



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION III
2056 WESTINGS AVENUE, SUITE 400
NAPERVILLE, IL 60563-2657

May 5, 2026

Michael Schultheis
Site Vice President,
Palisades Energy, LLC
Palisades Nuclear Plant
27780 Blue Star Memorial Hwy
Covert, MI 49043-9530

SUBJECT: PALISADES NUCLEAR PLANT – INTEGRATED INSPECTION REPORT
05000255/2026001

Dear Michael Schultheis:

On March 31, 2026, the U.S. Nuclear Regulatory Commission (NRC) completed an inspection at Palisades Nuclear Plant. On April 13, 2026, the NRC inspectors discussed the results of this inspection with you and other members of your staff. The results of this inspection are documented in the enclosed report.

One finding of very-low safety significance (Green) is documented in this report. This finding involved a violation of NRC requirements. We are treating this violation as a non-cited violation (NCV) consistent with Section 2.3.2 of the Enforcement Policy.

A licensee-identified violation which was determined to be of very-low safety significance is documented in this report. We are treating this violation as an NCV consistent with Section 2.3.2 of the Enforcement Policy.

If you contest the violations or the significance or severity of the violations documented in this inspection report, 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 copies to the Regional Administrator, Region III; the Director, Office of Enforcement; and the NRC Resident Inspector at Palisades Nuclear Plant.

This letter, its enclosure, and your response (if any) will be made available for public inspection and copying at <http://www.nrc.gov/reading-rm/adams.html> and at the NRC Public Document Room in accordance with Title 10 of the *Code of Federal Regulations* 2.390, "Public Inspections, Exemptions, Requests for Withholding."

Sincerely,



Signed by Nguyen, April
on 05/05/26

April M. Nguyen, Team Leader
Palisades Restart Team
Division of Operating Reactor Safety

Docket No. 05000255
License No. DPR-20

Enclosure:
As stated

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Letter to Michael Schultheis from April M. Nguyen dated May 5, 2026.

SUBJECT: PALISADES NUCLEAR PLANT – INTEGRATED INSPECTION REPORT
05000255/2026001

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**U.S. NUCLEAR REGULATORY COMMISSION
Inspection Report**

Docket Number: 05000255

License Number: DPR-20

Report Number: 05000255/2026001

Enterprise Identifier: I-2026-001-0088

Licensee: Palisades Energy, LLC

Facility: Palisades Nuclear Plant

Location: Covert, MI

Inspection Dates: January 1, 2026, to March 31, 2026

Inspectors: T. Briley, Senior Reactor Inspector
J. Mancuso, Senior Resident Inspector
T. Okamoto, Resident Inspector
A. Shaikh, Senior Reactor Inspector
C. St. Peters, Senior Project Engineer
J. Winslow, Senior Project Engineer

Approved By: April M. Nguyen, Team Leader
Palisades Restart Team
Division of Operating Reactor Safety

Enclosure

SUMMARY

The U.S. Nuclear Regulatory Commission (NRC) continued monitoring the licensee's performance by conducting an integrated inspection at Palisades Nuclear Plant, in accordance with the Reactor Oversight Process. The Reactor Oversight Process is the NRC's program for overseeing the safe operation of commercial nuclear power reactors. Refer to <https://www.nrc.gov/reactors/operating/oversight.html> for more information. A licensee-identified non-cited violation is documented in report Section: 71111.20.

List of Findings and Violations

| Failure to Maintain Adequate Fire Protection System Functional Test Procedure | | | |
|---|---|---------------------------------------|----------------|
| Cornerstone | Significance | Cross-Cutting Area | Report Section |
| Mitigating Systems | Green NCV 05000255/2026001-01 Open/Closed | Problem Identification and Resolution | 71152A |
| The inspectors identified a finding of very-low safety significance and associated violation of Technical Specification 5.4.1, "Procedures," for the licensee's failure to maintain fire protection system functional test procedure. Specifically, the licensee failed to maintain Procedure RO-52, "Fire Suppression Water System Functional Test and Fire Pump Capacity Test," by failing to include appropriate acceptance criteria in the procedure to demonstrate fire protection system functionality. | | | |

Additional Tracking Items

None.

PLANT STATUS

On August 25, 2025, Palisades notified the NRC that they rescinded their Title 10 of the *Code of Federal Regulations* (10 CFR) 50.82(a)(1) certification, which removed the prohibition on operation and emplacement of fuel in the reactor. Palisades also implemented the set of licensing actions to support reimplementation of their operational licensing basis. On August 25, 2025, the NRC transitioned oversight of Palisades to the Reactor Oversight Process (ROP).

The NRC is conducting inspections to evaluate and assess the licensee's activities for restoration to an operating status. The resident inspectors, as well as supplemental inspectors, continue to provide daily oversight of the restart activities occurring at the site.

The unit ended the inspection period in a defueled status.

INSPECTION SCOPES

Inspections were conducted using the appropriate portions of the inspection procedures (IPs) in effect at the beginning of the inspection unless otherwise noted. Currently approved IPs with their attached revision histories are located on the public website at <http://www.nrc.gov/reading-rm/doc-collections/insp-manual/inspection-procedure/index.html>. Samples were declared complete when the IP requirements most appropriate to the inspection activity were met consistent with Inspection Manual Chapter (IMC) 2515, "Light-Water Reactor Inspection Program - Operations Phase." The inspectors performed activities described in IMC 2515, Appendix D, "Plant Status," observed risk-significant activities, and completed on-site portions of IPs. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel to assess licensee performance and compliance with Commission rules and regulations, license conditions, site procedures, and standards.

REACTOR SAFETY

71111.01 - Adverse Weather Protection

Seasonal Extreme Weather Sample (IP Section 03.01) (1 Sample)

- (1) The inspectors evaluated readiness for seasonal extreme weather conditions prior to the onset of seasonal cold temperatures for the following systems during the weeks of January 5, 2026, and January 12, 2026:
 - service water system
 - emergency diesel generators

71111.04 - Equipment Alignment

Partial Walkdown Sample (IP Section 03.01) (2 Samples)

The inspectors evaluated system configurations during partial walkdowns of the following systems/trains:

- (1) component cooling water system on January 27, 2026
- (2) shutdown cooling system on February 18, 2026

71111.05 - Fire Protection

Fire Area Walkdown and Inspection Sample (IP Section 03.01) (4 Samples)

The inspectors evaluated the implementation of the fire protection program by conducting a walkdown and performing a review to verify program compliance, equipment functionality, material condition, and operational readiness of the following fire areas:

- (1) Pre-Fire Plan Area 24 / Room 7: auxiliary feedwater pumps room, elevation 571' on January 28, 2026
- (2) Pre-Fire Plan Area 23: turbine building north and south, elevations 580', 585', 590', 607' to 612', and 625' on January 15, 2026
- (3) Pre-Fire Plan Area 10: east engineered safeguards room, elevation 570' on February 23, 2026
- (4) Pre-Fire Plan Area 14: reactor containment building, elevations 590', 607', 611', 625', and 649' on March 10, 2026

Fire Brigade Drill Performance Sample (IP Section 03.02) (1 Sample)

- (1) The inspectors evaluated the onsite fire brigade performance during a fire on a cable to a temporary power pack supplying diving equipment in the protected area on March 2, 2026.

71111.07A - Heat Exchanger/Sink Performance

Annual Review (IP Section 03.01) (1 Sample)

The inspectors evaluated readiness and performance of:

- (1) E-60B shutdown cooling heat exchanger on January 7, 2026

71111.08P - Inservice Inspection Activities (PWR)

The inspectors verified that the reactor coolant system boundary, reactor vessel internals, risk-significant piping system boundaries, and containment boundary are appropriately monitored for degradation and that repairs and replacements were appropriately fabricated, examined and accepted by reviewing the following activities.

Inservice Inspection Activities (PWR) (1 Sample)

- (1)
 - Reactor Vessel Closure Head Nozzle Post Weld Ultrasonic Examination, Liquid Penetrant Examination, and Eddy Current Testing
 - Reactor Core Shroud Assembly Alternate Bolting Pattern Analysis
 - Reactor Vessel Closure Head Design Analytical Report
 - Pressurizer Safety Valve Flange 1039 and 1041 Post Weld Liquid Penetrant Examination, Radiographic Examination, and Post Weld Heat Treatment
 - Pressurizer Spray Nozzle to Safe-End Post Weld Liquid Penetrant Examination, Radiographic Examination, and Post Weld Heat Treatment

71111.11Q - Licensed Operator Requalification Program and Licensed Operator Performance

Licensed Operator Performance in the Actual Plant/Main Control Room (IP Section 03.01)
(1 Sample)

- (1) The inspectors observed and evaluated licensed operator performance in the control room during plant heatup to normal operating pressure and temperature while defueled to support primary cooling system (PCS) passivation activities from February 23 to February 25, 2026.

71111.15 - Operability Determinations and Functionality Assessments

Operability Determination or Functionality Assessment (IP Section 03.01) (2 Samples)

The inspectors evaluated the licensee's justifications and actions associated with the following operability determinations and functionality assessments:

- (1) Engineering Change (EC) 93946, "EDG 1-1 and 1-2 Pre-Lube Pumps Motor FLA and Overload Heater Re-Evaluation" on March 20, 2026
- (2) Emergency diesel generator (EDG) 1-2 fuel oil priming pump P-210B discharge check valve non-quality part installed during movement of irradiated fuel in the spent fuel pool during the week of January 12, 2026

71111.18 - Plant Modifications

Temporary Modifications and/or Permanent Modifications (IP Section 03.01 and/or 03.02)
(1 Sample 1 Partial)

The inspectors evaluated the following temporary or permanent modifications:

- (1) (Partial)
EC-93378, permanent modification of the instrument air system on January 21, 2026
- (2) EC-93369, permanent modification for alternate component cooling water connections to the spent fuel pool heat exchanger E-53A/E-53B on January 5, 2026

71111.20 - Refueling and Other Outage Activities

Refueling/Other Outage Sample (IP Section 03.01) (1 Partial)

- (1) (Partial)
The inspectors evaluated restart outage activities from January 1, 2026, to March 31, 2026.

71111.24 - Testing and Maintenance of Equipment Important to Risk

The inspectors evaluated the following testing and maintenance activities to verify system operability and/or functionality:

Post-Maintenance Testing (PMT) (IP Section 03.01) (1 Sample)

- (1) P-8B auxiliary feedwater pump overspeed trip test following governor and turbine rotor overhaul on March 2, 2026

OTHER ACTIVITIES – BASELINE

71151 - Performance Indicator Verification

The inspectors verified licensee performance indicators submittals listed below:

PP01: Protected Area Security Equipment Performance Index Sample (IP Section 02.17) (1 Sample)

- (1) August 25 through December 31, 2025

71152A - Annual Follow-up Problem Identification and Resolution

Annual Follow-up of Selected Issues (IP Section 03.03) (3 Samples)

The inspectors reviewed the licensee's implementation of its corrective action program related to the following issues:

- (1) Issues that challenge operator performance including but not limited to operator work arounds, operator burdens, Main Control Room deficiencies, and adverse condition monitoring plans during the weeks of March 2, 2026, and March 9, 2026.
- (2) Condition report (CR) 25015026 associated with procurement and receipt inspection issues for safety-related material during the week of February 16, 2026.
- (3) Corrective actions from NRC-identified NCV 05000255/2018011-01 associated with the site's fire protection suppression system functionality assessment during the weeks of January 26, 2026, and February 2, 2026.

71152S - Semiannual Trend Problem Identification and Resolution

Semiannual Trend Review (IP Section 03.02) (1 Sample)

- (1) The inspectors reviewed the licensee's corrective action program to identify potential trends in security equipment that might be indicative of a more significant safety issue on February 24, 2026.

71153 - Follow-Up of Events and Notices of Enforcement Discretion

Personnel Performance (IP Section 03.03) (1 Sample)

- (1) The inspectors evaluated the loss of 1D bus and automatic start of 1-2 DG and licensee's performance on February 5, 2026.

OTHER ACTIVITIES – TEMPORARY INSTRUCTIONS, INFREQUENT AND ABNORMAL

71152 - Problem Identification and Resolution (PI&R)

During the inspection period, the inspectors continued reviews of Phases I and II of the licensee's system return to service (SRTS) plans and associated topics. The SRTS plans document licensee activities to verify that the configuration and condition of systems, structures, and components (SSCs) are consistent with the design and licensing bases to support potential restart. The inspectors reviewed Phases I and II of the SRTS plans, which include areas such as licensing and design-basis functions, system material conditions, reviewing open and deferred work prior to shutdown, and program applicability. The inspectors conducted these reviews using IP 71152, "Problem Identification and Resolution," and IP 71111.21M, "Comprehensive Engineering Team Inspection (CETI)," as applicable. The inspectors completed reviews of the SRTS plans for the following topics:

Problem Identification and Resolution (PI&R)

- environmental qualification of components
- containment purge
- cathodic protection
- chemical and volume control
- circulating water
- engineered safety features - actuation
- feedwater purity air
- fire protection
- 480 volt AC power
- main steam system
- neutron monitoring system
- 120 volt preferred AC power
- primary coolant
- reactor vessel and reactor vessel internals
- sequencers
- safety injection tanks
- safety injection and refueling water and containment sump
- turbine generator

INSPECTION RESULTS

| | |
|---|----------|
| Licensee-Identified Non-Cited Violation | 71111.20 |
| <p>This violation of very-low safety significance was identified by the licensee and has been entered into the licensee corrective action program and is being treated as a non-cited violation, consistent with Section 2.3.2 of the Enforcement Policy.</p> | |
| <p>Violation: Title 10 of the <i>Code of Federal Regulations</i> (10 CFR) Part 26, "Fitness for Duty Programs," subpart 205, "Work Hours," requires, in part, that licensees shall control work hours so an individual's hours worked do not exceed 16 hours in any 24-hour period, 26 hours in any 48-hour period, and 72 hours in any 7-day period. Additionally, it requires, in part, that licensees shall ensure that individuals have, at a minimum, a 34-hour break in any 9-day period.</p> <p>Contrary to the above, between February 24, 2026, and March 3, 2026, the licensee failed to ensure that individuals subject to the requirements of 10 CFR Part 26 complied with the work hour limitations and scheduling restrictions of Part 26. Specifically, the licensee failed to adequately schedule and control the work hours of three individuals performing work covered by the restrictions of 10 CFR Part 26 by not ensuring that the individuals' work hours did not exceed 72 hours in any 7-day period. Additionally, the licensee failed to ensure that the same individuals received at least a 34-hour break in any 9-day period.</p> <p>Significance/Severity: Green. The inspectors assessed the significance of the finding using IMC 0609 Appendix A, "The Significance Determination Process (SDP) for Findings At-Power." Using Exhibit 2, "Mitigating Systems Screening Questions," of IMC 0609 Appendix A, Section A, the inspectors answered "No" to all of the questions, screening the finding to Green, as the work completed by the three individuals was verified by individuals who did meet the requirements of the Part 26 work hours restrictions, ensuring that the equipment maintained either its operability or functionality.</p> <p>Corrective Action References: CR 26012156 - Violation of Fatigue Rule- ARC Pipefitters</p> | |

| Failure to Maintain Adequate Fire Protection System Functional Test Procedure | | | |
|--|---|---------------------------------------|----------------|
| Cornerstone | Significance | Cross-Cutting Area | Report Section |
| Mitigating Systems | Green NCV 05000255/2026001-01 Open/Closed | Problem Identification and Resolution | 71152A |
| <p>The inspectors identified a finding of very-low safety significance and associated violation of Technical Specification 5.4.1, "Procedures," for the licensee's failure to maintain fire protection system functional test procedure. Specifically, the licensee failed to maintain Procedure RO-52, "Fire Suppression Water System Functional Test and Fire Pump Capacity Test," by failing to include appropriate acceptance criteria in the procedure to demonstrate fire protection system functionality.</p> | | | |
| <p><u>Description:</u></p> <p>As part of restart efforts, the inspectors reviewed the site's fire protection suppression system functionality assessment. Specifically, the inspectors reviewed the corrective action program (CAP) documents associated with the firewater system to understand if prior unresolved</p> | | | |

conditions adverse to quality had been addressed. The inspectors also reviewed the most recent fire pump test data along with current fire protection system implementing procedures. During this review, the inspectors focused on the close-out actions from previous NRC-identified NCV 05000255/2018011-01. In response to the 2018 NCV, Palisades concluded that EA-FPS-2001-01, "Calculation of Fire Suppression System Flow Rate and Pressure Requirements," already included sufficient margin to account for aging conditions on the pipes at the time. It was determined that EA-FPS-2001-01 and RO-52, "Fire Suppression Water System Functional Test and Fire Pump Capacity Test," did not require revision. The inspectors noted that the current Palisades procedures had not been revised to consider aging conditions on the fire protection system piping since then.

The inspectors questioned the validity of the acceptance criteria in those procedures in 2026, since approximately 8 years had passed from the prior issue being identified in 2018. The inspectors were concerned that the pipe condition may have degraded further and additional friction losses could have occurred due to the piping degrading. The most demanding fire suppression loads at Palisades are the start-up transformer deluge system that requires a fire pump discharge flow of 1869.1 gpm and pump discharge pressure of 85.6 psig, the turbine building sprinklers that require 1562.1 gpm at 103.5 psig, and intake structure sprinklers that require 1312.4 gpm at 94.6 psig to ensure adequate fire suppression per EA-FPS-2001-01 requirements. Calculation EA-FPS-2001-01 assumes a coefficient of friction (C-factor) of 120-100 for the buried fire protection piping and above ground piping that delivers fire suppression water from the pump discharge to various suppression loads throughout the plant. The fire pump discharge flow and pressure requirements as described above for the three most demanding suppression loads were incorporated into the acceptance criteria of Procedure RO-52 under Section 6.0. The inspectors questioned the continued appropriateness of this acceptance criteria given the age of the piping system, which degrades over time, because the calculations that determined the above acceptance criteria assumed a new pipe and used a new piping nominal C-factor of 120-100.

The licensee documented the inspectors' concern in corrective action document condition report (CR) 26011141. However, the licensee did not provide any additional data to support continued fire water system functionality. Additional information is needed to ensure that the system maintains sufficient margin to meet all the suppression loads, including the most limiting fire suppression loads at the site. Therefore, the inspectors determined that the current acceptance criteria in Section 6.0 of RO-52 were not adequate to ensure functionality of the fire pumps to meet fire suppression requirements.

Corrective Actions: The licensee entered the NRC inspectors' concern into its CAP under document CR 2601114. In addition, the licensee initiated corrective actions to perform a fire hydraulic model and calculation to determine functionality of the fire suppression system taking into consideration the actual degradation of the piping since the issue was first identified in 2018 by the NRC.

Corrective Action References: CR 26011141, "Follow up review of close-out actions from previous NCV 05000255/2018011-01."

Performance Assessment:

Performance Deficiency: The licensee's failure to include appropriate acceptance criteria in Procedure RO-52, revision 36, to ensure functionality of the fire suppression water system was a performance deficiency.

Screening: The inspectors determined the performance deficiency was more-than-minor because it was associated with the Procedure Quality attribute of the Mitigating Systems cornerstone and adversely affected the cornerstone objective to ensure the availability, reliability, and capability of systems that respond to initiating events to prevent undesirable consequences. Specifically, the failure to include appropriate acceptance criteria into Procedure RO-52, resulted in a deficient procedure that could lead to the acceptance of degraded fire pump performance and subsequently, adversely impact the functionality of the fire suppression system.

Significance: The inspectors assessed the significance of the finding using IMC 0609 Appendix A, "The Significance Determination Process (SDP) for Findings At-Power." The inspectors determined the finding affected the Mitigating Systems cornerstone. The finding degraded fire protection defense-in-depth strategies, and the inspectors determined, using Table 3, that it could be evaluated using Appendix F, "Fire Protection Significance Determination Process." The inspectors screened the finding using IMC 0609, Appendix F, Attachment 1, "Part 1: Fire Protection SDP Phase 1 Worksheet," dated September 20, 2013. The inspectors answered "yes" to Question 1.4.2 G, "Would the affected fixed fire suppression system still be able to suppress a fire such that no additional equipment important to safety would be affected by a fire?" in Task 1.4.2 of IMC 0609, Appendix F. Therefore, the inspectors determined that the finding screened as having very-low safety significance (Green).

Cross-Cutting Area: Problem Identification and Resolution

The licensee did not verify the adequacy of the acceptance criteria in RO-52 because the licensee failed to identify and evaluate site specific operating experience related to the effect of aging equipment on the calculations used as the basis for their procedures. Specifically, when updating RO-52 for the site's reentry into the ROP, the licensee failed to address the corrective actions taken for previously NRC-identified issues associated with the basis for the procedure, leading to them failing to update the calculations or otherwise ensure there was sufficient basis for the acceptance criteria to support functionality of the fire suppression system.

Enforcement:

Violation: Technical Specification 5.4.1 requires, in part, that, written procedures shall be established, implemented, and maintained covering the activities referenced below:

- The applicable procedures recommended in Regulatory Guide 1.33, Revision 2, Appendix A, February 1978; and
- Regulatory Guide 1.33, Revision 2, Appendix A, 1978 Section 8 (b)(1)(h) identifies procedure for Fire Protection System Functional Test as an applicable procedure.

Contrary to the above, since August 19, 2025, the licensee failed to maintain Procedure RO-52, "Fire Suppression Water System Functional Test and Fire Pump Capacity Test," by failing to include appropriate acceptance criteria in the procedure to demonstrate Fire Protection System Functionality.

Enforcement Action: This violation is being treated as a non-cited violation, consistent with Section 2.3.2 of the Enforcement Policy.

| | |
|---|--------|
| Minor Violation | 71152A |
| <p>Minor Violation: On February 16, 2026, the inspectors reviewed the licensee’s causal analysis (CR 25015026) and associated corrective actions related to the inadvertent installation of non-quality parts in the safety-related emergency diesel generators (EDGs) and main steam safety system. Specifically, on or about December 13, 2025, the licensee identified that multiple purchase orders that were issued for safety-related Swagelok check valves in the fuel and/or air start systems for EDG 1-1 and EDG 1-2, along with refurbishment of safety-related main steam safety valves in the main steam safety system, did not conform to the procurement documents to ensure quality. Several of the purchased items were received and installed in the plant, which included the EDG 1-1 fuel oil priming pump P-210A discharge check valve (CK-DE400), EDG 1-2 fuel oil priming pump P-210B discharge check valve (CK-DE401), and main steam safety valve (RV-0701).</p> <p>The EDGs supply backup electrical power to various safety-related buses that power plant equipment to ensure safe shut down and maintain core cooling if offsite power was lost. The main steam safety system (steam generated from steam generators) contains 12 spring-loaded safety valves that function as overpressure protection in accordance with American Society of Mechanical Engineers (ASME) Boiler and Pressure Vessel (B&PV) code, Section III, Rules for Construction of Nuclear Facility Components. Title 10 of the <i>Code of Federal Regulations</i> (10 CFR) Part 50, Appendix B, Criterion VII, “Control of Purchased Material, Equipment, Services” requires, in part, that measures shall be established to assure that purchased material, equipment, and services, whether purchased directly or through contractors and subcontractors, conform to procurement documents. These quality assurance processes are essential to provide reasonable assurance that structures, systems, and/or components installed in the plant would perform their specified safety function(s).</p> <p>The licensee’s causal analysis concluded that procurement and receipt inspection processes that support implementation of the Palisades quality assurance program were not consistently performed with sufficient rigor to ensure safety-related components satisfy the quality objectives identified on the qualified suppliers list (QSL), safety-related purchase orders, and supporting quality documentation requirements prior to receipt acceptance or installation. Supply chain did not perform the required verification and validation of controls and procedures to ensure only qualified safety-related components were procured and installed. For EDG 1-1 and EDG 1-2, Swagelok valves were purchased directly from Swagelok. However, Swagelok was not specifically listed on the Palisades QSL to provide safety-related valves and, therefore, was considered an unqualified supplier. For the main steam safety valve refurbishments, although the supplier had maintained a quality assurance program, the specific facility where repair work had been performed was a satellite location that had not been audited and, therefore, should not have been on the Palisades QSL. A qualified supplier was a supplier who had undergone a quality and technical evaluation by responsible organizations and was approved to provide specific material or services as identified on the QSL. In addition, the main steam safety valve purchase order stated, in part, repairs and steam certification testing shall be performed in accordance with Holtec approved repair and testing procedures as approved by the Palisades Program Engineer. On October 28, 2025, the licensee identified that the repair plan had not been reviewed and approved by the responsible engineer.</p> <p>The inspectors determined that the licensee’s failure to assure that purchased material, equipment, and services conformed to procurement documents in accordance with</p> | |

10 CFR Part 50, Appendix B, Criterion VII, "Control of Purchased Material, Equipment, Services," was a performance deficiency. Specifically, documentation associated with several emergency diesel generator and main steam safety system components, procured as safety-related, did not satisfy purchase order requirements upon receipt and were not identified during material receipt inspection. Licensee quality Procedure MP-120, "Material Receipt," Revision 0, step 7.7.6 states, in part, for quality inspection "supplier documentation such as certificate of conformance, supporting documents or certificate of analysis attesting to acceptable test results shall be reviewed in a manner to ensure purchase order requirements are satisfied. Documentation received from a third-party dedicator and/or the CGD [commercial grade dedication] lab shall also be reviewed in a reasonable manner to verify accuracy, traceability to the purchase order, receipt lot/batch, etc. ensuring the CGD acceptance criteria is satisfied."

Screening: The inspectors determined the performance deficiency was minor. The main steam system and EDG 1-1 had not been returned to service since Palisades re-entered the Reactor Oversight Process on August 25, 2025, nor were required to be operable per technical specifications in the mode of applicability (plant was in defueled condition). EDG 1-2 was returned to service (operable) on November 11, 2025, to support irradiated fuel movements in the spent fuel pool in accordance with Technical Specification 3.8.2, Alternating Current Sources - Shutdown. Irradiated fuel movements commenced on November 17, 2025, and completed on December 9, 2025. The licensee performed a past operability evaluation regarding the installation of the non-quality (commercial grade, not safety-related) fuel oil priming pump P210-B check valve (CK-DE401) and reasonably concluded there were no operational impacts to EDG 1-2 during the periodic movement of irradiated fuel in the spent fuel pool and the EDG remained capable of performing its intended safety function. In addition, a supplier evaluation was performed on the main steam safety valve repair facility satellite location and demonstrated compliance with applicable technical and quality assurance requirements. Therefore, the inspectors determined the performance deficiency was not reasonably viewed as a precursor to a significant event; if left uncorrected, would not have the potential to lead to a more significant concern; was either not associated with or did not adversely impact any of the cornerstone objectives; and was similar to Inspection Manual Chapter 0612, Appendix E, "Examples of Minor Issues," example 5.c.

Enforcement: 10 CFR Part 50, Appendix B, Criterion VII, "Control of Purchased Material, Equipment, Services" states, in part, measures shall be established to assure that purchased material, equipment, and services, whether purchased directly or through contractors and subcontractors, conform to the procurement documents. These measures shall include provisions, as appropriate, for source evaluation and selection, objective evidence of quality furnished by the contractor or subcontractor, inspection at the contractor or subcontractor source, and examination of products upon delivery. Documentary evidence that material and equipment conform to the procurement requirements shall be available at the nuclear power plant site prior to installation or use of such material and equipment. This documentary evidence shall be retained at the nuclear power plant and shall be sufficient to identify the specific requirements, such as codes, standards, or specifications, met by the purchased material or equipment. The effectiveness of the control of quality by contractors and subcontractors shall be assessed by the applicant or designee at intervals consistent with the importance, complexity, and quantity of the product or services.

Contrary to the above, from July 25, 2025, [date of first Swagelok valve receipt inspection - September 9, 2025, for main steam safety valve RV-0701] to December 13, 2025, [date CR for Swagelok check valves written - November 4, 2025, for RV-0701] the licensee failed to

assure that purchased material, equipment, and services conformed to procurement documents. Specifically, documentation associated with several emergency diesel generator and main steam safety system components procured as safety-related did not satisfy purchase order requirements upon receipt and were not identified during material receipt inspection.

This failure to comply with 10 CFR 50, Appendix B, Criterion VII, "Control of Purchased Material, Equipment, Services" constitutes a minor violation that is not subject to enforcement action in accordance with the NRC's Enforcement Policy.

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| Observation: Issues that Challenge Operator Performance | 71152A |
| <p>The inspectors reviewed issues that challenge operator performance including but not limited to operator work arounds, operator burdens, Main Control Room deficiencies, and adverse condition monitoring plans. While observing passivation activities in the Main Control Room on February 23, 2026, through February 25, 2026, they noted some equipment issues that warranted further review.</p> <p>The inspectors reviewed site procedures associated with the programs, reviewed condition reports and records associated with issues, walked down the control room panels, and discussed issues with the operators. Additionally, they reviewed the current lists of operator work-around, operator burdens, and Main Control Room deficiencies and their potential impact.</p> <p>No violations were identified.</p> | |

| | |
|--|--------|
| Minor Violation | 71152S |
| <p>Minor Violation: Beginning on February 24, 2026, the NRC reviewed a selection of condition reports that resulted in the identification of a minor violation associated with security requirements. Details of this minor violation are withheld from public release. The licensee entered the associated issues into its corrective action program.</p> | |

EXIT MEETINGS AND DEBRIEFS

The inspectors verified no proprietary information was retained or documented in this report.

- On April 13, 2026, the inspectors presented the integrated inspection results to Michael Schultheis, Site Vice President, and other members of the licensee staff.

DOCUMENTS REVIEWED

| Inspection Procedure | Type | Designation | Description or Title | Revision or Date |
|----------------------|---|---------------------|---|------------------|
| 71111.01 | Corrective Action Documents Resulting from Inspection | 26010221 | NRC ID: Outflow Water Line to T-41 Insulation Needs Repair | 01/07/2026 |
| | | 2610219 | NRC ID: Housekeeping Around T-58 (Safety Injection Refueling Water Storage Tank) does not Meet Expectations | 01/07/2026 |
| | Miscellaneous | | T-10A Diesel Fuel Oil Sample Results | 06/05/2025 |
| | | | T-10A Diesel Fuel Oil Sample Results | 01/22/2026 |
| | Procedures | SOP-15 | Service Water System | 73 |
| | Work Orders | 586612 | Perform Cold Weather Checksheets | 10/20/2025 |
| 71111.04 | Corrective Action Documents | 26010547 | E-54B CCW Heat Exchanger Endbell Still Leaking After Retorquing | 01/17/2026 |
| | Procedures | SOP-16 | Component Cooling Water System | 50 |
| | | SOP-3 | Safety Injection and Shutdown Cooling System | 111 |
| 71111.05 | Corrective Action Documents | 26010781 | Aux Feedpump Room FME and Housekeeping | 01/24/2026 |
| | | 26012109 | Fire outside of screenhouse on west road | 03/02/2026 |
| | | 26012354 | Burnt-Out Low-Vol Air Sampler | 03/07/2026 |
| | Fire Plans | PPF | Pre Fire Plan | 6 |
| | Procedures | DBD-7.10 | Design Basis Document for NFPA 805 Fire Protection Program | 4 |
| | | EN-OP-139 | Fire Watch Program | 006 |
| | | ENG-327 | Control of Hot Work and Ignition Sources | 1 |
| | | FPIP-2 | Fire Emergency Responsibility and Response | 28 |
| 71111.07A | Corrective Action Documents | 26010075 | E-60B Tube Plugging | 01/05/2026 |
| | | 26010169 | E-60B Tube Plug | 01/06/2026 |
| | NDE Reports | Eddy Current Report | Holtec International Palisades Power Plant Unit 1 Shutdown Heat Exchanger E-60B | 0 |
| 71111.08P | Engineering Changes | 157-9387315-001 | Palisades Pressurizer Safety Nozzle Flange Replacement | 001 |
| | | 50-9375076-0000 | Palisades RVCH CRDM Nozzle IDTB Modifications | 009 |
| | | 50-9381350 | Palisades Pressurizer Spray Nozzle Alloy 600 Mitigation | 002 |
| | | 93339 | Reactor Vessel Closure Head Alloy 600 Mitigation | 02/03/2026 |
| | | 93588 | Reactor Core Shroud Assembly ABPA Evaluation | 01/27/2026 |
| | Engineering | CENC-1116 | Analytical Report for Consumers Power Reactor Vessel | 04/01/1969 |

| Inspection Procedure | Type | Designation | Description or Title | Revision or Date |
|----------------------|-----------------------------|-------------|--|------------------|
| | Evaluations | | | |
| 71111.11Q | Procedures | SOP-1C | Primary Coolant System - Heatup | 25 |
| 71111.15 | Corrective Action Documents | 25011228 | P-905A Pre-Lube Pump Tripped on Thermals | 08/19/2025 |
| | | 25011267 | This CR Is to Document the Replacement Of EMB-0116D (Q1) With A Q4 Motor | 08/18/2025 |
| | | 25014235 | Vendor Material Qualification Issue Resulting in Unqualified Item Installed | 11/12/2025 |
| | | 25015178 | Non-Qualified Valves Installed in Safety-Related Systems | 12/13/2025 |
| | Engineering Changes | 43407 | Document Acceptable Replacement of P-905B and EMB-0216D, EDG 1-2 Lube Oil Pre-Lube Priming Pump/Motor Assembly | 04/19/2013 |
| | | 93946 | EDG 1-1 and 1-2 Pre-Lube Pumps Motor FLA and Overload Heater Re-Evaluation | 03/11/2026 |
| 71111.18 | Corrective Action Documents | 26013896 | AOP-26 Entry | 04/16/2026 |
| | Engineering Changes | 93369 | Alternate Component Cooling Water Connections to the SFP Heat Exchanger E-53A/E-53B | 0 |
| | | 93378 | Palisades Instrument Air Compressors and Dryer Replacement | 0 |
| | Procedures | RA-100 | Process Applicability Determination | 0 |
| | | SOP-27 | Fuel Pool System | 78 |
| 71111.20 | Corrective Action Documents | 26011874 | MV-ES3042 T-82A PRESSURE CONTROL CV-3042 INLET found LOCKED OPEN | 02/24/2026 |
| | | 26011885 | PCS Leakage Update | 04/21/2026 |
| | | 26012124 | Gravel Pit LHRA Gate Is Not Opening | 03/03/2026 |
| | | 26012136 | QC Inspector On Shift For 22 Hours | 03/03/2026 |
| | | 26012156 | Violation of Fatigue Rule - ARC Pipefitters | 03/03/2026 |
| | Procedures | RA-023 | Fatigue Management Program | 1 |
| | | RA-202 | Personnel Expectations Related to Fatigue Management | 0 |
| 71111.24 | Corrective Action Documents | 26010679 | Damaged Trip Body Set Screw on P-8B Turbine | 01/21/2026 |
| | | 26010781 | Aux Feedpump Room FME and Housekeeping | 01/24/2026 |
| | | 26012107 | K-8 Gov. End Bearing Oil Bubbler Leaking | 03/02/2026 |
| | Procedures | WI-MA-395 | Auxiliary Feedwater Turbine K-8 Overspeed Trip Test Using | 08/07/2025 |

| Inspection Procedure | Type | Designation | Description or Title | Revision or Date |
|----------------------|---|------------------|---|------------------|
| | | | TTOD Device | |
| | Work Orders | 586176 | K-8; OVERSPEED TRIP TEST USING TTOD (ENGINEERING) | 03/03/2026 |
| 71151 | Miscellaneous | | 3rd Quarter 2025 NRC Performance Indicator Technique/Data Package | 10/07/2025 |
| | | | 4th Quarter 2025 NRC Performance Indicator Technique/Data Package | 01/06/2026 |
| 71152A | Calculations | EA-FPP-96-024 | System Hydraulic Analysis for Start Up Transformers 1-1, 1-2, and 1-3 – Fire Suppression System | 0B |
| | | EA-FPP-96-011 | System Hydraulic Analysis for the Intake Structure – Fire Suppression System | 0 |
| | | EA-FPP-96-015 | System Hydraulic Analysis for the Turbine Building – Fire Suppression System | 0 |
| | | PLP-RPT-18-00019 | Fire Protection Hydraulic Modeling and Analysis | 0 |
| | Corrective Action Documents | 25015026 | Procurement Engineering (PE), Procurement Specialists (PS), and Receipt Inspection (RI) personnel did not comply with Palisades Quality Assurance Program, resulting in the installation of unqualified materials and subsequent Operation Mode Holds | 12/08/2025 |
| | Corrective Action Documents Resulting From Inspection | 26011141 | Follow-up Review of Close Out Actions from Previous NCV 05000255/2018011-01 | 02/03/2026 |
| | Procedures | OPS-329 | Adverse Condition Monitoring and Contingency Planning | 0 |
| | | OPS-412 | Operator Work-Around Program | 0 |
| | | RO-52 | Fire Suppression Water System Functional Test and Fire Pump Capacity Test | 36 |
| 71153 | Corrective Action Documents | 26011187 | Rear and Safeguards Bus Lost when Control Cables were Hit | 02/05/2026 |
| | | 26011372 | Testing Activities Result in Trip of Emergency Diesel Generator | 02/10/2026 |
| | Procedures | AOP-9 | Loss of Bus 1D | 3 |