

August 27, 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: PALISADES NUCLEAR PLANT
NRC EMERGENCY PREPAREDNESS INSPECTION REPORT
NO. 05000255/2004011(DRS)

Dear Mr. Malone:

On August 20, 2004, the NRC completed an inspection at your Palisades Nuclear Plant. The enclosed report documents the inspection findings, which were discussed on August 20, 2004, with Mr. D. Cooper, you, and members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel. Specifically, this inspection focused on emergency preparedness, including your staff's determinations of performance indicators for the Emergency Preparedness Cornerstone.

On the basis of the results of this inspection, no findings of significance were identified.

In accordance with 10 CFR Part 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/

Kenneth Riemer, Chief
Plant Support Branch
Division of Reactor Safety

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

Enclosure: Inspection Report 05000255/2004011(DRS)

See Attached Distribution

D. Malone

-2-

cc w/encl: J. Cowan, Executive Vice President
and Chief Nuclear Officer
R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
D. Cooper, Senior Vice President - Group Operations
Manager, Regulatory Affairs
J. Rogoff, Vice President, Counsel and Secretary
A. Udrys, Esquire, Consumers Energy Company
Director of Nuclear Assets, Consumers Energy Company
Supervisor, Covert Township
Office of the Governor
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Department of Attorney General
W. King, FEMA Region V

August 27, 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: PALISADES NUCLEAR PLANT
NRC EMERGENCY PREPAREDNESS INSPECTION REPORT
NO. 05000255/2004011(DRS)

Dear Mr. Malone:

On August 20, 2004, the NRC completed an inspection at your Palisades Nuclear Plant. The enclosed report documents the inspection findings, which were discussed on August 20, 2004, with Mr. D. Cooper, you, and members of your staff.

The inspection examined activities conducted under your license as they relate to safety and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed activities, and interviewed personnel. Specifically, this inspection focused on emergency preparedness, including your staff's determinations of performance indicators for the Emergency Preparedness Cornerstone.

On the basis of the results of this inspection, no findings of significance were identified.

In accordance with 10 CFR Part 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). ADAMS is accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

Sincerely,

/RA/
Kenneth Riemer, Chief
Plant Support Branch
Division of Reactor Safety

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

Enclosure: Inspection Report 05000255/2004011(DRS)

See Attached Distribution

DOCUMENT NAME: G:DRS\ML042400244.wpd

To receive a copy of this document, indicate in the box: "C" = Copy without attachment/enclosure "E" = Copy with attachment/enclosure "N" = No copy

OFFICE	RIII	E	RIII	N	RIII	N	RIII	
NAME	TPloski:sd		EDuncan		KRiemer			
DATE	08/ /04		08/ /04		08/ /04			

OFFICIAL RECORD COPY

cc w/encl: J. Cowan, Executive Vice President
and Chief Nuclear Officer
R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
D. Cooper, Senior Vice President - Group Operations
Manager, Regulatory Affairs
J. Rogoff, Vice President, Counsel and Secretary
A. Udrys, Esquire, Consumers Energy Company
Director of Nuclear Assets, Consumers Energy Company
Supervisor, Covert Township
Office of the Governor
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Department of Attorney General
W. King, FEMA Region V

ADAMS Distribution:

WDR

DFT

JFS2

RidsNrrDipmlipb

GEG

HBC

JAL3

CAA1

C. Pederson, DRS (hard copy - IR's only)

DRPIII

DRSIII

PLB1

JRK1

ROPreports@nrc.gov

U.S. NUCLEAR REGULATORY COMMISSION

REGION III

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

Report No: 05000255/2004011(DRS)

Licensee: Nuclear Management Company, LLC

Facility: Palisades Nuclear Plant

Location: 27780 Blue Star Memorial Highway
Covert, MI 49043-9530

Dates: August 16 through August 20, 2004

Inspectors: T. Ploski, Senior Emergency Preparedness Inspector
R. Jickling, Emergency Preparedness Inspector
M. Garza, Resident Inspector

Observer: R. Ruiz, Reactor Engineer

Approved by: K. Riemer, Chief
Plant Support Branch
Division of Reactor Safety

Enclosure

SUMMARY OF FINDINGS

IR 05000255/2004011(DRS); 08/16/2004 - 08/20/2004; Palisades Nuclear Plant; Emergency Preparedness Specialist Report.

The report covers a one-week baseline inspection by two regional emergency preparedness inspectors and a resident inspector. The inspection focused on the Emergency Preparedness Cornerstone in the Reactor Safety strategic performance area during the biennial emergency preparedness exercise. This inspection also included a review of records related to the three emergency preparedness performance indicators for the period April 1, 2003, through June 30, 2004. No findings of significance were identified.

The NRC's program for overseeing the safe operation of commercial nuclear power reactors is described in NUREG-1649, "Reactor Oversight Process," Revision 3, dated July 2000.

A. Inspector-Identified and Self-Revealed Findings

None.

B. Licensee-Identified Violations

None.

REPORT DETAILS

1. REACTOR SAFETY

Cornerstone: Emergency Preparedness

1EP1 Exercise Evaluation (71114.01)

a. Inspection Scope

The inspectors reviewed the August 17, 2004 biennial emergency preparedness exercise's objectives and scenario to ensure that the exercise would acceptably test major elements of the licensee's radiological emergency plan and to verify that the exercise's simulated problems provided an acceptable framework to support demonstration of the licensee's capability to implement its plan. The inspectors also reviewed records of emergency preparedness drills, which were conducted in July and early August 2004, to determine whether the scenario used in both drills was sufficiently different from the scenario used in the August 17, 2004 exercise.

The inspectors evaluated the licensee's exercise performance, focusing on the risk-significant activities of emergency classification, notification, and protective action decision making, as well as implementation of accident mitigation strategies in the following emergency response facilities:

- Control Room Simulator;
- Technical Support Center (TSC);
- Operations Support Center (OSC); and
- Emergency Operations Facility (EOF).

The inspectors also assessed the licensee's recognition of abnormal plant conditions, transfer of responsibilities between facilities, internal communications, interfaces with offsite officials, readiness of emergency facilities and related equipment, and overall implementation of the licensee's emergency plan.

The inspectors attended post-exercise critiques in the TSC, OSC, and EOF to evaluate the licensee's initial self-assessment of its exercise performance. The inspectors later met with the licensee's lead exercise evaluators to obtain the licensee's refined assessments of its exercise participants' performances. These self-assessments were then compared with the inspectors' independent observations and assessments to determine the licensee's ability to adequately critique its exercise performance.

b. Findings

No findings of significance were identified.

4. OTHER ACTIVITIES

4OA1 Performance Indicator (PI) Verification (71151)

a. Inspection Scope

The inspectors reviewed the licensee's records associated with each of the three emergency preparedness PIs to verify that the licensee's program was implemented consistent with the industry guidelines in Nuclear Energy Institute publication No. 99-02, "Regulatory Assessment Performance Indicator Guideline," Revision 2, and related licensee procedures. Specifically, licensee records related to the performance of the Alert and Notification System (ANS), key Emergency Response Organization (ERO) members' drill participation, and Drill and Exercise Performance (DEP) were reviewed to verify the accuracy and completeness of the PI data submitted to NRC for the period from April 2003 through June 2004. The following PIs were reviewed:

Common

- ANS;
- ERO Drill Participation; and
- DEP.

b. Findings

No findings of significance were identified.

4OA6 Meetings

.1 Exit Meeting

An exit meeting was conducted for Emergency Preparedness with Mr. D. Cooper and other members of licensee management and staff at the conclusion of the inspection on August 20, 2004. The licensee acknowledged the information presented. No proprietary information was identified.

.2 Public and Media Briefing

On August 20, 2004, an inspector summarized the NRC's preliminary conclusions on the licensee's exercise and critique performances at a public and media briefing hosted by Federal Emergency Management Agency, Region V staff in Paw Paw, Michigan.

ATTACHMENT: SUPPLEMENTAL INFORMATION

SUPPLEMENTAL INFORMATION

KEY POINTS OF CONTACT

Licensee

G. Baustian, Training Manager
T. Blake, Emergency Preparedness Supervisor
M. Carlson, Engineering Director
D. Cooper, Senior Vice President
B. Dotson, Regulatory Compliance Specialist
G. Hettel, Plant General Manager
K. Irving, Maintenance Supervisor
L. Lahti, Regulatory Affairs Manager
D. Malone, Site Vice President
R. Margol, Chemistry Supervisor
D. Rogers, Business Support Manager
M. Sweet, Emergency Planning Specialist
D. VandeWalle, Operations Manager
J. Walker, Nuclear Oversight
S. Wawro, Consumers Energy Asset Manager

LIST OF ITEMS OPENED, CLOSED AND DISCUSSED

Opened and Closed

None.

Discussed

None.

LIST OF DOCUMENTS REVIEWED

The following is a list of documents reviewed during the inspection. Inclusion on this list does not imply that the NRC inspectors reviewed the documents in their entirety but rather that selected sections of portions of the documents were evaluated as part of the overall inspection effort. Inclusion of a document on this list does not imply NRC acceptance of the document or any part of it, unless this is stated in the body of the inspection report.

1EP1 Exercise Evaluation

Palisades Plant Exercise Scenario Manual; dated August 17, 2004

Scenario Narrative Summary and Time Line of Practice Drills Conducted in July and August 2004

July 2004 Practice Exercise Critique Report; undated

Internal Memorandum; Palisades Emergency Preparedness Readiness Assessment Report; dated July 23, 2004

Slide Presentation; August 17, 2004 Palisades Emergency Exercise Critique Findings

Handout; Palisades 2004 Exercise - DEP PI Opportunities Assessment

EI-1; Emergency Classification and Actions; Revision 44

EI-2.1; Site Emergency Director; Revision 24

EI-3; Emergency Communications and Notifications; Revision 20

EI-4.1; TSC Activation; Revision 16

EI-4.2; OSC Activation; Revision 15

EI-4.3; EOF Activation; Revision 15

EI-5.1; Recovery; Revision 2

EI-6.0; Offsite Dose Calculation and Recommendations for Protective Actions; Revision 9

EI-6.7; Plant Site Meteorological System; Revision 6

EI-6.8; Backup and Supplemental Meteorology; Revision 5

EI-6.9; Automated Dose Assessment Program; Revision 5

EI-6.13; Protective Action Recommendations for Offsite Population; Revision 11

EI-12.1; Personnel Accountability and Assembly; Revision 10

EI-13; Evacuation/Re-assembly; Revision 8

CAP042650; Three Unsuccessful DEP PI Opportunities During July 2004 Practice Drill

CAP042659; Failed Protective Action Recommendation Objective During July 2004 Practice Drill

CAP042667; Exercise Objective on Site Evacuation Decision Making Not Met During July 2004 Practice Drill

CAP042668; One Individual Not Correctly Accounted for During July 2004 Practice Drill

4OA1 Performance Indicator Verification

Emergency Preparedness Regulatory Assessment Performance Indicator Guidelines;
Revision 14; dated July 28, 2004

Palisades Plant Emergency Planning Zone Sirens' Monthly Test Reports and Associated
Records - April 2003 Through June 2004

Monthly Records of Key ERO Members' Drill Participation - April 2003 Through
June 2004

Monthly Records of DEP PI Opportunities - April 2003 Through June 2004

CAP036445; Siren 27 Failed to Rotate During a Quarterly Inspection

Condition Evaluation 008160; Two Sirens Failed During December 2003 Monthly Test

CAP038475; Minor Error in One ERO Member's Drill Participation Credit Identified in
November 2003

CAP042660; September 2003 DEP PI Opportunity Re-Assessed as a Failure Due to an
Error on a Notification Form

CAP043102; Minor Errors Identified on Three Notification Forms Associated with DEP PI
Opportunities

LIST OF ACRONYMS USED

ANS	Alert and Notification System
CAP	Corrective Action Program
CRS	Control Room Simulator
DEP	Drill and Exercise Performance
EI	Emergency Implementing (procedure)
EOF	Emergency Operations Facility
ERO	Emergency Response Organization
NRC	Nuclear Regulatory Commission
NUREG	Nuclear Regulatory Guide
OSC	Operations Support Center
PI	Performance Indicator
TSC	Technical Support Center