

June 29, 1999

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555**DOCKET 50-255 - LICENSE DPR-20 - PALISADES PLANT**
RESPONSE TO GENERIC LETTER 98-01 SUPPLEMENT 1: YEAR 2000 READINESS
OF COMPUTER SYSTEMS AT NUCLEAR POWER PLANTS

The purpose of this letter is to respond to the NRC's request for information regarding Year 2000 (Y2K) readiness at nuclear power plants. Generic Letter (GL) 98-01 was issued on May 11, 1998, to request this information. A 90-day response was submitted on August 3, 1998, by Consumers Energy to confirm that a Y2K readiness program was being pursued. A response on the status of the facility Y2K readiness was requested by July 1, 1999.

On January 14, 1999, the NRC issued Supplement 1 to GL 98-01 to modify the request for information in the original generic letter.

The Supplement stated:

"In responding to this supplement to GL 98-01, the addressee should confirm Y2K readiness of the facility with regard to those systems within the scope of the license and NRC regulations, and those systems required for continued operation of the facility after January 1, 2000. For those systems which are not Y2K ready as of July 1, 1999, the addressee should provide a status and completion schedule for achieving readiness by the year 2000."

The attachment provides the voluntary confirmation of facility readiness as outlined in Supplement 1 to GL 98-01. This disclosure is submitted under the guidelines of the "Year 2000 Information and Readiness Disclosure Act" (Public Law 105-271).

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SUMMARY OF COMMITMENTS

This letter contains no new commitments and no revisions to existing commitments.



Thomas J. Palmisano
Site Vice President

CC Administrator, Region III, USNRC
Project Manager, NRR, USNRC
NRC Resident Inspector - Palisades
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Attachment

ATTACHMENT

**CONSUMERS ENERGY COMPANY
PALISADES PLANT
DOCKET 50-255**

**RESPONSE TO GENERIC LETTER 98-01 SUPPLEMENT 1:
YEAR 2000 READINESS OF COMPUTER SYSTEMS AT NUCLEAR POWER
PLANTS**

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Year 2000 Readiness Disclosure

This Year 2000 Readiness Disclosure is made for the Palisades Plant under the "Year 2000 Information and Readiness Disclosure Act" (Public Law 105-271).

This disclosure addresses the Y2K readiness of the facility with regard to those systems within the scope of the license, NRC regulations, and other systems required for continued operation of the facility after January 1, 2000. A facility that is "Y2K Ready" has followed a prescribed program to identify and resolve Y2K issues so the facility can operate reliably while meeting commitments.

Consumers Energy has conducted a Y2K readiness program similar to that outlined in Nuclear Utility Year 2000 Readiness, NEI/NUSMG 97-07. The program applied to software, hardware, and firmware whose failure due to a Y2K problem would prevent the performance of the safety function of a structure, system, or component. Additionally, the program applied to any software, hardware, or firmware whose failure due to a Y2K problem would prevent continued operation of the nuclear facility well beyond December 31, 1999. The facility program also included identifying and, where appropriate, remediating embedded Y2K problems. The program provided for risk management efforts and development of contingency plans for key rollover dates.

The Y2K readiness program has been completed for those systems required for continued safe operation, safe shutdown, and maintenance of safe shutdown of the Palisades facility. Based on the work performed, Palisades has reasonable assurance that the facility is "Y2K Ready." Further, contingency plans have been developed to mitigate the impact of Y2K-induced events at key rollover dates.