ENCLOSURE 1

NOTICE OF VIOLATION

Virginia Electric and Power Company Surry Docket Nos. 50-280 and 50-281 License Nos. DPR-32 and DPR-37

During the Nuclear Regulatory Commission (NRC) inspection conducted on May 4-6 and May 18-19, 1987, violations of NRC requirements were identified. The violation involved a failure to establish and maintain an adequate material control and accounting procedure which resulted in a failure to conduct an annual physical inventory of all special nuclear material and a failure to maintain adequate records for control of all special nuclear material. In accordance with the "General Statement of Policy and Procedure for NRC Enforcement Actions," 10 CFR Part 2, Appendix C (1986), the violations are listed below:

10 CFR 70.51(c) requires that each licensee who is authorized to possess at any one time special nuclear material in quantity exceeding one effective kilogram of special nuclear material shall establish and maintain written material control and accounting procedures which are sufficient to enable the licensee to account for the special nuclear material in his possession under license.

10 CFR 70.51(d) requires that each licensee who is authorized to possess at any one time and location special nuclear material in a quantity totalling more than 350 grams of contained U-235... shall conduct a physical inventory of all special nuclear material in his possession under license at interval not to exceed twelve months.

10 CFR 70.51(b)(1) requires that each licensee shall keep records showing the receipt, inventory (including location), disposal, acquisition and transfer of all special nuclear material in his possession regardless of its origin or method of acquisition.

Contrary to the above, the licensee's Administrative Procedure No. ADM-32 was inadequate in that procedure did not address the fundamental elements of material control in the area of storage, inventory, and internal transfers of all special nuclear material (SNM) including incore and excore detectors which resulted in a failure to conduct a physical inventory of all SNM incore and excore detectors, and a failure to maintain records showing the transfer and location of incore detectors transferred from the reactor to high-level radwaste drums.

This is a Severity Level IV (Supplement III) violation.

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Pursuant to the provisions of 10 CFR 2.201, Virginia Electric and Power Company is hereby required to submit to this Office within 30 days of the date of the letter transmitting this Notice a written statement or explanation in reply including for each violation: (1) admission or denial of the violation, (2) the reason for the violation if admitted, (3) the corrective steps which have been taken and the results achieved, (4) the corrective steps which will be taken to avoid further violations, and (5) the date when full compliance will be achieved. Where good cause is shown, consideration will be given to extending the response time.

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FOR THE NUCLEAR REGULATORY COMMISSION

J. Philip Atohr, Director Division of Radiation Safety and Safequards

Dated at Atlanta, Georgia this 17th day of June 1987