

May 28, 2010

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

SUBJECT: PALISADES NUCLEAR PLANT - LICENSE AMENDMENT REQUEST FOR
APPROVAL OF THE CYBER SECURITY PLAN (TAC NO. ME2635)

Dear Sir:

By letter dated November 19, 2009 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML093230831), Entergy Nuclear Operations, Inc., (ENO, the licensee), submitted a license amendment request (LAR) for Palisades Nuclear Plant (PNP). The proposed LAR includes the cyber security plan, proposed changes to paragraph 2.E of the Renewed Facility Operating License No. DPR-20, and a proposed Cyber Security Plan Implementation Schedule. The proposed cyber security plan has been submitted in accordance with Title 10 of the *Code of Federal Regulations* (10 CFR), Section 73.54. The purpose of this letter is to inform you that the U.S. Nuclear Regulatory Commission (NRC) staff has completed an initial review of this LAR. In accordance with the Office of Nuclear Reactor Regulation Office Instruction LIC-109, "Acceptance Review Procedures," (ADAMS Accession No. ML091810088), Section 3.1.3, the NRC staff has decided to forgo the traditional acceptance review due to the complexity and "first-of-a-kind" nature of this application. While the NRC staff has docketed your application, the NRC staff is not rendering a judgment as to the acceptability of the submittal within the context of an acceptance review.

The cyber security plan submittal prepared for PNP is based on an earlier version of Nuclear Energy Institute (NEI) guidance. The NRC staff had significant generic concerns with this guidance. As a result of NRC staff discussions with NEI and the Executive Task Force of the industry Nuclear Security Working Group (NSWG), NEI and NSWG committed to representing operating power reactor licensees in resolving these concerns.

Through numerous interactions, the NRC staff has communicated its generic concerns with the NEI guidance. The security-related nature of the information required these interactions to be conducted in closed meetings not open to the public. A publicly available list of the specific issues discussed with NEI and NSWG was communicated to the licensees via e-mail dated March 9, 2010 (ADAMS Accession No. ML100680284).

By letter dated April 28, 2010 (ADAMS Accession No. ML101180434), NEI submitted Revision 6 to NEI 08-09, "Cyber Security Plan for Nuclear Power Reactors" (ADAMS Accession No. ML101180347), which contains changes that address the NRC staff concerns associated with previous versions. Based on a technical review of the document, the Office of Nuclear Security

and Incident Response, in its letter dated May 5, 2010, (ADAMS Accession No. ML101190371) concluded that submission of a cyber security plan using the template provided in NEI 08-09, Revision 6, dated April 2010, would be acceptable for use by licensees to comply with the requirements of 10 CFR 73.54, with the exception of the definition of "cyber attack."

Therefore, to resolve the NRC staff's concerns with the requested LAR, ENO is requested to review the list of generic issues provided to the industry cyber security writing team and forwarded to all licensees via e-mail dated March 9, 2010 and provide a revised submittal. For those generic issues that will not be addressed in the revised submittal, please provide additional information or justification in the revised submittal.

For any changes to the Cyber Security Plan proposed in the LAR, ENO is requested to indicate that the revised submittal supersedes, in its entirety, the previous submittal (or indicate what portions are superseded).

As an alternative to, and a potentially less resource intensive method than, addressing the individual issues, ENO may submit a revised Cyber Security Plan consistent with Regulatory Guide (RG) 5.71¹ or submit a revised Cyber Security Plan consistent with NEI 08-09, Revision 6. However, if this option is exercised, the NRC staff expects that the existing application will be withdrawn and the revised application resubmitted at the same time.

The NRC staff requests that the ENO's response or revised application be submitted within 60 days of the date of this letter. Please contact me if circumstances result in the need to revise the requested response date.

Following receipt and review of your response, you will be advised by separate correspondence if any further information is needed to support the NRC staff's detailed technical review.

If you have any questions regarding this matter, I may be reached at (301) 415-8371.

Sincerely,

/RA PTam for/

Mahesh Chawla, Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-255

cc: Distribution via ListServ

¹ In January 2010, the NRC staff issued RG 5.71, "Cyber Security Programs for Nuclear Facilities" (ADAMS Accession No. ML090340159). This guidance provides an approach that the NRC staff deems acceptable for complying with the Commission's regulations regarding the protection of digital computers, communications systems, and networks from a cyber security attack.

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Maresh Chawla, Project Manager
Plant Licensing Branch III-1
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