

August 27, 2003

Mr. Douglas E. Cooper
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 POWER PLANT (REPORT 50-255/04-01)

Dear Mr. Cooper:

On July 30, 2003, the NRC staff completed its mid-cycle plant performance assessment of the Palisades Nuclear Power Plant. The mid-cycle review for Palisades involved the participation of all technical divisions in evaluating performance indicators (PIs) for the most recent quarter and inspection results for the first half of the current assessment cycle, January 1 - December 31, 2003. 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 oversight (Green). However, the significance of a failure to take effective corrective actions to address a series of events involving digging and excavating between the protected area and the switchyard which resulted in a loss of offsite power and an Alert emergency declaration is still under review as part of the Significance Determination Process. Therefore, at this point, we plan to conduct only baseline inspections at your facility through September 30, 2004.

In our Annual Assessment Letter dated March 4, 2003, we discussed a substantive cross-cutting issue in the area of Problem Identification and Resolution. During the first two quarters of the 2003 assessment period, there continued to be examples where your corrective action program failed to promptly identify and correct conditions adverse to quality. Therefore, during the course of routine baseline inspection activities, the inspectors will closely monitor problem identification and resolution to more thoroughly assess this area at the 2003 end-of-cycle assessment.

The enclosed inspection plan details the inspections scheduled through September 30, 2004. 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.

D. Cooper

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The inspections in the last 6 months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.790 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 by Steve A. Reynolds acting for/

Geoffrey E. Grant, 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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Office of the Governor
Michigan Department of Environmental Quality
Department of Attorney General (MI)
The Honorable George Sink
L. Nielsen, City Manager of Bangor
The Honorable Ted Johnson
P. Muinch, City Manager of Hartford
The Honorable David Paull
A. Vanderberg, City Manager of South Haven
K. Higgs, Administrator, Allegan County Courthouse
B. Koops, Allegan County Sheriff
B. Brunett, Allegan County Emergency
Management Coordinator
J. M. Henry, Berrien County Coordinator
L. P. Bailey, Berrien County Sheriff
M. Bradley, Berrien County Emergency
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D. R. Gribler, Van Buren County Sheriff
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The Honorable Daniel P. Schofield, Jr.
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SRI Palisades

DRPIII

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PLB1

JRK1

Palisades
Inspection / Activity Plan
09/01/2003 - 09/30/2004

Unit Number	Inspection Activity	Title	No. of Staff on Site	Planned Dates Start	Planned Dates End	Inspection Type
	DRY CASK - ISFSI INSPECTION		1			
1	IP 60853	On-Site Fabrication Of Components And Construction On An ISFSI		10/01/2003	12/31/2003	Other Routine
	IP 71122 - REMP INSPECTION		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		10/20/2003	10/24/2003	Baseline Inspections
1	IP 7112203	Radiological Environmental Monitoring Program		10/20/2003	10/24/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		10/20/2003	10/24/2003	Baseline Inspections
	HT SNK B - HEAT SINK BIENNIAL (DRS)		1			
1	IP 7111107B	Heat Sink Performance		11/17/2003	11/21/2003	Baseline Inspections
	IP 71122 - LIQ/GAS EFFLUENTS INSPECTION		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		12/15/2003	12/19/2003	Baseline Inspections
1	IP 7112201	Radioactive Gaseous and Liquid Effluent Treatment and Monitoring Systems		12/15/2003	12/19/2003	Baseline Inspections
1	IP 71151	Performance Indicator Verification		12/15/2003	12/19/2003	Baseline Inspections
	IP 71122 - RP RAM PROCESS/TRANSPORTATION INSP		1			
1	IP 7112202	Radioactive Material Processing and Transportation		03/01/2004	03/05/2004	Baseline Inspections
	71111.11 - LIC OPERATOR REQUAL PROGRAM EVALUATION		2			
1	IP 7111111B	Licensed Operator Requalification		03/22/2004	03/26/2004	Baseline Inspections
	SSDI - SAFETY SYSTEM DESIGN		5			
1	IP 7111102	Evaluation of Changes, Tests, or Experiments		05/10/2004	05/28/2004	Baseline Inspections
1	IP 711117B	Permanent Plant Modifications		05/10/2004	05/28/2004	Baseline Inspections
1	IP 7111121	Safety System Design and Performance Capability		05/10/2004	05/28/2004	Baseline Inspections
	IP 71121 - RP INSTRUMENTATION INSPECTION		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		05/17/2004	05/21/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		05/17/2004	05/21/2004	Baseline Inspections
	FPI - TRIENNIAL FIRE PROTECTION		3			
1	IP 7111105T	Fire Protection		07/12/2004	07/30/2004	Baseline Inspections
	IP 71121 - RP INSTRUM/PROT EQUIP INSPECTION		1			
1	IP 7112101	Access Control to Radiologically Significant Areas		07/12/2004	07/16/2004	Baseline Inspections
1	IP 7112102	ALARA Planning and Controls		07/12/2004	07/16/2004	Baseline Inspections
1	IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		07/12/2004	07/16/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		07/12/2004	07/16/2004	Baseline Inspections
	71114 - BASELINE EP EXERCISE INSP		4			
1	IP 7111401	Exercise Evaluation		08/16/2004	08/20/2004	Baseline Inspections
1	IP 71151	Performance Indicator Verification		08/16/2004	08/20/2004	Baseline Inspections
	ISI/TI - INSERVICE INSPECTION & TI-150		1			
1	IP 2515/150	Reactor Pressure Vessel Head and Vessel Head Penetration Nozzles (NRC Bulletin 2002-0		09/20/2004	10/15/2004	Safety Issues

This report does not include INPO and OUTAGE activities.
This report shows only on-site and announced inspection procedures.

Palisades
Inspection / Activity Plan
09/01/2003 - 09/30/2004

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				Start	End	
	ISI/TI	- INSERVICE INSPECTION & TI-150	1			
1	IP 7111108P	Inservice Inspection Activities - PWR		09/20/2004	10/15/2004	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

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