

October 3, 2007

Mr. Christopher J. Schwarz  
Site Vice President  
Entergy Nuclear Operations, Inc.  
Palisades Nuclear Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043-9530

SUBJECT: PALISADES NUCLEAR PLANT - NRC MATERIAL CONTROL AND  
ACCOUNTING PROGRAM INSPECTION REPORT NO. 05000255/2005202

Dear Mr. Schwartz

As you are aware, on August 8 - 12, 2005, the U.S. Nuclear Regulatory Commission (NRC) conducted an inspection of the material control and accounting (MC&A) safeguards program at the Palisades Nuclear Plant. The inspection was conducted under Phase III of Temporary Instruction 2515/154. The results of that MC&A inspection were documented in Inspection Report No. 05000255/2005202, issued on September 12, 2005. In an effort to keep its stakeholders informed of inspection activities, the Commission directed staff to make security-related inspection report cover letters available to the public. This letter is consistent with Commission guidance on its contents and no actions are required on your part.

The inspection examined activities conducted under your license as they relate to safety, security and compliance with the Commission's rules and regulations and with the conditions of your license. The inspectors reviewed selected procedures and records, observed storage of special nuclear material in the spent fuel pool, and interviewed personnel. Areas examined during the inspection included physical inventory and accounting records.

Based on the results of that inspection, no findings of significance were identified. However, one NRC-identified violation, which was determined to be of very low safety significance, was discussed in the report. The NRC treated the violation as a non-cited violation (NCV) consistent with Section VI.A.1 of the Enforcement Policy because of the very low safety significance of the violation and because it was placed in the corrective action program for resolution.

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 Public 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 Electronic Reading Room). However, because of the security-related concerns contained in the report, and in accordance with 10 CFR 2.390, the report will not be available for public inspection.

C. Schwarz

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Should you have any questions concerning this letter, please contact Martha Williams at (301) 415-7878.

Sincerely,

***/RA/ by P. Peduzzi for***

Barry Westreich, Chief  
Reactor Security Oversight Branch  
Division of Security Operations  
Office of Nuclear Security and Incident Response

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

cc: Mr. Brad Berles  
System Engineering Manager  
Palisades Nuclear Plant  
27780 Blue Star Memorial Highway  
Covert, MI 49043

Ms. Laurie A. Lahti  
Manager, Licensing  
Entergy Nuclear Operations, Inc.  
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Thor Strong, Chief  
Radiological Protection Section  
Waste and Hazardous Materials Div.  
MI Dept of Environmental Quality  
P.O. Box 30241  
Lansing, MI 48909

C. Schwarz

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Sincerely,

**/RA/ by P. Peduzzi for**

Barry Westreich, Chief  
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Division of Security Operations  
Office of Nuclear Security and Incident Response

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

cc: Mr. Brad Berles  
System Engineering Manager  
Palisades Nuclear Plant  
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Covert, MI 49043

Ms. Laurie A. Lahti  
Manager, Licensing  
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