



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

September 1, 2009

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

**SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN –  
PALISADES NUCLEAR PLANT**

Dear Mr. Schwarz:

On August 20, 2009, the NRC staff completed its performance review of Palisades Nuclear Plant. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results for the period from July 1, 2008, through June 30, 2009. 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 security information. A separate letter designated and marked as "Official Use Only--Security Information" will include the security cornerstone review and resultant inspection plan.

Plant performance for the most recent quarter at Palisades Nuclear Plant was within the Regulatory Response column of the NRC's Action Matrix, based on one inspection finding in the Occupational Radiation Safety cornerstone being classified as having low to moderate safety significance (White). This White finding, from the fourth quarter of 2008, involved failure to recognize and assess the impact of radiological hazards in the work place. On August 12, we were notified by your staff of your readiness for the NRC to conduct a supplemental inspection to review the actions taken to address this White finding. We started our supplemental inspection (95001) in response to this White finding on August 31, 2009. This is an addition to the reactor oversight process (ROP) baseline inspections at your facility.

In addition, we have identified a substantive cross-cutting issue (SCCI) in the area of human performance (HP) with a cross-cutting theme in the aspect of planning (H.3(a)). During this assessment period, there were 12 findings documented with cross-cutting aspects in the HP area. Four of the findings shared a common cross-cutting aspect of H.3(a) and were from different cornerstones. We have a concern with your progress in addressing this issue; specifically, you were late in identifying the cross-cutting trend.

In the 2008 End-of-Cycle assessment, we advised you of a SCCI in the area of HP with a cross-cutting theme in the aspect of documentation/procedures (H.2(c)). During this period, the number of findings with the same cross-cutting aspect of H.2(c) was reduced. However, the root cause was not completed until recently. Additionally, although you have initiated new, comprehensive measures to address this issue, many of these corrective actions have not yet been implemented, nor has enough data been gathered to gauge their effectiveness. As a result, the SCCI will remain open.

The SCCI will remain open until all cross-cutting themes have been cleared in the area of HP. To clear each theme, we will assess whether your corrective actions have resulted in a positive sustainable improvement in the area and will consider the number of findings in the theme.

Because you have a substantive cross-cutting issue in the area of HP with the same cross-cutting aspect of H.2(c) for two consecutive assessment cycles, we are requesting you provide a response at a public meeting with your actions undertaken, those actions planned to address the concern, and a current assessment of performance. Additionally, you requested a public meeting to discuss this substantive cross-cutting issue. The meeting is scheduled for September 24 at the Region 3 office. The meeting notice was posted on August 24, 2009 (ADAMS ML092330952).

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through December 31, 2010. 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 End-of-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).

C. Schwarz

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If circumstances arise which cause us to change the inspection plan, we will contact you to discuss the change as soon as possible. Please contact John (Jack) B. Giessner at 630-829-9619 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

**/RA/**

K. Steven West, Director  
Division of Reactor Projects

Docket No. 50-255; 72-007  
License No. DPR-20

Enclosure: Palisades Inspection/Activity Plan

cc w/encl: Senior Vice President  
Vice President Oversight  
Senior Manager, Nuclear Safety & Licensing  
Senior Vice President and COO  
Assistant General Counsel  
Manager, Licensing  
W. DiProfio  
W. Russell  
G. Randolph  
Supervisor, Covert Township  
Office of the Governor  
T. Strong, Chief, State Liaison Officer  
Michigan Department of Environmental Quality  
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Mayor of Bangor  
City Manager of Bangor  
Mayor of Hartford  
City Manager of Hartford  
Mayor of South Haven  
City Manager of South Haven  
Administrator, Allegan County  
Allegan County Sheriff  
Allegan County Emergency Management Coordinator  
County Coordinator  
Berrien County Sheriff  
Director, Berrien County Emergency  
Management Agency  
Chairman, Van Buren County Board  
Van Buren County Sheriff  
Director, Van Buren County Emergency  
Management Agency  
Mayor of Watervliet  
Mayor of Coloma  
G. Mortensen, INPO

Letter to C. Schwarz from K. Steven West dated September 1, 2009

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN –  
PALISADES NUCLEAR PLANT

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C. Schwarz

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Berrien County Sheriff  
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Management Agency  
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**See Previous Concurrences**

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OFFICE	RIII		RIII		RIII			
NAME	Tran:dtp*		JGiessner*		KSWest			
DATE	08/26/09		08/26/09		08/30/09			

**OFFICIAL RECORD COPY**

**Palisades**  
**Inspection / Activity Plan**  
**09/01/2009 - 12/31/2010**

Planned Dates		Inspection Activity	Title	No. of Staff on Site
Start	End			
		<b>RP SUP - SIUPPLEMENTAL FOR RP ISSUES</b>		<b>2</b>
08/31/2009	09/04/2009	IP 95001	Supplemental Inspection For One Or Two White Inputs In A Strategic Performance Area	
		<b>BI EP - EP ROUTINE INSPECTION / PI VERIFICATION</b>		<b>1</b>
10/19/2009	10/23/2009	IP 2515/175	Emergency Response Organization, Drill/Exercise Performance Indicator, Program Review	
10/19/2009	10/23/2009	IP 7111402	Alert and Notification System Testing	
10/19/2009	10/23/2009	IP 7111403	Emergency Response Organization Augmentation Testing	
10/19/2009	10/23/2009	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	
10/19/2009	10/23/2009	IP 71151-EP01	Drill/Exercise Performance	
10/19/2009	10/23/2009	IP 71151-EP02	ERO Drill Participation	
10/19/2009	10/23/2009	IP 71151-EP03	Alert & Notification System	
		<b>BI ENG - ENGINEERING MODIFICATIONS / 50.59 INSP.</b>		<b>4</b>
11/02/2009	11/20/2009	IP 7111117T	Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications	
		<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
12/14/2009	12/18/2009	IP 2515/173	Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative	
12/14/2009	12/18/2009	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems	
		<b>PI&amp;R - BIENNIAL PROBLEM IDENTIFICATION AND RESO</b>		<b>5</b>
01/11/2010	01/29/2010	IP 71152B	Identification and Resolution of Problems	
		<b>BI OL - LIC. OPERATOR REQUAL. PROGRAM EVALUATION</b>		<b>2</b>
02/08/2010	02/12/2010	IP 7111111B	Licensed Operator Requalification Program	
		<b>BI EP - EP EXERCISE INSPECTION / PI VERIFICATION</b>		<b>3</b>
03/01/2010	03/05/2010	IP 7111401	Exercise Evaluation	
03/01/2010	03/05/2010	IP 71151-EP01	Drill/Exercise Performance	
03/01/2010	03/05/2010	IP 71151-EP02	ERO Drill Participation	
03/01/2010	03/05/2010	IP 71151-EP03	Alert & Notification System	
		<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
03/08/2010	03/12/2010	IP 7112202	Radioactive Material Processing and Transportation	
		<b>BI ENG - TRIENNIAL HEAT SINK INSPECTION</b>		<b>2</b>
05/24/2010	05/28/2010	IP 7111107T	Heat Sink Performance	
		<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
05/24/2010	05/28/2010	IP 7112203	Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Program	
		<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
07/26/2010	07/30/2010	IP 7112101	Access Control to Radiologically Significant Areas	
07/26/2010	07/30/2010	IP 71151-BI01	Reactor Coolant System Activity	
07/26/2010	07/30/2010	IP 71151-OR01	Occupational Exposure Control Effectiveness	
07/26/2010	07/30/2010	IP 71151-PR01	RETS/ODCM Radiological Effluent	

**Palisades**  
**Inspection / Activity Plan**  
**09/01/2009 - 12/31/2010**

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Start	End			
		<b>OL PREP - PALISADES INIT PREP - JULY 2010</b>		<b>3</b>
07/26/2010	07/30/2010	W90222	OL - INITIAL EXAM - AUG 2010 - PALI	
		<b>RI ENG - TRIENNIAL FIRE INS INFOR GATHERING TRIP</b>		<b>5</b>
08/02/2010	08/06/2010	IP 7111105T	Fire Protection [Triennial]	
		<b>BI ENG - TRIENNIAL FIRE PROTECTION INSPECTION</b>		<b>5</b>
08/16/2010	09/03/2010	IP 7111105T	Fire Protection [Triennial]	
		<b>OL EXAM - PALISADES INIT EXAM - AUG. 2010</b>		<b>3</b>
08/16/2010	08/27/2010	W90222	OL - INITIAL EXAM - AUG 2010 - PALI	
		<b>BI ENG - ENGINEERING INSERVICE INSPECTION</b>		<b>1</b>
10/04/2010	10/29/2010	IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds	
10/04/2010	10/29/2010	IP 7111108P	Inservice Inspection Activities - PWR	
		<b>RENEWAL - LICENSE RENEWAL 71003 - PHASE 1</b>		<b>2</b>
10/04/2010	10/29/2010	IP 71003	Post-Approval Site Inspection for License Renewal	
		<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
10/18/2010	10/22/2010	IP 7112101	Access Control to Radiologically Significant Areas	
10/18/2010	10/22/2010	IP 7112102	ALARA Planning and Controls	