

## **SAFEGUARDS INFORMATION**

February 25, 2002

Michael B. Sellman  
President and CEO  
Palisades Plant  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

SUBJECT: ISSUANCE OF ORDER FOR INTERIM SAFEGUARDS AND SECURITY  
COMPENSATORY MEASURES FOR - PALISADES PLANT

Dear Mr. Sellman:

The U.S. Nuclear Regulatory Commission (NRC) has issued the enclosed Order that modifies the current operating license for your facility to require compliance with the specified interim safeguards and security compensatory measures. The Order applies to all Addressees listed in Attachment 1 to the enclosed Order. These interim compensatory measures are listed in Attachment 2 (contains Safeguards Information) to the enclosed Order. The Commission recognizes that you have voluntarily and responsibly implemented additional security measures following the events of September 11, 2001, but, in light of the continuing generalized high-level threat environment, the Commission concludes that the security measures should be embodied in an Order, consistent with the established regulatory framework. The Commission has determined that the generalized high-level threat environment requires that the enclosed Order be effective immediately.

These actions are interim and the basis for the Order is the need to take prudent actions to address security requirements in the present generalized high-level threat environment. This Order does not obviate the need for licensees to continue to meet the objectives of Security Level III described in NRC Information Notice 98-35, and maintain the effectiveness of existing security measures taken in response to the events of September 11, 2001. The requirements will remain in effect pending notification from the Commission that a significant change in the threat environment has occurred, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs.

The enclosed Order calls for responses and actions within specified time frames. Please contact your Licensing Project Manager to facilitate resolution of any issues related to compliance with the requirements in the enclosed Order, or if you have any other questions.

**NOTICE:** Attachment 2 to the Order (Interim Compensatory Measures) contains "Safeguards Information." Upon separation of Attachment 2 to the Order, this letter, the enclosed Order, and Attachment 1 to the Order (Address List) are "DECONTROLLED."

## **SAFEGUARDS INFORMATION**

M. Sellman

-2-

The enclosed Order has been forwarded to the Office of the Federal Register for publication.

Sincerely,

/RA/

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

Docket No. 50-255

Enclosures:   1. Order  
                  2. Order Attachment 1 - Address List  
                  3. Order Attachment 2 - Interim Compensatory Measures for  
                      High Threat Environment (Safeguards Information)

cc w/enclosures 1 and 2 only: See next page

Palisades Plant

cc:

Mr. Robert A. Fenech, Senior Vice President  
Nuclear, Fossil, and Hydro Operations  
Consumers Energy Company  
212 West Michigan Avenue  
Jackson, MI 49201

Arunas T. Udry, Esquire  
Consumers Energy Company  
212 West Michigan Avenue  
Jackson, MI 49201

Regional Administrator, Region III  
U.S. Nuclear Regulatory Commission  
801 Warrenville Road  
Lisle, IL 60532-4351

Supervisor  
Covert Township  
P. O. Box 35  
Covert, MI 49043

Office of the Governor  
P. O. Box 30013  
Lansing, MI 48909

U.S. Nuclear Regulatory Commission  
Resident Inspector's Office  
Palisades Plant  
27782 Blue Star Memorial Highway  
Covert, MI 49043

Drinking Water and Radiological  
Protection Division  
Michigan Department of  
Environmental Quality  
3423 N. Martin Luther King Jr Blvd  
P. O. Box 30630 CPH Mailroom  
Lansing, MI 48909-8130

Michigan Department of Attorney General  
Special Litigation Division  
630 Law Building  
P.O. Box 30212  
Lansing, MI 48909

Mr. Roy A. Anderson  
Executive Vice President and  
Chief Nuclear Officer  
Nuclear Management Company, LLC  
700 First Street  
Hudson, WI 54016

Laurie A. Lahti  
Manager - Licensing  
Nuclear Management Company, LLC  
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Covert, MI 49043

Steven T. Wawro  
Nuclear Asset Director  
Consumers Energy Company  
Palisades Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043

Mr. John Paul Cowan  
Senior Vice President  
Palisades Plant  
Nuclear Management Company, LLC  
27780 Blue Star Memorial Highway  
Covert, MI 49043

Mr. Douglas E. Cooper  
Site Vice President  
Palisades Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043

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Sincerely,

**/RA/**

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

Docket No. 50-255

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Accession No. ML020 (Cover Letter)

Accession No. ML020510635 (Order)

Accession No. ML020520654 (Order Attachment 1 - Address List)

Accession No. ML020520654 (Order Attachment 1 - Address List)

OFFICE	DLPM/PM	DLPM//LA	DLPM/SC	DIPM/D
NAME	REnnis	BClayton	JClifford	BBoger
DATE	2/21/02	2/21/02	2/21/02	2/22/02
OFFICE	OGC	DLPM/D	<del>NRR/ADPT</del>	NRR/D
NAME	LChandler	JZwolinski	<del>BSheron</del> N/A	SCollins
DATE	2/22/02	2/22/02		2/25/02

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Sincerely,

**/RA/**

Samuel J. Collins, Director  
Office of Nuclear Reactor Regulation

Docket No(s).

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Project Director

Section Chief

Project Manager

Licensing Assistant

Region Contact

Accession No. ML020520754 (Package)

Accession No. ML020510637 (Cover Letter)

Accession No. ML020510635 (Order)

Accession No. ML020520654 (Order Attachment 1 - Address List)

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