

September 16, 2002

Mr. David A. Christian
Senior Vice President - Nuclear
Virginia Electric and Power Company
Innsbrook Technical Center
5000 Dominion Blvd.
Glen Allen, Virginia 23060

SUBJECT: NORTH ANNA POWER STATION, UNITS 1 AND 2 AND INDEPENDENT
SPENT FUEL STORAGE INSTALLATION (ISFSI), AND SURRY POWER
STATION, UNITS 1 AND 2 AND ISFSI - EXEMPTION FROM THE
REQUIREMENTS OF 10 CFR PART 40, SECTION 40.64(b) RE: FOREIGN
ORIGIN SOURCE MATERIAL INVENTORY (TAC NOS. MB3739, MB3740,
MB3741, AND MB3742)

Dear Mr. Christian:

The Commission has approved the enclosed exemption from specific requirements of Title 10 of the *Code of Federal Regulations* (10 CFR), Part 40, Section 40.64(b), for the North Anna and Surry Power Stations, Units 1 and 2 and their respective Independent Spent Fuel Storage Installations. This action is in response to your letter dated November 5, 2001. The exemption allows you to submit to the Commission once each year concurrently with your material status report a statement of your foreign origin source material inventory.

A copy of the exemption has been forwarded to the Office of the Federal Register for publication. The staff has completed its evaluation of this exemption; therefore, we are closing TAC Nos. MB3739, MB3740, MB3741, and MB3742.

Sincerely,

/RA/

Stephen R. Monarque, Project Manager
Project Directorate II-1
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

/RA/

Gordon E. Edison, Sr. Project Manager
Project Directorate II-1
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-280, 50-281, 50-338, 50-339, 72-2, and 72-16

Enclosure: Exemption

cc w/enclosure: See next page

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STATIONS UNITS 1 AND 2

Dated: September 16, 2002

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UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION
NORTH ANNA POWER STATION, UNITS 1 AND 2
AND
SURRY POWER STATION, UNITS 1 AND 2,
DOCKET NOS. 50-338, 50-339, 50-280, AND 50-281
NORTH ANNA AND SURRY INDEPENDENT SPENT FUEL STORAGE INSTALLATIONS
DOCKET NOS. 72-16 AND 72-2
EXEMPTION

1.0 BACKGROUND

The Virginia Electric and Power Company (the licensee) is the holder of Facility Operating License Nos. NPF-4, NPF-7, DPR-32, and DPR-37, which authorize operation of the North Anna and Surry Power Stations, Units 1 and 2, respectively. In addition, the licensee is the holder of Special Nuclear Material License Nos. SNM-2507 and SNM-2501 for the Independent Spent Fuel Storage Installations (ISFSIs) at the North Anna and Surry Power Stations, respectively. These licenses provide, among other things, that the facilities are subject to all rules, regulations, and orders of the U.S. Nuclear Regulatory Commission (NRC, the Commission) now or hereafter in effect.

North Anna Power Station consists of two pressurized-water reactors and an ISFSI located in Louisa County in the Commonwealth of Virginia. Surry Power Station consists of two pressurized-water reactors and an ISFSI located in Surry County in the Commonwealth of Virginia.

2.0 REQUEST/ACTION

Title 10 of the *Code of Federal Regulations* (10 CFR), Section 40.64(b) requires that each licensee authorized to possess at any one time and location more than 1,000 kilograms of uranium or thorium, or any combination of uranium or thorium, shall submit to the NRC within 30 days after September 30 of each year a statement of its foreign origin source material inventory. This statement is to be submitted to the address specified in the reporting instructions and include the Reporting Identification Symbol assigned by the NRC to the licensee.

The licensee, in its submittal dated November 5, 2001, proposed an exemption from 10 CFR 40.64(b) to allow for the reporting of foreign origin source material inventory to be made in conjunction with their material status reporting. By letter dated December 29, 2000, the staff approved of the licensee's request to submit the material status reports as of June 30 and December 31 of each year and to file these reports within 30 days after the end of the reporting period. This proposed exemption would allow for the annual statement of foreign origin source material inventory to be submitted once each year concurrently with a material status report. The licensee is proposing this reporting schedular change to avoid diverting personnel resources from refueling activities and post-refueling accountability to the preparation of foreign origin source material inventory reports.

3.0 DISCUSSION

Pursuant to 10 CFR 40.14(a), the Commission may, upon application by any interested person or upon its own initiative, grant exemptions from the requirements of 10 CFR Part 40 when the exemptions are authorized by law and will not endanger life or property or the common defense and security and are otherwise in the public interest.

The staff has determined that an exemption would be required to approve of the use of the alternate reporting dates for the foreign origin source material inventory. The staff

examined the licensee's rationale to support the exemption request and concluded that the alternate dates would meet the underlying purpose of 10 CFR Part 40. An alternative reporting date for the foreign origin source material inventory does not present any risk to the public health and safety. In addition, this exemption will not change the physical inventory of uranium or thorium or any combination of uranium or thorium at the plant, nor will this exemption change the amount or form of data required to be submitted to the staff by 10 CFR 40.64(b). The annual accounting and subsequent statement of foreign origin source material inventory will still be performed and the criteria for performing this accounting will not be affected.

The staff has examined the licensee's rationale to support the exemption request and concludes that the exemption meets the criteria of 10 CFR 40.14(a) and is appropriate and does not reduce the overall effectiveness of the licensee's foreign origin source material tracking program or the information required for submittal in accordance with 10 CFR 40.64(b).

4.0 CONCLUSION

Accordingly, the Commission has determined that, pursuant to 10 CFR 40.14(a), the exemption is authorized by law and will not endanger life or property or the common defense and security and is otherwise in the public interest. Therefore, the Commission hereby grants the licensee an exemption from the requirements of 10 CFR 40.64(b), for North Anna and Surry Power Stations, Units 1 and 2, and their respective ISFSIs.

Pursuant to 10 CFR 51.32, the Commission has determined that the granting of this exemption will not have a significant effect on the quality of the human environment (67 FR 58437).

This exemption is effective upon issuance.

Dated at Rockville, Maryland, this 16th day of September 2002.

FOR THE NUCLEAR REGULATORY COMMISSION

/RA/

John A. Zwolinski, Director
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