

March 3, 2008

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

SUBJECT: ANNUAL ASSESSMENT LETTER - PALISADES NUCLEAR PLANT
(5000255/2008001)

Dear Mr. Schwarz:

On February 12, 2008, 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 January 1 through December 31, 2007. 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 Related Information" will include the security cornerstone review and resultant inspection plan.

Overall, 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). Therefore, we plan to conduct reactor oversight process (ROP) baseline inspections at your facility.

Additionally, the staff has identified a substantive cross-cutting issue in the area of human performance with a cross-cutting theme in the aspect of error prevention. There were 11 Green findings with a documented cross-cutting aspect in human performance. Four of the findings shared a common cross-cutting aspect of failure to use proper error prevention techniques (H.4(a)). In addition, these findings were from more than one cornerstone. Your staff has initiated actions to improve performance. This cross-cutting issue will remain open until the number of findings with the same cross-cutting aspect is reduced or when the NRC gains confidence your actions to address this adverse trend in human performance.

In our mid-cycle assessment letter, dated August 31, 2007, (ADAMS Ref. ML072430433) we advised you of a substantive cross-cutting issue in the area of problem identification and resolution, based on a number of findings with inadequate evaluations, aspect P.1(c). The end-of-cycle assessment of this cross-cutting issue included a review of the inspection results over the 12-month period of January 1 through December 31, 2007. During this period, the number of findings with the same cross-cutting aspect was reduced, and substantive cross cutting issue criteria in IMC 0305 were not met. Therefore, this substantive cross-cutting issue is closed.

The enclosed inspection plan details the inspections, including baseline and other infrequently conducted inspections, less those related to security, scheduled through June 30, 2009. 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 nine 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 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), 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 Christine Lipa at 630-829-9619 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA by Gary L. Shear for/

Cynthia D. Pederson, Director
Division of Reactor Projects

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

Enclosure: Palisades Inspection/Activity Plan

DISTRIBUTION:
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Cynthia D. Pederson, Director
Division of Reactor Projects

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

Enclosure: Palisades Inspection/Activity Plan

DISTRIBUTION:
See next page

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OFFICE	RIII	RIII	RIII				
NAME	RLerch:ntp	CLipa* RML for	CPederson* GLS for				
DATE	02/29/08	02/29/08	02/29/08				

OFFICIAL RECORD COPY

Letter to C. Schwarz from C. Pederson dated March 3, 2008

SUBJECT: ANNUAL ASSESSMENT LETTER - PALISADES NUCLEAR PLANT
(5000255/2008001)

cc w/encl: M. Kansler, President and Chief Executive Officer/
Chief Nuclear Officer
J. Herron, Senior Vice President
Senior Vice President, Engineering and
Technical Services
M. Balduzzi, Senior Vice President and
Chief Operating Officer, Regional
Operations, NE
O. Limpas, Vice President, Engineering
J. Ventosa, General Manager, Engineering
J. DeRoy, Vice President, Operations Support
Director, NSA
J. McCann, Director, Nuclear Safety & Licensing
E. Harkness, Director of Oversight
General Manager, Plant Operations
C. Faison, Manager, Licensing
L. Lahti, Manager, Licensing
W. Dennis, Assistant General Counsel
W. DiProfio
W. Russell
G. Randolph
Supervisor, Covert Township
Office of the Governor
T. Strong, Chief, State Liaison Office, State of Michigan
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Office of the Attorney General
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
INPO

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FES

TEB

RidsNrrDirslpab

JLC1

MAS

KGO

JKH3

RML2

SRI Palisades

DRPIII

DRSIII

PLB1

TXN

ROPreports@nrc.gov (inspection reports, final SDP letters, any letter with an IR number)

Palisades
Inspection / Activity Plan
03/01/2008 - 06/30/2009

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	End	Inspection Type
BI PI&R - BIENNIAL PI&R INSPECTION		3			
IP 71152B	Identification and Resolution of Problems		03/31/2008	04/18/2008	Baseline Inspections
ISFSI - ISFSI INSPECTION		1			
IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		02/18/2008	03/30/2008	Other Routine
PREP WK - PALISADES INITIAL EXAM PREP WEEK		2			
W90204	OL - INITIAL EXAM - JULY 2008 - PALI		06/09/2008	06/13/2008	Not Applicable
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112202	Radioactive Material Processing and Transportation		05/19/2008	05/23/2008	Baseline Inspections
IP 71151-BI01	Reactor Coolant System Activity		05/19/2008	05/23/2008	Baseline Inspections
IP 71151-OR01	Occupational Exposure Control Effectiveness		05/19/2008	05/23/2008	Baseline Inspections
IP 71151-PR01	RETS/ODCM Radiological Effluent		05/19/2008	05/23/2008	Baseline Inspections
2515/172 - TI 2515/172 RCS WELD INSPECTION		1			
IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds		05/19/2008	06/07/2008	Generic Safety Inspectio
OL EXAM - OPERATOR LICENSING EXAM		2			
W90204	OL - INITIAL EXAM - JULY 2008 - PALI		06/09/2008	06/13/2008	Not Applicable
W90204	OL - INITIAL EXAM - JULY 2008 - PALI		07/07/2008	07/11/2008	Not Applicable
2515/171 - TI 2515/171 B5B PHASE 2 AND 3		2			
IP 2515/171	VERIFICATION OF SITE SPECIFIC IMPLEMENTATION OF B.5.B PHASE 2 & 3 MITIGATING STRATEGIES		07/28/2008	08/01/2008	Generic Safety Inspectio
BI EP - EP EXERCISE INSPECTION / PI VERIFICATION		3			
IP 7111401	Exercise Evaluation		09/15/2008	09/19/2008	EP Baseline Inspection
IP 71151-EP01	Drill/Exercise Performance		09/15/2008	09/19/2008	Baseline Inspections
IP 71151-EP02	ERO Drill Participation		09/15/2008	09/19/2008	Baseline Inspections
IP 71151-EP03	Alert & Notification System		09/15/2008	09/19/2008	Baseline Inspections
BI ENG - COMPONENT DESIGN BASES INSPECTION		5			
IP 7111121	Component Design Bases Inspection		11/03/2008	12/05/2008	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112101	Access Control to Radiologically Significant Areas		12/08/2008	12/12/2008	Baseline Inspections
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112101	Access Control to Radiologically Significant Areas		03/23/2009	03/27/2009	Baseline Inspections
IP 7112102	ALARA Planning and Controls		03/23/2009	03/27/2009	Baseline Inspections
BI ENG - ENGINEERING INSERVICE INSPECTION		2			
IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds		03/23/2009	04/24/2009	Generic Safety Inspectio
IP 7111108P	Inservice Inspection Activities - PWR		03/23/2009	04/24/2009	Baseline Inspections
RENEWAL - POST-APPROVAL SITE INSP. FOR LR		1			
IP 71003	Post-Approval Site Inspection for License Renewal		03/23/2009	04/24/2009	License Renewal Inspec

Palisades
Inspection / Activity Plan
03/01/2008 - 06/30/2009

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End		Inspection Type
OL EXAM - OPERATOR LICENSING EXAM		3			
W90208	OL - INITIAL EXAM - MAY/JUNE 2009 - PALI		05/04/2009	05/08/2009	Not Applicable
W90208	OL - INITIAL EXAM - MAY/JUNE 2009 - PALI		05/25/2009	06/05/2009	Not Applicable
TI - TEMPORARY INSTRUCTION 2515/172		1			
IP 2515/172	Reactor Coolant System Dissimilar Metal Butt Welds		05/18/2009	05/22/2009	Generic Safety Inspecti
BI RP - RADIATION PROTECTION BASELINE INSPECTION		1			
IP 7112101	Access Control to Radiologically Significant Areas		06/15/2009	06/19/2009	Baseline Inspections
IP 7112102	ALARA Planning and Controls		06/15/2009	06/19/2009	Baseline Inspections