



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

March 4, 2015

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

**SUBJECT: ANNUAL ASSESSMENT LETTER FOR PALISADES NUCLEAR PLANT  
(REPORT 05000255/2014001)**

Dear Mr. Vitale:

On February 12, 2015, the U.S. Nuclear Regulatory Commission (NRC) completed its end-of-cycle performance review of Palisades Nuclear Plant. The NRC reviewed the most recent quarterly performance indicators (PIs) in addition to inspection results and enforcement actions from January 1, 2014 through December 31, 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 the performance at Palisades during the most recent quarter was within the Regulatory Response Column of the NRC's Reactor Oversight Process (ROP) Action Matrix after a finding of low-to-moderate safety significance (White) in the Occupational Radiation Safety cornerstone was identified in the fourth quarter of 2014 and all PIs were within the nominal, expected range (i.e., Green). The White finding was associated with the failure to adequately assess the radiation dose to workers who were replacing control rod drive mechanism housings in February and March 2014. As a result of this White finding, Palisades transitioned from the Licensee Response Column to the Regulatory Response Column of the ROP Action Matrix in the fourth quarter of 2014.

Therefore, in addition to the ROP baseline inspections, the NRC plans to conduct a supplemental inspection in accordance with Inspection Procedure 95001, "Supplemental Inspection for One or Two White Inputs in a Strategic Performance Area," for this White finding. The NRC will conduct the inspection after you notify us of your readiness for the NRC to review your actions to address the performance issues associated with this White finding.

A limited scope Problem Identification and Resolution (PI&R) inspection conducted in December 2013 identified a chilled work environment within the Security Department. Palisades subsequently developed the Security Safety Conscious Work Environment (SCWE) Action Plan to address the issues identified by the NRC. In May 2014, the NRC conducted a biennial PI&R inspection, which concluded that implementation of the Action Plan had been insufficient to understand the cause of the chilled work environment and did not demonstrate a strong commitment to improving the Security Department SCWE at Palisades. In July 2014, Palisades provided, at the NRC's request, an outline of additional actions to improve the SCWE

in the Security Department. A focused SCWE inspection conducted in December 2014 concluded that although the Palisades Security Department no longer had a chilled work environment; the cultural improvements remained fragile and vulnerable to events that might be perceived negatively by the security officers. The NRC will determine whether the actions to address Security Department SCWE have been sustained as part of baseline PI&R inspection activities planned for late 2015. Following these inspection activities, the NRC will determine if additional NRC oversight at Palisades is warranted.

The enclosed inspection plan lists the inspections scheduled through June 30, 2016. Routine inspections performed by the 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 mid-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.

In addition to the ROP baseline inspections, the NRC plans to conduct infrequent inspections related to Inspection Procedure (IP) 92709, "Contingency Plans for Licensee Strikes or Lockouts;" and IP 92711, "Implementation of Licensee Contingency Plans During a Strike/Lockout," if needed due to expiring contracts; and IP 60854.1, "Preoperational Testing of ISFSIs [Independent Spent Fuel Storage Installations] at Operating Plants;" IP 60855.1, "Operation of an ISFSI at Operating Plants;" and IP 60856.1, "Review of 10 CFR 72.212(b) Evaluations at Operating Plants;" related to ISFSI inspections.

Additionally, an NRC audit of licensee efforts towards compliance with Order EA-12-049, "Order Modifying Licenses with Regard to Requirements for Mitigation Strategies for Beyond-Design-Basis External Events," and Order EA-12-051, "Order Modifying Licenses with Regard to Reliable Spent Fuel Pool Instrumentation" is ongoing for various sites. The audit includes an onsite visit from the NRC staff to evaluate mitigating strategies as described in the licensee submittals, and to receive and review information relative to associated open items. This onsite audit will occur prior to the first unit at the site achieving compliance with the Orders and the audit will aid NRC staff in developing a final Safety Evaluation for the site. The audit at your site has been scheduled for the week of June 15, 2015. 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* (10 CFR) 2.390, "Public Inspections, Exemptions, Requests for Withholding," of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response (if any) will be available electronically for public inspection in the NRC's Public Document Room or from the Publicly Available Records (PARS) component of the 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).

A. Vitale

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

Sincerely,

*/RA/*

Anne T. Boland, Director  
Division of Reactor Projects

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

Enclosure:  
Palisades Nuclear Plant  
Inspection/Activity Plan

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A. Vitale

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

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**Palisades**  
**Inspection / Activity Plan**  
**03/01/2015 - 06/30/2016**

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			<b>ISFSI - DESIGN REVIEWS</b>		<b>1</b>
1	01/01/2015	03/31/2015	IP 60856.1	Review of 10 CFR 72.212(b) Evaluations at Operating Plants	
			<b>BI FIRE - FIRE PROTECTION INSPECTION AND BAG TRIP</b>		<b>6</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	02/08/2016	02/12/2016	IP 71124.01	Radiological Hazard Assessment and Exposure Controls	
			<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 RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>2</b>
1	03/09/2015	03/13/2015	IP 71124.02	Occupational ALARA Planning and Controls	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>2</b>
1	03/30/2015	04/03/2015	IP 71124.05	Radiation Monitoring Instrumentation	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	04/20/2015	04/24/2015	IP 71124.08	Radioactive Solid Waste Processing and Radioactive Material Handling, Storage, and Transportation	
			<b>STRIKE P - STRIKE PREPARATIONS</b>		<b>1</b>
1	05/01/2015	06/01/2015	IP 92709	Licensee Strike Contingency Plans	
			<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>OTHER - STRIKE CONTINGENCY PLANS REVIEW</b>		<b>3</b>
1	05/04/2015	05/29/2015	IP 92709	Licensee Strike Contingency Plans	
			<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	
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	Performance Indicator Verification	
			<b>BI ISI - ISI INSPECTION</b>		<b>1</b>
1	09/21/2015	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	

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

**Palisades**  
**Inspection / Activity Plan**  
**03/01/2015 - 06/30/2016**

Unit Number	Planned Dates		Inspection Activity	Title	No. of Staff on Site
	Start	End			
			<b>BI ENG - TRIENNIAL HEAT SINK INSPECTION</b>		<b>2</b>
1	11/16/2015	11/20/2015	IP 7111107T	Heat Sink Performance	
			<b>PI&amp;R - BIENNIAL PI&amp;R INSPECTION</b>		<b>4</b>
1	03/21/2016	04/08/2016	IP 71152B	Problem Identification and Resolution	
			<b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>		<b>1</b>
1	06/20/2016	06/24/2016	IP 71124.07	Radiological Environmental Monitoring Program	
			<b>ENG BI - MODIFICATIONS / 50.59 INSPECTION</b>		<b>3</b>
1	06/27/2016	07/15/2016	IP 7111117T	Evaluations of Changes, Tests, and Experiments and Permanent Plant Modifications	

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