



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
REGION III
2443 WARRENVILLE RD. SUITE 210
LISLE, IL 60532-4352

March 4, 2014

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

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR PALISADES NUCLEAR PLANT
(REPORT 05000255/2013001)**

Dear Mr. Vitale:

On February 12, 2014, the U.S. Nuclear Regulatory Commission (NRC) completed its end-of-cycle performance review of Palisades Nuclear Plant. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2013 through December 31, 2013. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that overall, Palisades Nuclear Plant operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at Palisades during the most recent quarter was within the Licensee Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix because all inspection findings had very low (i.e., Green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., Green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

On November 8, 2012, Region III received approval from the NRC Executive Director for Operations (EDO) to deviate from the ROP Action Matrix to increase regulatory oversight at Palisades for CY 2013. The approved deviation effort was anticipated to involve regional augmentation of the resident inspectors at Palisades, community outreach, and additional Problem Identification and Resolution (PI&R) inspections to include corrective action and safety culture reviews. The effort for these additional activities was estimated to require an additional 1040 hours through CY 2013.

In CY 2013, slightly more than 1000 hours of effort were expended in accordance with the approved ROP Action Matrix deviation. No findings of significance were identified as a result of these inspections. Due to refueling outage schedule changes, a number of inspections, that were planned to be completed in the areas identified in the deviation request, were unable to be performed in CY 2013. However, these remaining inspection activities are being accomplished within the nominal baseline inspection hours allocated to plants in the Licensee Response Column of the ROP Action Matrix during the current refueling outage.

On February 26, 2014, the NRC completed a limited-scope Problem Identification and Resolution (PI&R) inspection to focus on Safety Conscious Work Environment (SCWE) issues at Palisades Nuclear Plant after the NRC became aware of a number of concerns that suggested a chilled work environment may have impacted the willingness of some workers to raise safety concerns due to a fear of retaliation.

Based on the inspection, the NRC concluded that some employees at Palisades have the perception that they are not free to raise safety concerns using all available avenues, and that management has not been effective in encouraging employees to use all available avenues without fear of retaliation. In particular, the NRC identified a chilled work environment within the Security department. The security staff interviewed expressed reservations about raising issues or concerns for fear of retaliation. Additionally, they indicated a lack of comfort in using the Employee Concerns Program (ECP), in that, they felt it did not maintain the confidentiality of the identity of an individual who raised an issue or concern through the ECP process.

The NRC will review, as part of its May 2014 PI&R inspection, the effectiveness of actions taken to address the SCWE concerns within the Security department and in any additional Palisades identified groups with SCWE concerns; and any additional actions or changes in actions, planned and taken, to address SCWE issues at Palisades. Following the PI&R inspection, we will determine if additional NRC oversight regarding safety culture at Palisades is warranted.

As a result of the Safety Culture Common Language Initiative, the terminology and coding of cross-cutting aspects were revised. All cross-cutting aspects identified during inspections conducted in Calendar Year (CY) 2014 will reflect this revision to Inspection Manual Chapter (IMC) 0310. The CY 2013 end-of-cycle assessments were conducted using the IMC 0310 guidance in effect in CY 2013 (dated October 28, 2011). Cross-cutting aspects identified in 2013 using the 2013 terminology will be converted to the latest revision in accordance with the cross-reference in IMC 0310 during the mid-cycle assessment review and evaluated for cross-cutting themes and potential substantive cross-cutting issues in accordance with IMC 0305.

The enclosed inspection plan lists the inspections scheduled through June 30, 2015. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the mid-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security-related inspections, which will be sent via separate, non-publicly available correspondence.

In addition to the ROP baseline inspections, the NRC plans to conduct infrequent inspections related to Inspection Procedure (IP) 92703, "Follow-up of Confirmatory Action Letters or Orders," related to the Safety Injection Refueling Water Tank (SIRWT); IP 92709, "Strike Contingency Plans;" and IP 92711, "Continued Implementation of Strike Plans During an Extended Strike," if needed due to expiring contracts; and IP 60854.1, "Preoperational Testing of ISFSIs at Operating Plants;" IP 60855.1, "Operation of an ISFSI [Independent Spent Fuel Storage Installation] at Operating Plants;" and IP 60856.1, "Review of 10 CFR 72.212(b) Evaluations at Operating Plants," related to ISFSI inspections.

A. Vitale

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In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure 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 Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact me at 630-829-9620 with any questions you have regarding this letter.

Sincerely,

/RA/

Eric R. Duncan, Chief
Branch 3
Division of Reactor Projects

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

Enclosure:
Palisades Nuclear Plant
Inspection/Activity Plan

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A. Vitale

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Letter to Anthony Vitale from Eric Duncan dated March 4, 2014

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(REPORT 05000255/2013001)

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Palisades
Inspection / Activity Plan
03/01/2014 - 06/30/2015

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			BI ISI - ISI BASELINE INSPECITON		2
1	01/20/2014	03/31/2014	IP 7111108P	Inservice Inspection Activities - PWR	
			BI OLRQ - BIENNIAL REQUAL PROGRAM INSPECTION		2
1	04/07/2014	04/11/2014	IP 7111111B	Licensed Operator Requalification Program	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	04/14/2014	04/18/2014	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
			ISFSI - ISFSI REVIEW OF CFR 72.212(B) EVALS		3
1	05/01/2014	07/31/2014	IP 60856.1	Review of 10 CFR 72.212(b) Evaluations at Operating Plants	
			PI&R - BIENNIAL PI&R		7
1	05/05/2014	05/23/2014	IP 71152B	Problem Identification and Resolution	
			ISFSI - ISFSI PREOP TESTING - SCHEDULE DEPENDENT		1
1	06/01/2014	09/30/2014	IP 60854.1	Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating Plants	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	07/07/2014	07/11/2014	IP 71124.07	Radiological Environmental Monitoring Program	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	08/11/2014	08/15/2014	IP 71124.03	In-Plant Airborne Radioactivity Control and Mitigation	
1	08/11/2014	08/15/2014	IP 71124.04	Occupational Dose Assessment	
			OL PREP - INITIAL EXAM - 09/2014		4
1	08/18/2014	08/22/2014	W90308	OL - INITIAL EXAM - 2014 JUN-FEB - PALI	
			ISFSI - ISFSI OPERATION - SCHEDULE DEPENDENT		2
1	09/01/2014	11/30/2014	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			OL EXAM - INIT EXAM FOR 09/2014		4
1	09/08/2014	09/19/2014	W90308	OL - INITIAL EXAM - 2014 JUN-FEB - PALI	
			BI ENG - COMPONENT DESIGN BASIS INSPECTION		7
1	09/08/2014	10/10/2014	IP 7111121	Component Design Bases Inspection	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	10/06/2014	10/10/2014	IP 71124.02	Occupational ALARA Planning and Controls	
1	10/06/2014	10/10/2014	IP 71151-BI01	Reactor Coolant System Activity	
1	10/06/2014	10/10/2014	IP 71151-OR01	Occupational Exposure Control Effectiveness	
1	10/06/2014	10/10/2014	IP 71151-PR01	RETS/ODCM Radiological Effluent	
			BI EPX - EP EXERCISE INSPECTION / PI VERIFICATION		2
1	10/27/2014	10/31/2014	IP 71151	Performance Indicator Verification	

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Palisades
Inspection / Activity Plan
03/01/2014 - 06/30/2015

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			ISFSI - ISFSI INSPECTION - SCHEDULE DEPENDENT		1
1	11/01/2014	11/30/2014	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	01/12/2015	01/16/2015	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
			BI FIRE - FIRE PROTECTION INSPECTION AND BAG TRIP		1
1	03/16/2015	04/17/2015	IP 7111105T	Fire Protection [Triennial]	
			BI RP - RADIATION PROTECTION BASELINE INSPECTION		1
1	03/30/2015	04/03/2015	IP 71124.05	Radiation Monitoring Instrumentation	
			BI EPR - EP ROUTINE INSPECTION / PI VERIFICATION		2
1	06/01/2015	06/05/2015	IP 7111402	Alert and Notification System Testing	
1	06/01/2015	06/05/2015	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1	06/01/2015	06/05/2015	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
1	06/01/2015	06/05/2015	IP 71151	Performance Indicator Verification	

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