

September 12, 2003

Mr. Dan J. Malone
Site Vice President
Palisades Nuclear Plant
Nuclear Management Company, LLC
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: PALISADES NUCLEAR GENERATING PLANT
NRC INITIAL LICENSE EXAMINATION REPORT 50-255/03-301(DRS)

Dear Mr. Cooper:

On August 1, 2003, NRC examiners completed initial operator licensing examinations at your Palisades Nuclear Plant. The enclosed report presents the results of the examination.

The NRC examiners administered initial license examination operating tests during the weeks of July 21 and July 28, 2003, for three reactor operator and nine senior reactor operator applicants. Members of the Palisades Nuclear Plant Training Department administered an initial license written examination on August 1, 2003, to the applicants. The results of the operating tests and written examinations were finalized on August 19, 2003. One senior reactor operator applicant failed the operating test and was issued a proposed denial letter. Six senior reactor operator and three reactor operator applicants passed all portions of the operating test and written examination and were issued applicable operator licenses. Two senior reactor operator applicants passed all portions of their examinations, but had not completed all requirements to receive an operating license. Upon completion of all training requirements by the two senior reactor operators you must certify to the NRC, in writing, using the certification statement in Item 19.b. on the NRC Form 398, that they have successfully completed all Palisades Nuclear Plant training program requirements. The two applicants will be issued senior reactor operator licenses at that time.

In accordance with 10 CFR Part 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures 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).

D. Malone

-2-

We will gladly discuss any questions you have concerning this examination.

Sincerely,

/RA/

Roger D. Lanksbury, Chief
Operations Branch
Division of Reactor Safety

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

Enclosures: 1. Operator Licensing Examination
Report 50-255/03-301(DRS)
2. Simulation Facility Report
3. RO/SRO Written Examinations and Keys

cc w/encls 1 & 2: J. Cowan, Executive Vice President
and Chief Nuclear Officer
R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
L. Lahti, Manager, Regulatory Affairs
J. Rogoff, Esquire, Nuclear Management Company, LLC
A. Udrys, Esquire, Consumers Energy Company
R. Remus, Plant Manager
D. Malone, Site Director
S. Wawro, Nuclear Asset Director, Consumers Energy Company
W. Rendell, Supervisor, Covert Township
Office of the Governor
L. Brandon, Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division
Department of Attorney General (MI)

cc w/encls 1, 2 & 3: G. Baustian, Training Manager

D. Malone

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U. S. NUCLEAR REGULATORY COMMISSION

REGION III

Docket No: 50-255

License No: DPR-20

Report No: 50-255/03-301(DRS)

Licensee: Consumers Energy Company
212 West Michigan Avenue
Jackson, MI 49201

Facility: Palisades Nuclear Generating Plant

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

Dates: July 21 through August 1, 2003

Examiners D. McNeil, Chief Examiner
M. Bielby, Examiner
N. Valos, Examiner

Approved by: Roger D. Lanksbury, Chief
Operations Branch

Enclosure 1

SUMMARY OF FINDINGS

ER 05000255/2003-301(DRS); Consumers Energy Company; 07/21/03-08/01/03; Palisades Nuclear Generating Plant; Initial License Examination Report.

The announced operator licensing initial examination was conducted by regional NRC examiners in accordance with the guidance of NUREG-1021, "Operator Licensing Examination Standards for Power Reactors," Revision 8, Supplement 1.

Examination Summary

- Three reactor operator applicants and nine senior reactor operator applicants were administered initial operator license examination operating tests and a written examination. One senior reactor operator applicant failed the operating test and was issued a proposed denial letter. Three reactor operator applicants and six senior reactor operator applicants passed all portions of their respective examinations and were issued applicable operating licenses. Two senior reactor operator applicants passed all portions of their examinations but will not be issued licenses until all Palisades Nuclear Station training requirements are completed. (Section 4OA5.1)

REPORT DETAILS

4. OTHER ACTIVITIES (OA)

4OA5 Other

.1 Initial Licensing Examinations

a. Examination Scope

The NRC examiners conducted an announced operator licensing initial examination on July 21 through July 31, 2003. The facility's training staff administered an initial license written examination on August 1, 2003. The facility's training staff used the guidance established in NUREG-1021, "Operator Licensing Examination Standards for Power Reactors," Revision 8, Supplement 1, to prepare the operating test and written examination. Three reactor operator applicants and nine senior reactor applicants were examined.

b. Findings

Written Examination

The licensee developed the written examination. During their initial review, the examiners determined that the examination, as submitted by the licensee, was within the range of acceptability expected for a proposed examination. During examination validation the week of June 30, 2003, examination changes agreed upon between the NRC and the licensee were incorporated according to the guidance contained in NUREG-1021.

Operating Test

The NRC examiners determined that the operating test, as originally submitted by the licensee, was within the range of acceptability expected for a proposed examination. Examination changes, agreed upon between the NRC and the licensee, were made during the validation week in accordance with NUREG-1021 guidance.

Examination Results

Three reactor operator applicants and nine senior reactor operator applicants were administered written examinations and operating tests for initial operator licensing. One senior reactor operator applicant failed three Job Performance Measures (70 percent) and achieved an overall grade of 1.75 (out of 3.0) in Section C.4, "Compliance With and Use of Procedures," of the dynamic simulator competencies, resulting in a failure of the operating test. The applicant was issued a proposed license denial letter. Three reactor operator applicants and six senior reactor operator applicants passed all portions of their examinations and were issued respective operator licenses. Two senior reactor operator applicants were granted waivers to participate in the examination. They have passed their examinations and will be issued senior reactor operator licenses upon completion of all training requirements.

.2 Examination Security

a. Scope

The examiners reviewed and observed the licensee's implementation of examination security requirements during the examination preparation and administration.

b. Findings

The licensee's implementation of examination security requirements during examination preparation and administration were acceptable and met the guidelines provided in NUREG-1021, "Operator Licensing Examination Standards for Power Reactors." No violations of 10 CFR 55.49 occurred during the examination preparation and administration.

4OA6 Meetings

Exit Meeting

The chief examiner presented the examination team's preliminary observations and findings on August 1, 2003, to Mr. Cooper and other members of the Operations and Training Department staff. No proprietary items were identified during the administration of the examination nor during the exit meeting with the licensee. The licensee acknowledged the observations and findings presented.

PARTIAL LIST OF PERSONS CONTACTED

Licensee

D. Cooper, Vice President, Palisades Nuclear Plant
G. Baustian, Training Manager
T. Davis, Operations Training Supervisor
B. Dotson, Regulatory Compliance
P. Harden, Engineering Director
D. Malone, Site Director
G. Packard, Operations Manager
R. Remus, Plant General Manager
G. Smith, ILT Supervisor
D. VandeWalle, Operations Superintendent
J. Wicks, Shift Supervisor
S. Wawro, Asset Manager

NRC

J. Lennartz, Senior Resident Inspector, Palisades

ITEMS OPENED, CLOSED AND DISCUSSED

Opened

None

Closed

None

Discussed

None

LIST OF ACRONYMS

ADAMS	Agency-Wide Document Access and Management System
DRS	Division of Reactor Safety
NRC	Nuclear Regulatory Commission
PARS	Publicly Available Records
RO	Reactor Operator
SRO	Senior Reactor Operator

SIMULATION FACILITY REPORT

Facility Licensee: Palisades Nuclear Plant

Facility Docket No.: 50-255

Operating Tests Administered: July 21, 2003

The following documents observations made by the NRC examination team during the initial operator license examination. These observations do not constitute audit or inspection findings and are not, without further verification and review, indicative of non-compliance with 10 CFR 55.45(b). These observations do not affect NRC certification or approval of the simulation facility other than to provide information which may be used in future evaluations. No licensee action is required in response to these observations.

During the conduct of the simulator portion of the operating tests, the following items were observed:

ITEM	DESCRIPTION
Temperature Monitoring	The temperature monitoring panel for the main turbine was not the same as the temperature monitoring panel used in the control room. This was a known deviation from the control room.
Electrical Distribution	During the examination a power supply failed in a back-panel requiring that portion of the panel to be de-energized. The de-energized panel did not affect the administration of the examination or the response of the applicants to the simulated events.

WRITTEN EXAMINATIONS AND ANSWER KEYS (RO/SRO)

RO Examination ADAMS Accession # ML032480025

SRO Examination ADAMS Accession # ML032480039