



**UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
REGION II  
SAM NUNN ATLANTA FEDERAL CENTER  
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March 4, 2003

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  
50-280/03-01 AND 50-281/03-01**

Dear Mr. Christian:

On February 4, 2003, 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) for the most recent quarter and inspection results for the period from January 1 through December 31, 2002. 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 so that you will have an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities.

Overall, Surry operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Unit 1 performance for the most recent quarter (fourth quarter of 2002) was within the Regulatory Response Column of the NRC's Action Matrix. This was due to a Mitigating Systems cornerstone PI (the Safety System Unavailability - Emergency AC Power PI) that reflected performance at a level requiring increased regulatory response (White). This PI was White since the fourth quarter of 2001. A major contributor to the total unavailability time was the damaged bearings on the number 3 emergency diesel generator, which resulted in a White Finding in the third quarter of 2001. In April 2002, the NRC completed a supplemental inspection for that White Finding, which was applicable to both Unit 1 and 2. In accordance with the NRC's Action Matrix, a supplemental inspection would normally be performed for the White PI. However, based upon previous inspection activities, including the results of the supplemental inspection for the White Finding, the NRC does not plan to conduct a separate supplemental inspection for this White PI.

The performance of Unit 2 for the most recent quarter, as well as for the first three quarters of the 2002 assessment period, was within the Regulatory Response Column of the NRC's Action Matrix due to a White Safety System Unavailability - Emergency AC Power PI. This PI has been White since the third quarter of 2001. The supplemental inspection discussed above also addressed this White PI on Unit 2. The licensee's cause determinations and corrective actions were determined to be acceptable.

For your information, the six unresolved items identified during a triennial fire protection inspection, which was completed on February 14, 2003, are under staff review as part of the Significance Determination Process and may warrant a supplemental inspection if any are determined to be of greater than very low safety significance.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. In addition to baseline inspection activities, the plan currently includes: (1) special inspection activities associated with planned reactor vessel head replacements; (2) operator licensing examinations; and (3) routine inspections of activities associated with your Independent Spent Fuel Storage Installation. 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 inspections in the last six months of the inspection plan are tentative and may be revised at the mid-cycle review meeting.

As you are aware, since the terrorist attacks on September 11, 2001, the NRC has issued several Orders and threat advisories to enhance security capabilities and improve guard force readiness. We have conducted inspections to review your implementation of these requirements and have monitored your actions in response to changing threat conditions. For calendar year 2003, we plan to continue these inspections, conduct portions of the security baseline inspection program, as well as perform additional inspections to evaluate your compliance with new requirements that may be ordered. Based on our final determinations in this regard, we will notify you of any inspection plan changes.

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 Mr. Kerry Landis at 404-562-4510 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  
License Nos: DPR-32, DPR-37

Enclosure: Surry Inspection/Activity Plan

cc w/encl: (See page 3)

cc w/encl.:

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