

June 26, 2003

U S Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

**PALISADES NUCLEAR PLANT
DOCKET 50-255
LICENSE No. DPR-20
FINAL CLOSEOUT OF UNRESOLVED SAFETY ISSUE A-46 OUTLIERS**

By letter dated May 22, 1992, the Nuclear Regulatory Commission (NRC) issued supplement 1 to Generic Letter 87-02, "Verification of Seismic Adequacy of Mechanical and Electrical Equipment in Operating Reactors, Unresolved Safety Issue (USI) A-46." The supplement constituted the NRC's review of the Generic Implementation Procedure (GIP) methodology and included the Supplemental Safety Evaluation Report number 2 (SSER-2) on the GIP, revision 2 (GIP-2), corrected on February 14, 1992. Consumers Power Company (now Nuclear Management Company, LLC (NMC)) committed to the use of GIP-2, by letter dated September 21, 1992, for the resolution of USI A-46, "Seismic Qualification of Equipment in Operating Plants," at Palisades.

By letter dated May 23, 1995, Consumers Energy Company (now NMC) provided the NRC a report summarizing the results of the USI A-46 implementation program at Palisades. In that report, it was identified that 64 equipment outliers and 17 relay outliers had yet to be dispositioned. After subsequent requests for additional information, the NRC issued the safety evaluation for the USI A-46 implementation program at Palisades, by letter dated September 25, 1998. The staff concluded that even though there were still outlier items that were not completely resolved, the remaining actions, when completed, would result in safety enhancements that, in certain aspects, were beyond the original licensing bases and, therefore, the staff considered the USI A-46 review at Palisades closed.


By letter dated March 24, 2003, the NRC was informed that NMC was in the final phase of resolution of USI A-46 at Palisades. A single outlier remained concerning the safety injection refueling water (SIRW) storage tank. Resolution of the SIRW storage tank issue had evolved from the determination that the tank could not be qualified or economically repaired per the GIP-2 methodology. NMC committed to notify the NRC when this remaining outlier was dispositioned.

NMC has completed the disposition of the remaining USI A-46 outlier on the SIRW storage tank by developing and evaluating an alternate primary coolant system (PCS) make-up path to ensure sufficient PCS inventory following a seismic event. Therefore, the USI A-46 implementation program has been completed and all outliers have been dispositioned for the Palisades Plant.

This letter contains no new commitments and one completed commitment.

Completed commitment from letter dated March 24, 2003:

Nuclear Management Company will disposition all USI A-46 outliers at Palisades, including the completion of all modifications, and provide this information to the Nuclear Regulatory Commission by July 1, 2003.



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