



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
SAM NUNN ATLANTA FEDERAL CENTER
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August 30, 2004

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: MID-CYCLE PERFORMANCE REVIEW AND INSPECTION PLAN - SURRY
POWER STATION**

Dear Mr. Christian:

On August 4, 2004, the NRC staff completed its mid-cycle plant performance assessment of the Surry Power Station. The mid-cycle review for Surry involved the participation of all technical divisions in evaluating performance for the first half of the calendar year 2004 assessment cycle. The process included a review of performance indicators (PIs) for the most recent quarter and inspection results over the previous twelve months. 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. This will allow you an opportunity to prepare for these inspections and to inform us of any planned inspections that may conflict with your plant activities. This performance review and the enclosed inspection plan do not include physical protection information. A separate mid-cycle performance review letter, designated and marked as "Proprietary Information in accordance with 10 CFR 2.390(d)(1)", will include the physical protection review and resultant inspection plan.

Unit 2 performance for the most recent quarter was within the Licensee Response Column due to all inspection findings being classified as having very low safety significance (Green) and all PIs indicating performance at a level requiring no additional oversight (Green). Unit 1 performance for the most recent quarter was within the Regulatory Response column of the NRC's Action Matrix based on a White Safety System Unavailability - Emergency AC Power PI of the Mitigating Systems Cornerstone. The White PI reflected performance at a level requiring increased response. The supplemental inspection for this PI was completed with no significant finding identified. In addition, a preliminary White finding and potential non-green issues, associated with mitigating certain fires and flooding scenarios, were sent to you on February 2, 2004, and May 21, 2004. Based upon the final significance determination, additional inspection activities may be warranted for Units 1 and 2.

The enclosed inspection plan details the inspections, less those related to physical protection, scheduled through March 31, 2006. In addition to baseline inspection activities, the plan currently includes inspections associated with your Independent Spent Fuel Storage Installation, safety issue inspection associated with reactor pressure vessel lower head penetration nozzles, and an initial operator examinations. Further, during the upcoming Unit 1 refueling outage, an inspection of your response to NRC Bulletin 2004-01: Inspection of Alloy

82/182/600 Materials Used in the Fabrication of Pressurizer Penetrations and Steam Space Piping Connections at Pressurized-Water Reactors, will be also be conducted. 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 twelve months of the inspection plan are tentative and may be revised at the end-of-cycle review meeting.

In accordance with 10 CFR 2.390 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/

Victor McCree, Director
Division of Reactor Projects

Docket Nos: 50-280, 50-281, 72-2
License Nos: DPR-32, DPR-37, SNM-2501

Enclosure: Surry Inspection/Activity Plan

cc w/encl: (See page 3)

VEPCO

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cc w/encl.:

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