



August 25, 2005

10 CFR 50.12

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

Palisades Nuclear Plant  
Docket 50-255  
License No. DPR-20

Supplement To Exemption Request From 10 CFR 50.68(b)(1)

Nuclear Regulatory Commission (NRC) Regulatory Issue Summary (RIS) 2005-05, "Regulatory Issues Regarding Criticality Analyses for Spent Fuel Pools and Independent Spent Fuel Storage Installations," was issued on March 23, 2005. Previous to RIS 2005-05, Nuclear Management Company, LLC, (NMC) believed that the criticality requirements associated with the loading of independent spent fuel storage installation casks had been satisfied. However, NMC's detailed review of RIS 2005-05, completed in May 2005, resulted in the conclusion that Palisades Nuclear Plant (PNP) cannot comply with all of the requirements of 10 CFR 50.68.

NMC performed the necessary analysis and submitted an exemption request to the NRC on June 21, 2005, for 10 CFR 50.68. During a subsequent teleconference with the NRC on June 30, 2005, the NRC clarified that use of the license amendment process was the appropriate means to resolve the issue instead of the exemption request process. Therefore, NMC will complete supporting criticality analyses and submit a license amendment request to allow credit for burnup to meet the requirements of 10 CFR 50.68(b)(1) in July 2006 or earlier.

NMC recognizes that the license amendment process is one potential resolution strategy, as described in RIS 2005-05. However, a cask loading campaign is scheduled to begin at PNP on October 10, 2005, to re-establish full core off-load capability in the PNP spent fuel pool. To meet this goal, NMC plans to load seven Transnuclear (TN) NUHOMS®-32PT cask systems (224 assemblies). NMC would incur a hardship in using the license amendment process in that there is insufficient time available to obtain the additional analyses required to submit a license amendment request before the scheduled fall 2005 cask loading campaign. Therefore, using the license amendment process would result in a delay of the scheduled cask loading campaign and a corresponding delay in re-establishing full core off-load capability.

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To support the PNP fall 2005 cask loading schedule for seven TN NUHOMS®-32PT cask systems, NMC is requesting a one-time exemption from 10 CFR 50.68(b)(1). This exemption would expire on July 31, 2006, unless a license amendment request is submitted to allow credit for burnup to meet the requirements of 10 CFR 50.68(b)(1). Alternatively, the exemption would expire upon subsequent approval of a submitted license amendment request.

The reason for extending the exemption request's duration beyond the completion of the fall 2005 cask loading campaign is to afford the ability for unloading a previously loaded cask. Although there are no current plans for unloading a previously loaded cask, the exemption would be required if, for unforeseen reasons, fuel needed to be removed from a cask. This is consistent with the certificate of compliance requirement for the establishment of operating procedures for cask unloading.

#### Summary of Commitments

This letter contains one new commitment and no revisions to existing commitments.

1. NMC will complete supporting criticality analyses and submit a license amendment request to allow credit for burnup to meet the requirements of 10 CFR 50.68(b)(1), in July 2006 or earlier.

I declare under penalty of perjury that the foregoing is true and correct. Executed on August 25, 2005.



Paul A. Harden  
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