

August 30, 2005

Mr. Paul A. Harden
Site Vice President
Nuclear Management Company, LLC
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. Harden:

On August 9, 2005, the NRC staff completed its performance review of the Palisades Nuclear Plant for the first half of the calendar year 2005 assessment cycle. Our technical staff reviewed performance indicators (PIs) for the most recent quarter and inspection results over the previous 12 months. 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 a resultant inspection plan.

Plant performance for the most recent quarter 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). Therefore, we plan to conduct only reactor oversight process (ROP) baseline inspections at your facility through March 31, 2007.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2007. The plan contains a non-routine Independent Spent Fuel Storage Installation (ISFSI) Inspection and a License Renewal Inspection, both of which are scheduled to begin October 2005. Other significant inspections planned for this year include a Biennial Problem Identification and Resolution Inspection in January 2006, and a Biennial Safety System Design and Performance Inspection in July 2006. The inspection plan is provided to minimize the resource impact on your staff and 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 nine months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

P. Harden

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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 the inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at (630) 829-9628 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA by R. Lerch Acting for/

Eric R. Duncan, Chief
Reactor Projects Branch 6
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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Palisades
Inspection / Activity Plan
09/01/2005 - 03/31/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	MAINT	- BIENNIAL MAINTENANCE RULE INSPECTION	1			
1	IP 711112B	Maintenance Effectiveness		08/29/2005	09/02/2005	Baseline Inspections
	INSPECTI	- ISFSI INSPECTION	2			
1	IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		10/01/2005	12/01/2005	Other Routine
	LIC RENE	- SCOPING & AGING MANAGMNT LICENSE RENEWAL	5			
1	IP 71002	License Renewal Inspection		10/24/2005	11/18/2005	License Renewal Insp
	ROUTINE	- EFFLUENTS, REMP, PI VERIFICATION	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/31/2005	11/04/2005	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		10/31/2005	11/04/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/31/2005	11/04/2005	Baseline Inspections
	HEATSKB	- BIENNIAL HEAT SINK INSPECTION	1			
1	IP 7111107B	Heat Sink Performance		11/28/2005	12/02/2005	Baseline Inspections
	PI&R	- PI&R BIENNIAL	3			
1	IP 71152B	Identification and Resolution of Problems		01/17/2006	02/10/2006	Baseline Inspections
	71111.11	- LIC OPERATOR REQUAL PROGRAM EVALUATION	2			
1	IP 7111111B	Licensed Operator Requalification Program		01/23/2006	01/27/2006	Baseline Inspections
	FY 2006	- PALISADES RETAKE EXAM 02/2006	1			
1	W90149	RETAKE OF INITIAL OL EXAMS - PALISADES 050-255		02/06/2006	02/10/2006	Not Applicable
	ISI	- PALISADES ISI INSPECTION	1			
1	IP 7111108P	Inservice Inspection Activities - PWR		04/03/2006	04/21/2006	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
	SSDPC	- SAFETY SYSTEM DESIGN AND PERFORMANCE	5			
1	IP 7111121	Safety System Design and Performance Capability		07/24/2006	08/25/2006	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
	71122.02	- RAM SHIPPING	1			
1	IP 7112202	Radioactive Material Processing and Transportation		11/27/2006	12/01/2006	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
09/01/2005 - 03/31/2007

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
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

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This report shows only on-site and announced inspection procedures.