

November 29, 2000

Mr. Thomas J. Palmisano
Site Vice President and General Manager
Palisades Nuclear Generating Plant
Consumers Energy Company
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - PALISADES

Dear Mr. Palmisano:

On November 7, 2000, the NRC staff completed its Mid-Cycle plant performance assessment of the Palisades Nuclear Power Station. The Mid-Cycle Review for the Palisades Nuclear Power Station involved the participation of all technical divisions in evaluating performance indicators and inspection results for the period of April 2, 2000, through September 30, 2000. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

Plant performance for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix due to the "Unplanned Power Changes per 7000 Critical Hours" performance indicator crossing the WHITE threshold in the Initiating Events cornerstone. Therefore, we plan to conduct the baseline inspections and one supplemental inspection at your facility through September 30, 2001. The supplemental inspection to review your corrective actions regarding the white performance indicator is scheduled for January 2001.

Our previous plant performance review in March 2000 determined that a substantial cross-cutting issue existed regarding the failure to implement adequate corrective actions for identified problems which included repetitive equipment problems and cyclic operator performance. We subsequently conducted a Problem Identification and Resolution (PI&R) inspection in July 2000 and noted that you had initiated substantial changes to your corrective action program. However, because the changes to your corrective action program were recently implemented, the effectiveness of the changes to the program could not be assessed. Therefore, we will continue to monitor your corrective action program through implementation of the baseline inspection program.

The enclosure details the scheduled inspections that will occur through September 30, 2001. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last 6 months of the inspection plans are tentative and will be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.790 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 (PARS) component of NRC's document system (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/NRC/ADAMS/index.html> (the Public Electronic Reading Room).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact Anton Vegel at (630) 829-9620 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Geoffrey E. Grant, Director
Division of Reactor Projects

Docket Nos. 50-255
License Nos. DPR-20

Enclosure: Palisades Inspection/Activity Plan

See Attached Distribution

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Palisades
Inspection / Activity Plan
12/01/2000 - 09/30/2001

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	RI INSP - ADVERSE WEATHER PROTECTION (RI)		1			
1	IP 7111101	Adverse Weather Protection		11/12/2000	12/31/2000	Baseline Inspections
	RI INSP - WHITE PI SUPPLEMENTAL (RI)		2			
1	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area		01/01/2001	02/10/2001	Supplemental Program
	71130.03 - SAFEGUARDS INSPECTION-RESPONSE(ADMN)		4			
1	IP 7113003	Response to Contingency Events (Protective Strategy and Implementation of Protective Strategy)		02/05/2001	02/09/2001	Baseline Inspections
	IP 71122 - RAM PROCESSING/TRANS & ACCESS CONTROL		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		02/05/2001	02/09/2001	Baseline Inspections
1	IP 7112202	Radioactive Material Processing and Transportation		02/05/2001	02/09/2001	Baseline Inspections
	RI INSP - FLOOD PROTECTION MEASURES (RI)		1			
1	IP 7111106	Flood Protection Measures		02/11/2001	03/31/2001	Baseline Inspections
	RI INSP - ADVERSE WEATHER PROTECTION (RI)		1			
1	IP 7111101	Adverse Weather Protection		04/01/2001	05/12/2001	Baseline Inspections
	RI INSP - REFUELING AND OUTAGE ACTIVITIES (RI)		1			
1	IP 7111120	Refueling and Outage Activities		04/01/2001	05/12/2001	Baseline Inspections
	ISI - INSERVICE INSPECTION		1			
1	IP 7111108	Inservice Inspection Activities		04/02/2001	04/06/2001	Baseline Inspections
	IP 71121 - OUTAGE RP ALARA INSP		2			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/16/2001	04/20/2001	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/16/2001	04/20/2001	Baseline Inspections
	IP 71114 - ROUTINE EP BASELINE INSP		1			
1	IP 7111402	Alert and Notification System Testing		06/18/2001	06/22/2001	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		06/18/2001	06/22/2001	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/18/2001	06/22/2001	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/18/2001	06/22/2001	Baseline Inspections
	IP 71122 - LIQ/GAS RAD EFFLUENTS		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/25/2001	06/29/2001	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		06/25/2001	06/29/2001	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/25/2001	06/29/2001	Baseline Inspections
	RI INSP - ADVERSE WEATHER PROTECTION (RI)		1			
1	IP 7111101	Adverse Weather Protection		07/01/2001	08/11/2001	Baseline Inspections
	71130 - SAFEGUARDS INSPECTION-AA/AC/PI/SP		1			
1	IP 7111104	Equipment Alignment (Quarterly)		07/08/2001	07/12/2001	Baseline Inspections
1	IP 7113001	Access Authorization Program (Behavior Observation Only)		07/08/2001	07/12/2001	Baseline Inspections
1	IP 7113002	Access Control (Search of Personnel, Packages, and Vehicles: Identification and Authorization)		07/08/2001	07/12/2001	Baseline Inspections

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

Palisades
Inspection / Activity Plan
12/01/2000 - 09/30/2001

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	71130	- SAFEGUARDS INSPECTION-AA/AC/PI/SP	1			
1	IP 71151	Performance Indicator Verification		07/08/2001	07/12/2001	Baseline Inspections
	FPI	- TRIENNIAL FIRE PROTECTION	4			
1	IP 7111105T	Fire Protection		07/09/2001	07/27/2001	Baseline Inspections
	IP 71122	- REMP & UNCONDITIONAL RELEASE INSP	1			
1	IP 7112203	Radiological Environmental Monitoring Program		08/27/2001	08/31/2001	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/27/2001	08/31/2001	Baseline Inspections
	MOD/50.5	- BIENNIAL PLANT MODS AND ANNUAL 50.59	3			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		08/27/2001	08/31/2001	Baseline Inspections
1	IP 7111117B	Permanent Plant Modifications		08/27/2001	08/31/2001	Baseline Inspections
	PI&R	- PROBLEM IDENTIFICATION AND RESOLUTION	3			
1	IP 71152	Identification and Resolution of Problems		09/17/2001	09/28/2001	Baseline Inspections