



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION**

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

March 4, 2009

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  
(5000255/2009001)

Dear Mr. Schwarz:

On February 10, 2009, 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, 2008. 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 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 at Palisades was within the Regulatory Response column of the NRC's Action Matrix based on one inspection finding in the Occupational Radiation Safety cornerstone being classified as having low to moderate safety significance (White). This White finding, from the fourth quarter of 2008, involved failure to recognize and assess the impact of radiological hazards in the work place. Therefore, we plan to conduct a supplemental inspection (95001) in addition to reactor oversight process (ROP) baseline inspections at your facility. Please notify us of your readiness to conduct the supplemental inspection.

In our end-of-cycle assessment letter dated March 3, 2008, and mid-cycle assessment letter dated September 2, 2008, we advised you of a substantive cross-cutting issue in the area of Human Performance (HP) with a cross-cutting theme in the aspect of error prevention techniques (H.4(a)). You have instituted actions to improve performance in this area. Based on your performance, we have gained confidence in your use of error prevention techniques during this assessment period. The theme of error prevention techniques is considered closed.

However, the NRC has identified a new substantive cross-cutting theme of documentation/procedures (H.2(c)) in the area of HP. During this assessment period, there were 17 findings documented with cross-cutting aspects in the HP area. Six of the findings shared a common cross-cutting aspect of H.2(c). In addition, these findings were from four different cornerstones. Therefore, a new substantive cross-cutting theme in the aspect of H.2(c) will be opened and the substantive cross-cutting issue will be open until the NRC gains confidence in your efforts and progress in addressing this aspect of human performance.

The enclosed inspection plan details the inspections, less those related to security, scheduled through June 30, 2010. 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 9 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 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 John (Jack) Giessner at 630-829-9619 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

**/RA/**

Cynthia D. Pederson, Director  
Division of Reactor Projects

Docket No. 50-255; 72-007  
License No. DPR-20

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Letter to C. Schwarz from C. Pederson dated March 4, 2009

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cc w/encl: Senior Vice President  
Vice President Oversight  
Senior Manager, Nuclear Safety & Licensing  
Senior Vice President and COO  
Assistant General Counsel  
Manager, Licensing  
W. DiProfio  
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G. Randolph  
Supervisor, Covert Township  
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T. Strong, Chief, State Liaison Officer  
Michigan Department of Environmental Quality  
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  
G. Mortensen, INPO

**Palisades**  
**Inspection / Activity Plan**  
**03/01/2009 - 06/30/2010**

| Planned Dates |            | Inspection Activity  | Title   | No. of Staff on Site |
|---------------|------------|--|---|----------------------|
| Start         | End        |  |   |                      |
|               |            | <b>BI ENG - INSERVICE INSPECTION &amp; TI-172 REVISION 1</b> |   | <b>1</b>             |
| 03/23/2009    | 04/17/2009 | IP 2515/172  | Reactor Coolant System Dissimiliar Metal Butt Welds                                       |                      |
| 03/23/2009    | 04/17/2009 | IP 7111108P  | Inservice Inspection Activities - PWR   |                      |
|               |            | <b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>      |   | <b>2</b>             |
| 03/30/2009    | 04/03/2009 | IP 7112101   | Access Control to Radiologically Significant Areas  |                      |
| 03/30/2009    | 04/03/2009 | IP 7112102   | ALARA Planning and Controls   |                      |
|               |            | <b>FY 09 - PALISADES INIT PREP 05/09</b>                     |   | <b>3</b>             |
| 05/04/2009    | 05/08/2009 | W90208   | OL - INITIAL EXAM - MAY/JUNE 2009 - PALI  |                      |
|               |            | <b>FY 09 - PALISADES INIT EXAM 05/09</b>                     |   | <b>3</b>             |
| 05/25/2009    | 06/05/2009 | W90208   | OL - INITIAL EXAM - MAY/JUNE 2009 - PALI  |                      |
|               |            | <b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>      |   | <b>1</b>             |
| 06/15/2009    | 06/19/2009 | IP 7112101   | Access Control to Radiologically Significant Areas  |                      |
| 06/15/2009    | 06/19/2009 | IP 7112102   | ALARA Planning and Controls   |                      |
|               |            | <b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>      |   | <b>1</b>             |
| 08/24/2009    | 08/28/2009 | IP 7112103   | Radiation Monitoring Instrumentation and Protective Equipment                             |                      |
| 08/24/2009    | 08/28/2009 | IP 71151-BI01  | Reactor Coolant System Activity   |                      |
| 08/24/2009    | 08/28/2009 | IP 71151-OR01  | Occupational Exposure Control Effectiveness   |                      |
| 08/24/2009    | 08/28/2009 | IP 71151-PR01  | RETS/ODCM Radiological Effluent   |                      |
|               |            | <b>BI EP - EP ROUTINE INSPECTION / PI VERIFICATION</b>       |   | <b>1</b>             |
| 10/19/2009    | 10/23/2009 | IP 2515/175  | Emergency Response Organization, Drill/Exercise Performance Indicator, Program Review     |                      |
| 10/19/2009    | 10/23/2009 | IP 7111402   | Alert and Notification System Testing   |                      |
| 10/19/2009    | 10/23/2009 | IP 7111403   | Emergency Response Organization Augmentation Testing                                      |                      |
| 10/19/2009    | 10/23/2009 | IP 7111405   | Correction of Emergency Preparedness Weaknesses and Deficiencies                          |                      |
| 10/19/2009    | 10/23/2009 | IP 71151-EP01  | Drill/Exercise Performance  |                      |
| 10/19/2009    | 10/23/2009 | IP 71151-EP02  | ERO Drill Participation   |                      |
| 10/19/2009    | 10/23/2009 | IP 71151-EP03  | Alert & Notification System   |                      |
|               |            | <b>BI ENG - ENGINEERING MODIFICATIONS / 50.59 INSP.</b>      |   | <b>3</b>             |
| 11/02/2009    | 11/20/2009 | IP 7111117T  | Evaluations of Changes, Tests, or Experiments and Permanent Plant Modifications           |                      |
|               |            | <b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b>      |   | <b>1</b>             |
| 12/14/2009    | 12/18/2009 | IP 2515/173  | Review of the Implementation of the Industry Ground Water Protection Voluntary Initiative |                      |
| 12/14/2009    | 12/18/2009 | IP 7112201   | Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems                  |                      |
|               |            | <b>PI&amp;R - BIENNIAL PROBLEM IDENTIFICATION AND RESO</b>   |   | <b>4</b>             |
| 01/11/2010    | 01/29/2010 | IP 71152B  | Identification and Resolution of Problems   |                      |
|               |            | <b>BI OL - LIC. OPERATOR REQUAL. PROGRAM EVALUATION</b>      |   | <b>2</b>             |
| 02/08/2010    | 02/12/2010 | IP 7111111B  | Licensed Operator Requalification Program   |                      |

**Palisades**  
**Inspection / Activity Plan**  
**03/01/2009 - 06/30/2010**

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|---------------|------------|---|---|----------------------|
| Start         | End        |   |   |                      |
|               |            | <b>BI EP - EP EXERCISE INSPECTION/PI VERIFICATION</b>   |   | <b>4</b>             |
| 03/01/2010    | 03/05/2010 | IP 7111401  | Exercise Evaluation   |                      |
| 03/01/2010    | 03/05/2010 | IP 71151-EP01   | Drill/Exercise Performance  |                      |
| 03/01/2010    | 03/05/2010 | IP 71151-EP02   | ERO Drill Participation   |                      |
| 03/01/2010    | 03/05/2010 | IP 71151-EP03   | Alert & Notification System   |                      |
|               |            | <b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b> |   | <b>1</b>             |
| 03/08/2010    | 03/12/2010 | IP 7112202  | Radioactive Material Processing and Transportation  |                      |
|               |            | <b>BI ENG - TRIENNIAL FIRE PROTECTION INSPECTION</b>    |   | <b>3</b>             |
| 03/29/2010    | 04/16/2010 | IP 7111105T   | Fire Protection [Triennial]   |                      |
|               |            | <b>RI ENG - TRIENNIAL FIRE INS INFOR GATHERING TRIP</b> |   | <b>3</b>             |
| 03/15/2010    | 03/19/2010 | IP 7111105T   | Fire Protection [Triennial]   |                      |
|               |            | <b>BI ENG - TRIENNIAL HEAT SINK INSPECTION</b>          |   | <b>1</b>             |
| 05/24/2010    | 05/28/2010 | IP 7111107T   | Heat Sink Performance   |                      |
|               |            | <b>BI RP - RADIATION PROTECTION BASELINE INSPECTION</b> |   | <b>1</b>             |
| 05/24/2010    | 05/28/2010 | IP 7112203  | Radiological Environmental Monitoring Program (REMP) And Radioactive Material Control Program |                      |

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Cynthia D. Pederson, Director  
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| DATE   | 02/27/09      | 02/27/09              | 02/26/09  |  |

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