

March 2, 2006

Mr. Paul A. Harden
Site Vice President
Nuclear Management Company, LLC
Palisades Nuclear Plant
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: ANNUAL ASSESSMENT LETTER - PALISADES NUCLEAR PLANT
(REPORT 05000255/2006001)

Dear Mr. Harden:

On February 8, 2006, the NRC staff completed its performance review of the Palisades Nuclear Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from January 1 through December 31, 2005. 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.

This performance review and enclosed inspection plan do not include physical protection information. A separate letter designated and marked as "Exempt from Public Disclosure in accordance with 10 CFR 2.390" will include the physical protection review and resultant inspection plan.

Overall, the Palisades Nuclear Plant operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Licensee Response column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green).

The enclosed inspection plan details the inspections, less those related to physical protection scheduled through September 30, 2007. In addition to the program defined inspection activities, additional oversight activities will be conducted for the vessel head replacement, scheduled for the Fall refueling outage in 2007. The inspection plan is provided to allow for the resolution of any scheduling conflicts and personnel availability issues well in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspections in the last 9 months of the inspection plan are tentative and may be revised at the mid-cycle review.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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/reading-rm/adams.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 me at 630-829-9619 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Christine A. Lipa, Chief
Reactor Projects Branch 4
Division of Reactor Projects

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

Enclosure: Palisades Nuclear Plant Inspection/ Activity Plan

See Attached Distribution

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Christine A. Lipa, Chief
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Docket No. 50-255
License No. DPR-20

Enclosure: Palisades Nuclear Plant Inspection/ Activity Plan

See Attached Distribution

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Palisades
Inspection / Activity Plan
03/01/2006 - 09/30/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	ISI	- PALISADES ISI INSPECTION	1			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/10/2006	04/28/2006	Baseline Inspections
	71121.02	- ALARA PLANNING (OUTAGE)	2			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/10/2006	04/14/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/10/2006	04/14/2006	Baseline Inspections
	71122.03	- REMP	1			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		06/05/2006	06/09/2006	Baseline Inspections
	IP 71114	- EP EXERCISE BASELINE	2			
1	IP 7111401	Exercise Evaluation		09/18/2006	09/22/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		09/18/2006	09/22/2006	Baseline Inspections
	IP 71121	- RP POST-OUTAGE ACCESS CTRL/ALARA INSP	1			
1	IP 7112102	ALARA Planning and Controls		09/25/2006	09/29/2006	Baseline Inspections
1	IP 71151	Performance Indicator Verification		09/25/2006	09/29/2006	Baseline Inspections
	CDBI	- COMPONENT DESIGN BASES INSPECTION	6			
1	IP 7111121	Component Design Bases Inspection		11/13/2006	12/15/2006	Baseline Inspections
	71122.02	- RAM SHIPPING	1			
1	IP 7112202	Radioactive Material Processing and Transportation		11/27/2006	12/01/2006	Baseline Inspections
	71122.01	- RAD EFFLUENTS	1			
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		01/08/2007	01/12/2007	Baseline Inspections
1	IP 71151	Performance Indicator Verification		01/08/2007	01/12/2007	Baseline Inspections
	71122.03	- REMP AND RAM CONTROL	1			
1	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control P		05/21/2007	05/25/2007	Baseline Inspections
	FPI	- FIRE PROTECTION INSPECTION - TRIENNIAL	3			
1	IP 7111105T	Fire Protection [Triennial]		05/21/2007	06/08/2007	Baseline Inspections
	71121.01	- ACCESS CONTROL	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/23/2007	07/27/2007	Baseline Inspections
	HEATSINK	- HEAT SINK INSPECTION	1			
1	IP 7111107B	Heat Sink Performance		08/06/2007	08/10/2007	Baseline Inspections
	FY 2007	- PALISADES INIT PREP 08/2007	1			
1	W90163	OL - INITIAL EXAM - PALISADES - AUG/SEP 2007		08/20/2007	08/24/2007	Not Applicable
	FY 2007	- PALISADES INIT EXAM 09/2007	2			
1	W90163	OL - INITIAL EXAM - PALISADES - AUG/SEP 2007		09/10/2007	09/14/2007	Not Applicable
	71121.02	- ALARA - OUTAGE HEAD REPLACEMENT	1			
1	IP 7112102	ALARA Planning and Controls		09/10/2007	09/21/2007	Baseline Inspections

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