

SAFEGUARDS INFORMATION

August 21, 2006

Mr. Paul A. Harden
Site Vice President
Nuclear Management Company, LLC
Palisades Nuclear Plant
27780 Blue Star Memorial Highway
Covert, MI 49043-9530

SUBJECT: PALISADES NUCLEAR PLANT
NRC PHYSICAL SECURITY BASELINE INSPECTION REPORT
05000255/2006010(DRS)

Dear Mr. Harden:

On July 14, 2006, the U.S. Nuclear Regulatory Commission (NRC) completed a baseline security inspection of your Palisades Nuclear Plant. The inspection covered one or more of the key attributes of the security cornerstone of the NRC's Reactor Oversight Process. The enclosed inspection report documents the inspection results, which were discussed on July 14, 2006, with Mr. D. Mims and other members of your staff.

The inspection examined activities conducted under your license as they relate to security and compliance with the Commission's rules and regulations and the conditions of your license. Inspectors reviewed selected procedures and records, observed activities, and interviewed personnel.

Based on the results of this inspection no findings of significance were identified.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter 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 Website at <http://www.nrc.gov/reading-rm/adams.html> (the Public

EXEMPT FROM PUBLIC DISCLOSURE

May be exempt from public release under the Freedom of Information Act (5 U.S.C. 552)

Exemption number: 5
Nuclear Regulatory Commission review required before public release.

G. Hansen, RIII/DRS/PSB
Name and organization of person making determination.

Date of determination: 08/07/06

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Electronic Reading Room). However, because of the security-related concerns contained in the enclosure, and in accordance with 10 CFR 2.390, a copy of this letter's enclosure will not be available for public inspection.

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

/RA/

Kenneth Riemer, Chief
Plant Support Branch
Division of Reactor Safety

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

Enclosure: Inspection Report 05000255/2006010(DRS)
w/Attachment: Supplemental Information

cc w/encl: B. Westreich (NSIR/DNS/SOS)
NSIR/DNS/RSS/Licensing Assistant
W. Clark, NMC/Security Manager

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cc w/o encl: J. Cowan, Executive Vice President
and Chief Nuclear Officer
R. Fenech, Senior Vice President, Nuclear
Fossil and Hydro Operations
D. Cooper, Senior Vice President - Group Operations
L. Lahti, Manager, Regulatory Affairs
J. Rogoff, Vice President, Counsel and Secretary
A. Udrys, Esquire, Consumers Energy Company
S. Wawro, Director of Nuclear Assets, Consumers Energy Company
Supervisor, Covert Township
Office of the Governor
State Liaison Office, State of Michigan
L. Brandon, Michigan Department of Environmental Quality -
Waste and Hazardous Materials Division

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/RA/

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