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VIRGINIA ELECTRIC AND POWER COMPANY TA THE RICHMOND, VIRGINIA 23261

June 25, 1979

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Mr. James O. O'Reilly, Director Office of Inspection and Enforcement U. S. Nuclear Regulatory Commission 101 Marietta Street, Suite 3100 Atlanta, Georgia 30303

Serial No. 502 PO/FHT:jh Docket No. 50-281 License No. DPR-37

Dear Mr. O'Reilly:

Under the provisions of the operating license Technical Specifications and/or 10CFR21, NRC Region II was notified on June 19, 1979, that a potential significant deficiency or substantial safety hazard existed at Surry Power Station Unit No. 2.

In accordance with the reporting requirements of the above regulations, the following information is submitted:

- A. Name and address of reporting individual: C. M. Stallings Virginia Electric and Power Company P.O. Box 26666 Richmond, VA 23261
- B. Facility, activity, and/or component affected: The affected component is pipe consisting of one heat number of ASTM A312, Type 304 SS.
- C. Name of firm supplying the component, activity or service: Gulf Alloy, Inc, of Houston, Texas
- D. Description of defect, deficiency, or failure to comply: The minimum amount of chromium for this type of pipe is 18%. The pipe of concern was chemically analyzed and found to contain only 16.45% chromium.
- E. Date of determination of reportability: June 18, 1979.
- F. Similar components, activities or services: This pipe was to be used in the new steam generator recirculation and transfer system, however, none of this pipe has been used at this time.

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- G. Corrective action which has been, is being, or will be taken, the individual responsible and the length of time to complete the action: The corrective action taken was to locate and identify all pipe with the heat number of concern. Chemical analysis has been performed on all other pipe which was manufactured by the firm mentioned above. The results of this analysis indicate that only one heat number was affected. Pipe with the affected heat number will not be used.
- H. Other information: Any additional information regarding this subject will be submitted as a supplemental report.

Should you require further information, please contact this office.

Very truly yours,

Wel Broth

C. M. Stallings

Vice President-Power Supply and Production Operations

cc: Mr. John G. Davis, Acting Director (3)