



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

REGION III  
2443 WARRENVILLE RD. SUITE 210  
LISLE, IL 60532-4352

September 2, 2014

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

**SUBJECT: MID-CYCLE ASSESSMENT LETTER FOR PALISADES NUCLEAR PLANT**

Dear Mr. Vitale:

On August 5, 2014, the U.S. Nuclear Regulatory Commission (NRC) completed its mid-cycle performance review of the Palisades Nuclear Plant. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from July 1, 2013, through June 30, 2014. This letter informs you of the NRC's assessment of your facility during this period and its plans for future inspections at your facility.

The NRC determined that overall, Palisades Nuclear Plant was operated in a manner that preserved public health and safety and met all cornerstone objectives. The NRC determined the performance at Palisades Nuclear Plant during the most recent quarter as well as the previous three quarters of the assessment period was within the Licensee Response column of the NRC's Reactor Oversight Process (ROP) Action Matrix, because all inspection findings had very low (i.e., Green) safety significance, and all PIs indicated that your performance was within the nominal, expected range (i.e., Green). Therefore, the NRC plans to conduct ROP baseline inspections at your facility.

On February 26, 2014, the NRC completed a limited-scope Problem Identification and Resolution (PI&R) inspection focused on Safety Conscious Work Environment (SCWE) issues at Palisades Nuclear Plant. Based on the inspection, the NRC identified a chilled work environment within the Security Department. The security staff interviewed expressed reservations about raising issues or concerns for fear of retaliation. Palisades subsequently developed the Security SCWE Action Plan to address the issues identified by the NRC. The NRC reviewed the effectiveness of actions taken to address the SCWE concerns within the Security Department as part of its May 2014 PI&R inspection. The PI&R inspection determined that although all the actions were being completed in accordance with the Action Plan, actions had been insufficient to understand the cause of the chilled work environment within the Security Department and did not convey a strong commitment to improving Security Department SCWE. In the associated PI&R Inspection Report, the NRC requested a written response outlining additional actions taken or planned by Palisades to improve the SCWE in the Security

Department. On July 18, 2014 you provided this information. The NRC will review the status of the SCWE within the Palisades Security Department using Inspection Procedure 93100, "Safety-Conscious Work Environment Issue of Concern Followup," later this year.

In March 2014, the NRC completed an investigation of an issue involving a security manager assigning a supervisor to duties for which the supervisor was not fully qualified for a two hour period. A Confirmatory Order was developed using the Alternative Dispute Resolution process to address this issue. This order was issued on July 21, 2014, by NRC letter, "Confirmatory Order Related to NRC Report No. 05000255/2014406 and OI Report 3-2013-018; Palisades Nuclear Plant," (Accession Number ML14203A082). The NRC will review the implementation of the Confirmatory Order using Inspection Procedure 92702, "Followup on Corrective Actions for Violations and Deviations."

As a result of the Safety Culture Common Language Initiative, the terminology and coding of cross-cutting aspects were revised. All cross-cutting aspects identified during inspections conducted in calendar year 2014 reflect this revision to Inspection Manual Chapter (IMC) 0310. Cross-cutting aspects identified in 2013 using the 2013 terminology were converted to the latest revision in accordance with the cross-reference in IMC 0310 during the mid-cycle assessment review and evaluated for cross-cutting themes and potential substantive cross-cutting issues in accordance with IMC 0305.

The enclosed inspection plan lists the inspections scheduled through December 31, 2015. Routine inspections performed by resident inspectors are not included in the inspection plan. The inspections listed during the last nine months of the inspection plan are tentative and may be revised at the end-of-cycle performance review. The NRC provides the inspection plan to allow for the resolution of any scheduling conflicts and personnel availability issues. The NRC will contact you as soon as possible to discuss changes to the inspection plan should circumstances warrant any changes. This inspection plan does not include security-related inspections, which will be sent via separate, non-publicly available correspondence.

The NRC plans to conduct infrequently performed inspection activities in accordance with Inspection Procedure 60854.1, "Pre-Operational Testing of ISFSI [Independent Spent Fuel Storage Installation] at Operating Plants;" Inspection Procedure 60855.1, "Operation of an ISFSI at Operating Plants," related to your ISFSI; and as described above, Inspection Procedures 92702 and 93100. Following the Inspection Procedure 93100 inspection, we will determine if additional NRC oversight regarding SCWE at Palisades is warranted.

In response to the accident at Fukushima, the Commission issued Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events," which requires licensees to develop, implement, and maintain guidance and strategies to maintain or restore core cooling, containment, and spent fuel pool cooling capabilities following a beyond-design-basis external event. Additionally, the Commission issued Order EA-12-051, "Order Modifying Licenses with Regard to Reliable Spent Fuel Pool Instrumentation," which requires licensees to have a reliable means of remotely monitoring wide-range Spent Fuel Pool levels to support effective prioritization of event mitigation and recovery actions in the event of a beyond-design-basis external event. The NRC is conducting audits of licensee efforts towards compliance with these Orders. This audit includes an onsite

A. Vitale

-3-

component in order for the NRC to evaluate licensee plans for complying with the Orders, as described in site-specific submittals, and to receive and review information relative to associated open items. This onsite activity will occur in the months prior to a declaration of compliance for the first unit at each site, and will aid staff in development of an ultimate Safety Evaluation for the site. The date for the on-site component at your site is being coordinated with your staff. A site-specific audit plan for the visit will be provided in advance to allow sufficient time for preparations.

In accordance with Title 10 of the *Code of Federal Regulations* 2.390, "Public Inspections, Exemptions, Requests for Withholding," 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 System (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact me at 630-829-9620 with any questions you have regarding this letter.

Sincerely,

*/RA/*

Eric R. Duncan, Chief  
Branch 3  
Division of Reactor Projects

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

Enclosure:  
Palisades Nuclear Plant  
Inspection/Activity Plan

cc w/encl: Distribution via LISTSERV®

A. Vitale

-3-

component in order for the NRC to evaluate licensee plans for complying with the Orders, as described in site-specific submittals, and to receive and review information relative to associated open items. This onsite activity will occur in the months prior to a declaration of compliance for the first unit at each site, and will aid staff in development of an ultimate Safety Evaluation for the site. The date for the on-site component at your site is being coordinated with your staff. A site-specific audit plan for the visit will be provided in advance to allow sufficient time for preparations.

In accordance with Title 10 of the *Code of Federal Regulations* 2.390, "Public Inspections, Exemptions, Requests for Withholding," 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 System (PARS) component of NRC's Agencywide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Please contact me at 630-829-9620 with any questions you have regarding this letter.

Sincerely,

**/RA/**

Eric R. Duncan, Chief  
Branch 3  
Division of Reactor Projects

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

Enclosure:  
Palisades Nuclear Plant  
Inspection/Activity Plan

cc w/encl: Distribution via LISTSERV®

DISTRIBUTION w/encl:

Anthony Bowers  
RidsNrrPMPalisades Resource  
RidsNrrDorLpl3-1 Resource  
RidsNrrDirslrib Resource  
Cynthia Pederson  
Darrell Roberts  
Steven Orth  
Allan Barker

Carole Ariano  
Linda Linn  
DRPIII  
DRSIII  
Patricia Buckley  
Carmen Olteanu  
[ROPAssessment.Resource@nrc.gov](mailto:ROPAssessment.Resource@nrc.gov)

DOCUMENT NAME: Palisades MOC Letter

Publicly Available       Non-Publicly Available       Sensitive       Non-Sensitive

To receive a copy of this document, indicate in the concurrence box "C" = Copy without attach/encl "E" = Copy with attach/encl "N" = No copy

OFFICE	RIII		RIII		RIII		RIII	
NAME	EDuncan:rj							
DATE	08/25/14							

**OFFICIAL RECORD COPY**

**Palisades**  
**Inspection / Activity Plan**  
**09/01/2014 - 12/31/2015**

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			<b>BI ENG - COMPONENT DESIGN BASIS INSPECTION</b>		<b>6</b>
1	09/08/2014	10/10/2014	IP 7111121	Component Design Bases Inspection	
			<b>BI EPX - EP EXERCISE INSPECTION / PI VERIFICATION</b>		<b>2</b>
1	08/27/2014	10/31/2014	IP 7111408	Exercise Evaluation – Scenario Review	
1	10/27/2014	10/31/2014	IP 7111407	Exercise Evaluation - Hostile Action (HA) Event	
1	10/27/2014	10/31/2014	IP 71151	Performance Indicator Verification	
			<b>ISFSI - ISFSI REVIEW OF CFR 72.212(B) EVALS</b>		<b>3</b>
1	09/01/2014	11/28/2014	IP 60856.1	Review of 10 CFR 72.212(b) Evaluations at Operating Plants	
			<b>OL EXAM - INIT EXAM FOR 09/2014</b>		<b>3</b>
1	09/08/2014	09/12/2014	W90308	OL - INITIAL EXAM - 2014 JUN-FEB - PALI	
			<b>FOLLOWUP - SAFETY CONSCIOUS WORK ENVIRONMENT FOLLOW</b>		<b>1</b>
1	11/17/2014	12/12/2014	IP 93100	Safety-Conscious Work Environment Issue of Concern Followup	
			<b>ISFSI - ISFSI INSPECTION - SCHEDULE DEPENDENT</b>		<b>1</b>
1	11/01/2014	11/30/2014	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	12/01/2014	12/05/2014	IP 71124.02	Occupational ALARA Planning and Controls	
1	12/01/2014	12/05/2014	IP 71151-BI01		
1	12/01/2014	12/05/2014	IP 71151-OR01		
1	12/01/2014	12/05/2014	IP 71151-PR01		
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	01/12/2015	01/16/2015	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
			<b>ISFSI - ISFSI PREOP TESTING - SCHEDULE DEPENDENT</b>		<b>1</b>
1	03/01/2015	05/30/2015	IP 60854.1	Preoperational Testing of Independent Spent Fuel Storage Facility Installation at Operating Plants	
			<b>BI FIRE - FIRE PROTECTION INSPECTION AND BAG TRIP</b>		<b>3</b>
1	03/16/2015	04/17/2015	IP 7111105T	Fire Protection [Triennial]	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	03/30/2015	04/03/2015	IP 71124.05	Radiation Monitoring Instrumentation	
			<b>ISFSI - ISFSI OPERATION - SCHEDULE DEPENDENT</b>		<b>2</b>
1	05/01/2015	06/30/2015	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants	
			<b>BI EPR - EP ROUTINE INSPECTION / PI VERIFICATION</b>		<b>2</b>
1	06/01/2015	06/05/2015	IP 7111402	Alert and Notification System Testing	
1	06/01/2015	06/05/2015	IP 7111403	Emergency Preparedness Organization Staffing and Augmentation System	
1	06/01/2015	06/05/2015	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies	

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

**Palisades**  
**Inspection / Activity Plan**  
**09/01/2014 - 12/31/2015**

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			<b>BI EPR - EP ROUTINE INSPECTION / PI VERIFICATION</b>		<b>2</b>
1	06/01/2015	06/05/2015	IP 71151	Performance Indicator Verification	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	07/13/2015	07/17/2015	IP 71124.06	Radioactive Gaseous and Liquid Effluent Treatment	
1	07/13/2015	07/17/2015	IP 71151-BI01		
1	07/13/2015	07/17/2015	IP 71151-OR01		
1	07/13/2015	07/17/2015	IP 71151-PR01		
			<b>BI ISI - ISI INSPECTION</b>		<b>1</b>
1	09/15/2015	10/15/2015	IP 7111108P	Inservice Inspection Activities - PWR	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	10/05/2015	10/09/2015	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
			<b>BI ENG - TRIENNIAL HEAT SINK INSPECTION</b>		<b>3</b>
1	11/16/2015	11/20/2015	IP 7111107T	Heat Sink Performance	

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