



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
61 FORSYTH STREET SW SUITE 23T85
ATLANTA, GEORGIA 30303-8931**

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 - NORTH ANNA POWER STATION
REPORTS 50-338/03-01 AND 50-339/03-01**

Dear Mr. Christian:

On February 4, 2003, the NRC staff completed its end-of-cycle plant performance assessment of the North Anna Power Station. The end-of-cycle review for North Anna 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, North Anna operated in a manner that preserved public health and safety and fully met all cornerstone objectives. Plant performance for the most recent quarter, as well as for the first three quarters of the assessment cycle, was within the Licensee Response Column of the NRC's Action Matrix, based on all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional NRC oversight (Green). Therefore, we plan to conduct baseline inspections at your facility through March 31, 2004. In addition, the following non-baseline activities will be performed: (1) special inspection activities associated with the planned reactor vessel head replacements; (2) a review of the implementation of the Interim Compensatory Measures required by the NRC Security Order dated February 25, 2002; and (3) routine inspections of activities associated with your Independent Spent Fuel Storage Installation.

The enclosed inspection plan details the inspections scheduled through March 31, 2004. 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 me at 404-562-4510 with any questions you may have regarding this letter or the inspection plan.

Sincerely,

/RA/

Kerry D. Landis, Chief
Reactor Projects Branch 5
Division of Reactor Projects

Docket Nos.: 50-338, 50-339
License Nos.: NPF-4, NPF-7

Enclosure: North Anna Inspection/Activity Plan

cc w/encl: (See page 3)

VEPCO

3

cc w/encl:
Stephen P. Sarver, Manager
Nuclear Licensing and
Operations Support
Virginia Electric and Power Company
Electronic Mail Distribution

D. A. Heacock
Site Vice President
North Anna Power Station
Virginia Electric and Power Company
Electronic Mail Distribution

Richard H. Blount, II
Site Vice President
Surry Power Station
Virginia Electric and Power Company
Electronic Mail Distribution

Executive Vice President
Old Dominion Electric Cooperative
Electronic Mail Distribution

County Administrator
Louisa County
P. O. Box 160
Louisa, VA 23093

Lillian M. Cuoco, Esq.
Senior Nuclear Counsel
Dominion Nuclear Connecticut, Inc.
Electronic Mail Distribution

Attorney General
Supreme Court Building
900 East Main Street
Richmond, VA 23219

Institute of Nuclear Power Operations (INPO)
700 Galleria Parkway SE
Atlanta, GA 30339-5943

VEPCO

4

Distribution w/encl:
S. Monarque, NRR
L. Slack, RII
RIDSNRDIPMLIPB
PUBLIC

OFFICE	DRP/RII						
SIGNATURE	LXG1						
NAME	LGamer						
DATE	3/4/2003	3/ /2003	3/ /2003	3/ /2003	3/ /2003	3/ /2003	3/ /2003
E-MAIL COPY?	YES NO						
PUBLIC DOCUMENT	YES NO						

OFFICIAL RECORD COPY

DOCUMENT NAME: C:\ORPCheckout\FileNET\ML030650457.wpd