

August 30, 2004

Mr. Daniel J. Malone
Site Vice President
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN
PALISADES NUCLEAR PLANT (REPORT 05000255/05-01)

Dear Mr. Malone:

On August 11, 2004, the NRC staff completed its mid-cycle plant performance assessment of the Palisades Nuclear Plant. The mid-cycle review for the Palisades Nuclear Plant involved the participation of all technical divisions in evaluating performance for the first half of the 2004 assessment cycle. The process included a review of 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

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). A White inspection finding in the Initiating Events cornerstone was open for four quarters and was closed during the most recent quarter based upon a satisfactory Inspection Procedure 95001 Supplemental Inspection. As a result, Palisades Nuclear Plant performance transitioned from the Regulatory Response Column to the Licensee Response Column of the NRC's Action Matrix. Therefore, we plan to conduct only Reactor Oversight Process (ROP) baseline inspections at your facility through March 31, 2006.

The enclosed inspection plan details the inspections scheduled through March 31, 2006. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The inspection plan for the last 12 months is tentative and may be revised at the end-of-cycle review meeting.

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

Sincerely,

/RA/

Steven A. Reynolds, Acting Director
Division of Reactor Projects

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

Enclosure: Palisades Inspection/Activity Plan

See Attached Distribution

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Sincerely,

/RA/

Steven A. Reynolds, Acting Director
Division of Reactor Projects

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License No. DPR-20

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Manager, Regulatory Affairs
J. Rogoff, Vice President, Counsel and Secretary
A. Udrys, Esquire, Consumers Energy Company
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SRI Palisades

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PLB1

JRK1

Palisades
Inspection / Activity Plan
09/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	ISI/TI	- INSERVICE INSPECTION & TI-150	2			
1	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-02)		09/20/2004	10/08/2004	Safety Issues
1	IP 7111108P	Inservice Inspection Activities - PWR		09/20/2004	10/08/2004	Baseline Inspections
	IP 71121	- RP OUTAGE ALARA & ACCESS CONTROL INSP	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		09/27/2004	10/01/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		09/27/2004	10/01/2004	Baseline Inspections
	MOD/5059	- MODIFICATIONS & 50.59 INSPECTION	3			
1	IP 7111117B	Permanent Plant Modifications		12/13/2004	12/17/2004	Baseline Inspections
	IP 71121	- RP POST-OUTAGE ALARA & ACCESS CNTRL INSP	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/13/2004	12/17/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		12/13/2004	12/17/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/13/2004	12/17/2004	Baseline Inspections
	FPI	- TRIENNIAL FIRE PROTECTION INSPECTION	3			
1	IP 7111105T	Fire Protection		01/10/2005	01/28/2005	Baseline Inspections
	FY 2005	- PALISADES INIT PREP 04/2005	4			
1	W90126	OL - INITIAL EXAM - PALISADES - APR/MAY 2005		04/25/2005	04/29/2005	Not Applicable
	IP 71121	- RP ACCESS CTRL/ALARA INSPECTION	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		04/25/2005	04/29/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		04/25/2005	04/29/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		04/25/2005	04/29/2005	Baseline Inspections
	FY 2005	- PALISADES INIT EXAM 05/2005	4			
1	W90126	OL - INITIAL EXAM - PALISADES - APR/MAY 2005		05/23/2005	06/03/2005	Not Applicable
	71114	- BASELINE EP INSPECTION	1			
1	IP 7111402	Alert and Notification System Testing		06/27/2005	07/01/2005	Baseline Inspections
1	IP 7111403	Emergency Response Organization Augmentation Testing		06/27/2005	07/01/2005	Baseline Inspections
1	IP 7111405	Correction of Emergency Preparedness Weaknesses and Deficiencies		06/27/2005	07/01/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		06/27/2005	07/01/2005	Baseline Inspections
	IP 71121	- RP ACCESS CTRL/ALARA INSPECTION	1			
1	IP 7112101	Access Control to Radiologically Significant Areas		06/27/2005	07/01/2005	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		06/27/2005	07/01/2005	Baseline Inspections
	ISFI	- OPERATION OF AN ISFSI	1			
1	IP 60855	Operation Of An ISFSI		07/01/2005	09/30/2005	Other Routine
	MAINT	- BIENNIAL MAINTENANCE RULE INSPECTION	1			
1	IP 7111112B	Maintenance Effectiveness		08/29/2005	09/02/2005	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
09/01/2004 - 03/31/2006

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
				Start	End	
	IP 71122 - RP REMP/RAM CONTROL INSPECTION		1			
1	IP 7112203	Radiological Environmental Monitoring Program		08/29/2005	09/02/2005	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/29/2005	09/02/2005	Baseline Inspections
	IP 71122 - RP LIQ/GAS EFFLUENT INSPECTION		1			
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
	SSDPC - SAFETY SYSTEM DESIGN AND PERFORMANCE		5			
1	IP 7111121	Safety System Design and Performance Capability		02/27/2006	03/17/2006	Baseline Inspections
	ISI - PALISADES ISI INSPECTION		1			
1	IP 7111108P	Inservice Inspection Activities - PWR		03/19/2006	04/13/2006	Baseline Inspections
	IP 71121 - RP OUTAGE ACCESS CTRL & ALARA INSP		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		03/27/2006	03/31/2006	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		03/27/2006	03/31/2006	Baseline Inspections

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