



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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March 4, 2002

Virginia Electric and Power Company
ATTN: Mr. David A. Christian
Sr. Vice President and
Chief Nuclear Officer
Innsbrook Technical Center - 2SW
5000 Dominion Boulevard
Glen Allen, VA 23060-6711

**SUBJECT: ANNUAL ASSESSMENT LETTER - SURRY POWER STATION
(REPORTS 50-280/02-01 AND 50-281/02-01)**

Dear Mr. Christian:

On February 5, 2002, the NRC staff completed its end-of-cycle plant performance assessment of the Surry Power Station. The end-of-cycle review for Surry involved the participation of all technical divisions in evaluating performance indicators (PIs) and inspection results for the period from April 1 through December 31, 2001. The purpose of this letter is to inform you of our assessment of your safety performance during this period and our plans for future inspections at your facility. This will provide you with the opportunity to prepare for these inspections and to inform us of any planned inspections which may conflict with your plant activities.

As discussed in our previous annual assessment letter dated May 31, 2001, this inspection and assessment cycle consisted of three quarters (i.e. the second, third, and fourth calendar quarters of Calendar Year 2001) instead of the usual four quarters. This change was implemented in order to align the inspection and assessment cycle with the calendar year beginning on January 1, 2002.

Overall, Surry Units 1 and 2 operated in a manner that preserved public health and safety and fully met all cornerstone objectives. For both units, plant performance for the most recent quarter was within the Regulatory Response Column of the NRC's Action Matrix based upon an inspection finding being classified as low to moderate safety significance (White) in the Mitigating Systems Cornerstone. In addition, Unit 2 was in the Regulatory Response Column due the Safety System Unavailability - Emergency AC Power PI being classified as White. The PI turned White in the second quarter of the assessment cycle. We plan to conduct a supplemental inspection in accordance with the Regulatory Response Column, baseline inspections, and license renewal and Independent Spent Fuel Storage Installation related inspections at your facility through March 31, 2003. Additional inspection activities may be warranted based upon the results of the supplemental inspection.

The White inspection finding was identified for failure to promptly investigate and correct abnormal wear of the Number 3 Emergency Diesel Generator (EDG) piston wrist pins and bearings. The Unit 2 White PI was mainly associated with the Number 3 EDG White inspection finding and the unavailability of the Number 2 EDG due to generator output breaker problems. In your January 18, 2002, Reply to a Notice of Violation letter, the actions taken and planned to correct and prevent the White inspection finding were discussed. The actions included the formation of a task team to review actions to enhance the reliability of the emergency diesel generators. During April 2002, the NRC will conduct a supplemental inspection of your actions to address the White inspection finding and PI.

The enclosed inspection plan details the inspections scheduled through March 31, 2003. The inspection plan is provided to minimize the resource impact on your staff and to allow for scheduling conflicts and personnel availability to be resolved in advance of inspector arrival onsite. Routine resident inspections are not listed due to their ongoing and continuous nature. The last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

With respect to the terrorist attacks on the World Trade Center and the Pentagon, immediately following the attacks, the NRC issued safeguards advisories recommending that nuclear power plant licensees go to the highest level of security, and all promptly did so. With continued uncertainty about the possibility of additional terrorist activities, the Nation's nuclear power plants, including Surry, remain at a high level of security. On February 25, 2002, the NRC issued an Order to all nuclear power plant licensees, requiring them to take certain additional interim compensatory measures to address the generalized high-level threat environment. These additional compensatory requirements will provide the NRC with reasonable assurance that public health and safety and the common defense and security continue to be adequately protected in the current generalized high-level threat environment. These requirements will remain in effect pending notification from the Commission that a significant change in the threat environment occurs, or until the Commission determines that other changes are needed following a more comprehensive re-evaluation of current safeguards and security programs. To date, we have monitored the Virginia Electric and Power Company's actions in response to the terrorist attacks through a series of audits. With the issuance of the Order, in addition to the inspections described in the enclosed plan, we will evaluate Surry's compliance with these interim requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosure will be made 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).

If circumstances arise which cause us to change this inspection plan, we will contact you to discuss the change as soon as possible. Please contact me at 404-562-4501 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Loren R. Plisco, Director
Division of Reactor Projects

Docket Nos. 50-280, 50-281, 72-002
License Nos. DPR-32, DPR-37, SNM-2501

Enclosure: Surry Inspection / Activity Plan

cc w/encl.:

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