Renewed Operating License Page Change Instructions and Revised PNP Operating License Page
 4. Revised Cyber Security Plan Implementation Schedule (contains SRI)
 5. List of Regulatory Commitments

cc: Administrator, Region III, USNRC
Project Manager, Palisades, USNRC
Resident Inspector, Palisades, USNRC
State of Michigan

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4.0 REGULATORY EVALUATION

4.1 Applicable Regulatory Requirements/Criteria

10 CFR 73.54 requires licensees to maintain and implement a cyber security plan. PNP Renewed Facility Operating License includes a Physical Protection license condition that requires ENO to fully implement and maintain in effect all provisions of the Commission-approved cyber security plan, including changes made pursuant to the authority of 10 CFR 50.90 and 10 CFR 50.54(p).

4.2 Precedent

Amendment No. 203 for the Callaway Plant (Reference 5) approved an implementation schedule using the Nuclear Energy Institute (NEI) template (Reference 3), with the exception of Milestone 6. The Callaway Plant deviated from the template for Milestone 6 to address only the NEI 08-09, Revision 6, Appendix D technical controls, excepting for the operational and management controls, on the basis that implementing the technical controls for the target set critical digital assets provides a high degree of protection against cyber related attacks that could lead to radiological sabotage.

The change being proposed by ENO in this amendment request is similar to the change approved in the Callaway Plant Amendment No. 203.

4.3 Significant Safety Hazards Consideration

Entergy Nuclear Operations, Inc. (ENO) is requesting an amendment to the Palisades Nuclear Plant (PNP) Renewed Facility Operating License to revise the Physical Protection license condition as it relates to the cyber security plan. This change includes a proposed deviation to the scope of a Cyber Security Plan Implementation Schedule milestone and a proposed revision to the PNP Renewed Facility Operating License to include the proposed deviation. Specifically, ENO proposes a change to the scope of Implementation Milestone 6 to apply to only technical cyber security controls.

ENO has evaluated whether or not a significant hazards consideration is involved with the proposed amendment by focusing on the three standards set forth in 10 CFR 50.92, "Issuance of Amendment," as discussed below:

1. Does the proposed change involve a significant increase in the probability or consequences of an accident previously evaluated?

Response: No.

The proposed change to the Cyber Security Plan Implementation Schedule is administrative in nature. This change does not alter accident analysis assumptions, add any initiators, or affect the function of plant systems or the manner in which systems are operated, maintained, modified, tested, or inspected. The proposed change does not require any plant modifications which affect the performance capability of the structures, systems, and components relied upon to mitigate the consequences of postulated accidents and has no impact on the probability or consequences of an accident previously evaluated.

Therefore, the proposed change does not involve a significant increase in the probability or consequences of an accident previously evaluated.

2. Does the proposed change create the possibility of a new or different kind of accident from any accident previously evaluated?

Response: No.

The proposed change to the Cyber Security Plan Implementation Schedule is administrative in nature. This proposed change does not alter accident analysis assumptions, add any initiators, or affect the function of plant systems or the manner in which systems are operated, maintained, modified, tested, or inspected. The proposed change does not require any plant modifications which affect the performance capability of the structures, systems, and components relied upon to mitigate the consequences of postulated accidents and does not create the possibility of a new or different kind of accident from any accident previously evaluated.

Therefore, the proposed change does not create the possibility of a new or different kind of accident from any accident previously evaluated.

3. Does the proposed change involve a significant reduction in a margin of safety?

Response: No.

Plant safety margins are established through limiting conditions for operation, limiting safety system settings, and safety limits specified in the technical specifications. The proposed change to the Cyber Security Plan Implementation Schedule is administrative in nature. Because there is no change to these established safety margins as result of this change, the proposed change does not involve a significant reduction in a margin of safety.

Therefore, the proposed change does not involve a significant reduction in a margin of safety.

Based on the above, ENO concludes that the proposed change presents no significant hazards consideration under the standards set forth in 10 CFR 50.92(c), and accordingly, a finding of "no significant hazards consideration" is justified.

4.4 Conclusion

In conclusion, based on the considerations discussed above: (1) there is reasonable assurance that the health and safety of the public will not be endangered by operation in the proposed manner; (2) such activities will be conducted in compliance with the Commission's regulations; and (3) the issuance of the amendment will not be inimical to the common defense and security or to the health and safety of the public.

5.0 ENVIRONMENTAL CONSIDERATION

The proposed amendment provides a change to the Cyber Security Plan Implementation Schedule. The proposed amendment meets the eligibility criterion for a categorical exclusion set forth in 10 CFR 51.22(c)(12). Therefore, pursuant to 10 CFR 51.22(b) no environmental impact statement or environmental assessment need be prepared in connection with the issuance of the amendment.

6.0 REFERENCES

1. NRC letter to Entergy Nuclear Operations, Inc., "Palisades Nuclear Plant - Issuance of Amendment Regarding the Cyber Security Plan: (TAC No. ME4355)," dated July 28, 2011 (ADAMS Accession Number ML111801243)
2. Entergy Nuclear Operations, Inc., letter to NRC, "Response to Additional Requests for Additional Information (RAIs) and Revision to the PNP Cyber Security Plan," dated April 4, 2011 (ADAMS Accession Number ML110950688)
3. Letter from Christopher E. Earls (NEI) to Richard P. Correia (NRC), "Template for the Cyber Security Plan Implementation Schedule," dated February 28, 2011 (ADAMS Accession No. ML110600211)
4. Letter from Richard P. Correia (NRC) to Christopher E. Earls (NEI), "Template for the Cyber Security Plan Implementation Schedule," dated March 1, 2011 (ADAMS Accession No. ML110070348)
5. NRC letter from Mohan C. Thadani, USNRC, to Adam C. Heflin, Union Electric Company, "Callaway Plant, Unit 1 – Issuance of Amendment Re: Approval of Cyber Security Plan (TAC NO. ME4536)," August 17, 2011 (ADAMS Accession No. ML112140087)