

March 22, 2002

David Christian
Sr. Vice President Nuclear and
Chief Nuclear Officer
North Anna Power Station, Units 1 & 2
Virginia Electric & Power Company
5000 Dominion Boulevard
Glen Allen, VA 23060-6711

Dear Mr. Christian:

As a result of the recent terrorist threats, the U.S. Nuclear Regulatory Commission (NRC) is taking steps to enhance its licensees' ability to respond to the continuing heightened security environment. Currently, the NRC is authorized to disseminate classified information to uncleared persons only under special circumstances when timeliness is critical to mitigating an emergency situation. However, the NRC has decided to process security clearances for licensees so that they may have access to classified information under more routine circumstances.

Under this program, those licensees who desire to participate may be granted up to five personnel security clearances for access to classified information to key licensee staff at each nuclear power reactor site. Two-unit and three-unit sites should be treated as one location for these purposes. The Facility Security Officer for each site must be included as one of the five persons cleared. Classified information will eventually be disseminated to these licensee contacts through the NRC resident inspector office, which will be provided the ability to receive and store classified national security information.

Each individual to be cleared will be required to complete Form SF 86, "Questionnaire for National Security Positions" (enclosed), as part of the clearance process. Individuals must agree to execute the SF-312, "Classified Information Nondisclosure Agreement" (enclosed), before the clearance is granted. Individual clearances must be updated every 10 years. Licensees will be expected to cover the initial and recurring costs of the individual clearances, which will be \$145.00 each. In order for the NRC to make a Facility Security Clearance determination, participating licensees will also be required to develop a security plan as a user of classified information (Standard Practice Procedures Plan enclosed) and be subject to Foreign Ownership Control or Influence (FOCI) determinations made by the NRC. An overview of these requirements can be found in Title 10, Code of Federal Regulations (10 CFR) Part 95. A sample FOCI package including Form SF 328, "Certificate Pertaining To Foreign Interests," is also enclosed. Please note that your organization will be asked to certify annually to the NRC whether significant changes have occurred in the extent and nature of FOCI that would affect your responses to the SF 328 form. You will also be required to submit a new SF 328 every 5 years as part of a FOCI redetermination. Lastly, the President, Chairman of the Board of Directors, or other key management officials for each licensee may also need to be cleared, which may or may not include the original five personnel you select to receive a clearance.

D. Christian

- 2 -

The NRC will identify these individuals as necessary. Licensees will not be required to pay for the NRC's costs related to the FOCI determinations conducted in FY 2002.

Please respond within 30 days of receiving this letter indicating whether you desire to participate in this effort and, if appropriate, naming a point of contact (name, title, telephone number, and e-mail address) for your site. Each person nominated for a security clearance should return the form SF-86 and entire security package when complete in the envelope provided along with a check made out to the U.S. Nuclear Regulatory Commission for \$145 for each clearance. One check can be provided for the total number of clearances requested.

Your response to this letter, the FOCI package along with the SF-328, and a Standard Practice Procedures Plan should be sent separately as they are completed to the following address:

ATTN: LICENSEE CLEARANCES, MAIL STOP O2-D15
DIVISION OF FACILITIES AND SECURITY
OFFICE OF ADMINISTRATION
U.S. NUCLEAR REGULATORY COMMISSION
11555 ROCKVILLE PIKE
ROCKVILLE, MARYLAND 20852

Questions regarding FOCI or the Standard Practice Procedures Plan should be referred to J. Keith Everly at 301-415-7048 or jke@nrc.gov. Questions regarding the SF-86 or the security clearances should be referred to Cheryl Stone at 301-415-7404 or cms2@nrc.gov.

Sincerely,
/RA/
Michael L. Springer, Director
Office of Administration

Docket Nos. 50-338 and 50-339

Enclosures: As stated

cc without enclosures (see next page):

**See previous concurrence

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J. K. Everly, INFOSEC

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INFOSEC R/F

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Sincerely,

/RA/

Michael L. Springer, Director
Office of Administration

Docket Nos. 50-338 and 50-339

Enclosures: As stated

cc without enclosures: See next page

Mr. David A. Christian
Virginia Electric and Power Company

North Anna Power Station
Units 1 and 2

cc:

Mr. C. Lee Lintecum
County Administrator
Louisa County
P.O. Box 160
Louisa, Virginia 23093

Mr. David A. Heacock
Site Vice President
North Anna Power Station
P.O. Box 402
Mineral, Virginia 23117-0402

Ms. Lillian M. Cuoco, Esq.
Senior Nuclear Counsel
Dominion Nuclear Connecticut, Inc.
Millstone Power Station
Building 475, 5th Floor
Rope Ferry Road
Rt. 156
Waterford, Connecticut 06385

Mr. Richard H. Blount, II
Site Vice President
Surry Power Station
Virginia Electric and Power Company
5570 Hog Island Road
Surry, Virginia 23883-0315

Dr. W. T. Lough
Virginia State Corporation
Commission
Division of Energy Regulation
P.O. Box 1197
Richmond, Virginia 23209

Robert B. Strobe, M.D., M.P.H.
State Health Commissioner
Office of the Commissioner
Virginia Department of Health
P. O. Box 2448
Richmond, Virginia 23218

Old Dominion Electric Cooperative
4201 Dominion Blvd.
Glen Allen, Virginia 23060

Mr. William R. Matthews
Vice President - Nuclear Operations
Virginia Electric and Power Company
Innsbrook Technical Center
5000 Dominion Boulevard
Glen Allen, Virginia 23060-6711

Mr. Stephen P. Sarver, Director
Nuclear Licensing & Operations Support
Virginia Electric and Power Company
Innsbrook Technical Center
5000 Dominion Blvd.
Glen Allen, Virginia 23060-6711

Office of the Attorney General
Commonwealth of Virginia
900 East Main Street
Richmond, Virginia 23219

Senior Resident Inspector
North Anna Power Station
U.S. Nuclear Regulatory Commission
1024 Haley Drive
Mineral, Virginia 23117