

August 31, 2007

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

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
PALISADES NUCLEAR PLANT

Dear Mr. Schwarz:

On August 14, 2007, the NRC staff completed its performance review of Palisades Nuclear Plant for the first half of the calendar year 2007 assessment cycle. Our technical staff reviewed 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.

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.

Plant performance for the most recent quarter at Palisades 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 Problem Identification and Resolution (PI&R). There were six inspection findings in the cross-cutting area of PI&R. Four of these findings share a common cross-cutting aspect of inadequate evaluations within the corrective action program which is described in Manual Chapter 0305 as aspect P.1(c). The documented issues included concerns for the extent of condition evaluations for an injection valve failure, waterhammer conditions, defective parts on an emergency diesel generator and past operability and reportability for a startup transformer control circuit problem. The threshold for a substantive cross-cutting theme was reached in the last quarter; therefore, your staff has only recently initiated efforts to address this area and efforts to date are too recent to evaluate for effectiveness. This substantive 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 in the performance of your corrective action program to evaluate and correct problems.

The enclosed inspection plan details the inspections, less those related to security, scheduled through December 31, 2008. Significant inspections planned include a component design bases inspection in January 2008 and a PI&R inspection in April 2008. 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 end-of-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), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html> (the Public Electronic Reading Room).

The NRC is currently evaluating the scope and frequency of all the baseline inspection procedures. If the results of the evaluation, or any other circumstances, cause us to change the 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 A. H. Hsia for/

Cynthia D. Pederson, Director
Division of Reactor Projects

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

Enclosure: Palisades Nuclear Plant Inspection/Activity Plan

DISTRIBUTION:
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Letter to C. Schwarz from C. Pederson dated August 31, 2007

SUBJECT: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN -
PALISADES NUCLEAR PLANT

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
State Liaison Officer, State of Michigan
Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Michigan Dept of 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
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
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PALISADES NUCLEAR PLANT

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JLC1

MAS

KGO

JKH3

RML2

SAM9

SRI Palisades

DRPIII

DRSIII

PLB1

TXN

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

Palisades
Inspection / Activity Plan
09/01/2007 - 12/31/2008

Inspection Activity	Title	No. of Staff on Site	Planned Dates		Inspection Type
			Start	End	
BI RP	- RADIATION PROTECTION BASELINE INSPECTION	1			
IP 7112101	Access Control to Radiologically Significant Areas		09/10/2007	09/21/2007	Baseline Inspections
IP 7112102	ALARA Planning and Controls		09/10/2007	09/21/2007	Baseline Inspections
BI ENG	- ENGINEERING INSERVICE INSPECTION	2			
IP 7111108P	Inservice Inspection Activities - PWR		09/10/2007	10/05/2007	Baseline Inspections
OL EXAM	- PALISADES INIT EXAM 09/2007	3			
W90163	OL - INITIAL EXAM - PALISADES - AUG/SEP 2007		09/10/2007	09/14/2007	Not Applicable
BI RP	- RADIATION PROTECTION BASELINE INSPECTION	1			
IP 7112103	Radiation Monitoring Instrumentation and Protective Equipment		11/12/2007	11/16/2007	Baseline Inspections
BI ENG	- ENGINEERING MODIFICATIONS / 50.59 INSP.	2			
IP 7111102	Evaluation of Changes, Tests, or Experiments		11/26/2007	12/14/2007	Baseline Inspections
IP 7111117B	Permanent Plant Modifications		11/26/2007	12/14/2007	Baseline Inspections
BI ENG	- BIENNIAL HEAT SINK INSPECTION	1			
IP 7111107B	Heat Sink Performance		12/03/2007	12/07/2007	Baseline Inspections
BI RP	- RADIATION PROTECTION BASELINE INSPECTION	1			
IP 7112102	ALARA Planning and Controls		01/14/2008	01/18/2008	Baseline Inspections
BI OL	- BIENNIAL REQUAL. PROGRAM INSPECTION	2			
IP 7111111B	Licensed Operator Requalification Program		02/04/2008	02/08/2008	Baseline Inspections
BI ENG	- COMPONENT DESIGN BASES INSPECTION	5			
IP 7111121	Component Design Bases Inspection		01/28/2008	02/29/2008	Baseline Inspections
ISFSI	- ISFSI INSPECTION	1			
IP 60855.1	Operation of an Independent Spent Fuel Storage Installation at Operating Plants		03/01/2008	03/30/2008	Other Routine
BI PI&R	- BIENNIAL PI&R INSPECTION	3			
IP 71152B	Identification and Resolution of Problems		03/31/2008	04/18/2008	Baseline Inspections
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
BI ENG	- BIENNIAL MAINTENANCE EFFECTIVENESS INSP.	1			
IP 7111112B	Maintenance Effectiveness		06/16/2008	06/20/2008	Baseline Inspections
BI EP	- EP EXERCISE INSPECTION / PI VERIFICATION	3			
IP 7111401	Exercise Evaluation		09/15/2008	09/19/2008	Baseline Inspections
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

Palisades
Inspection / Activity Plan
09/01/2007 - 12/31/2008

Inspection Activity	Title	No. of Staff on Site	Planned Dates Start End		Inspection Type
BI EP	- EP EXERCISE INSPECTION / PI VERIFICATION	3			
IP 71151-EP03	Alert & Notification System		09/15/2008	09/19/2008	Baseline Inspections
OL EXAM	- INITIAL LIC OP EXAM PREP PALISADES 2008	3			
W90188	PALISADES - INITIAL EXAM - SEPT/OCT 2008		09/29/2008	10/03/2008	Not Applicable
OL EXAM	- INITIAL LIC OP EXAM PALISADES 2008	3			
W90188	PALISADES - INITIAL EXAM - SEPT/OCT 2008		10/20/2008	10/31/2008	Not Applicable
BI RP	- RADIATION PROTECTION BASELINE INSPECTION	1			
IP 7112101	Access Control to Radiologically Significant Areas		12/08/2008	12/12/2008	Baseline Inspections