February 20, 1997

EA 97-055

Virginia Electric and Power Company
ATTN: Mr. J. P. O'Hanlon
Senior Vice President-Nuclear
Innsbrook Technical Center
5000 Dominion Boulevard
Glen Allen, VA 23060

SUBJECT: NRC INSPECTION REPORT 50-280/97-01 AND 50-281/97-01

Dear Mr. O'Hanlon:

An NRC inspection was conducted January 13 - 17, 1997, at your Surry 1 and 2 reactor facilities. This was an inspection of your implementation of the requirements of 10 CFR 50.65, "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants" [the Maintenance Rule]. The enclosed report presents the results of that inspection.

Your program for implementing the requirements of the Maintenance Rule was based on the guidance provided in NUMARC 93-01, "Industry Guideline for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated May 1993, which was endorsed by the NRC in Regulatory Guide 1.160, "Monitoring the Effectiveness of Maintenance at Nuclear Power Plants," dated January 1995.

As a result of the inspection, we conclude that your Maintenance Rule program is not being adequately implemented. This conclusion is based on the fact that adequate monitoring of systems and components was not being accomplished as the result of inadequacies in system performance criteria, the fact that your procedure for implementing the Rule resulted in maintenance preventable functional failures not being appropriately evaluated, and the fact that historical reviews of operating data were not adequately performed for many systems. In addition, the inspection identified a significant deficiency in your program for assessing risk during the performance of on-line maintenance activities.

Based on the results of this inspection, seven apparent violations were identified and are being considered for escalated enforcement action in accordance with the "General Statement of Policy and Procedures for NRC Enforcement Actions" (Enforcement Policy), NUREG-1600. The apparent violations concern your failure to implement an adequate Maintenance Rule program and your failure to take adequate corrective action for self-assessment findings, which should have caused you to be aware of the deficiencies in the program you had developed. Accordingly, no Notice of Violation is presently being issued for these inspection findings. In addition, please be advised that the number and characterization of apparent violations described in the enclosed inspection report may change as a result of further NRC review.

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A predecisional enforcement conference to discuss these apparent violations has been scheduled for March 11, 1997. The decision to hold a predecisional enforcement conference does not mean that the NRC has determined that a violation has occurred or that enforcement action will be taken. This conference is being held to obtain information to enable the NRC to make an enforcement decision, such as a common understanding of the facts, root causes, missed opportunities to identify the apparent violations sooner, corrective actions, significance of the issues and the need for lasting and effective corrective action. In particular, due to the fact that your Maintenance Rule program was corporate driven and implemented, we expect you to also be able to address the effect of these deficiencies with regard to implementation of this program at your North Anna facility. In addition, this is an opportunity for you to point out any errors in our inspection report and for you to provide any information concerning your perspectives on 1) the severity of the violations, 2) the application of the factors that the NRC considers when it determines the amount of a civil penalty that may be assessed in accordance with Section VI.B.2 of the Enforcement Policy, and 3) any other application of the Enforcement Policy to this case, including the exercise of discretion in accordance with Section VII.

This conference will be open to public observation in accordance with the Commission's program as discussed in the enclosed excerpt from the Enforcement Policy (Enclosure 2). Although not required, we encourage you to provide your comments on how you believe holding this conference open to public observation affected your presentation and your communications with the NRC.

You will be advised by separate correspondence of the results of our deliberations on this matter. No response regarding the apparent violations is required at this time.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter and its enclosures will be placed in the NRC Public Document Room (PDR).

Sincerely,

ORIGINAL SIGNED BY:
JOHNS O. JAUDON

Johns P. Jaudon, Director
Division of Reactor Safety

Docket Nos.: 50-280, 50-281
License Nos.: DPR-32, DPR-37

Enclosures: (See page 3)

Enclosures:
1. Inspection Report 50-280/97-01, 50-281/97-01
2. Enforcement Policy: Section V, "Predecisional Enforcement Conferences"
3. Handout on Surry "Maintenance Rule Development and Implementation"

cc w/encls:
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*SEE PREVIOUS CONCURRENCE

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