



**UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION II
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ATLANTA, GEORGIA 30303-8931**

March 31, 2000

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: PLANT PERFORMANCE REVIEW - NORTH ANNA POWER STATION

Dear Mr. O'Hanlon:

The purpose of this letter is to communicate our assessment of your performance and to inform you of our planned inspections at your facility. On February 28, 2000, we completed a plant performance review (PPR) of North Anna Power Station. We conduct these reviews to develop an integrated overview of the safety performance of each operating nuclear power plant. We use the results of the PPR in planning and allocating inspection resources and as inputs to our senior management meeting (SMM) process. This PPR evaluated inspection results and safety performance information for the period from February 1, 1999, through January 31, 2000, but emphasized the last six months to ensure that our assessment reflected your current performance. Our most recent summary of plant performance at North Anna was provided to you in a letter dated March 24, 1999, and was discussed with you in a public meeting on April 13, 1999.

The NRC has been developing a revised reactor oversight process that will replace our existing inspection and assessment processes, including the PPR, the SMM, and the systematic assessment of licensee performance (SALP). We recently completed a pilot program for the revised reactor oversight process at nine participating sites and are making necessary adjustments based on feedback and lessons learned. We plan to begin initial implementation of the revised reactor oversight process industry-wide, including your facility, on April 2, 2000.

This PPR reflects continued process improvements as we make the transition into the revised reactor oversight process. Instead of characterizing our assessment results by SALP functional area, we are organizing the results into the strategic performance areas embodied in the revised reactor oversight process. In addition, we have considered the historical performance indicator data that you submitted in January 2000 in conjunction with the inspection results in assessing your performance. The results of this PPR were used to establish the inspection plan in accordance with the new risk-informed inspection program (consisting of baseline and supplemental inspections). Although this letter incorporates some terms and concepts associated with the new oversight process, it does not reflect the much broader changes in inspection and assessment that will be evident after we have fully implemented our revised reactor oversight process.

During the last six months Unit 1 operated at or near 100 percent except for a power reduction in September to 59 percent power due to a cooling problem with the generator output breakers.

Unit 2 completed a 29-day refueling outage in October 1999. Unit 2 had a manual reactor trip on December 2 due to a loss of feedwater pump suction. In addition, Unit 2 had two planned power reductions to support corrective maintenance on secondary equipment.

We have not identified any significant performance issues during this assessment period and note that North Anna continues to operate in a safe manner. Therefore, we plan to conduct baseline inspections at your facility as noted in the attached inspection plan. Also we plan to conduct inspections to review selected activities associated with your Independent Spent Fuel Storage Installation.

We plan to review the results of the operational safety review team (OSART) assessment of North Anna that was completed during January 24 - February 10, 2000. This review will be accomplished with the understanding that we may not perform certain baseline inspections or portions of inspections from the revised reactor oversight process, but give credit to OSART assessments that we believe provided a comparable level of inspection. Following completion of our review, we will notify you of the results.

Enclosure 1 contains a historical listing of plant issues, referred to as the plant issues matrix (PIM), that were used during this PPR process to arrive at our integrated view of your performance trends. The PIM for this assessment is grouped by the prior SALP functional areas of operations, maintenance, engineering and plant support. Future PIMs will be organized along the cornerstones of safety as described in the revised reactor oversight process. The attached PIM includes items summarized from inspection reports or other docketed correspondence regarding North Anna. We did not document all aspects of licensee programs and performance that may be functioning appropriately. Rather, we only documented issues that we believe warrant management attention or represent noteworthy aspects of performance. In addition, the PPR may also have considered some predecisional and draft material that does not appear in the attached PIM, including observations from events and inspections that had occurred since our last inspection report was issued, but had not yet received full review and consideration. We will make this material publically available as part of the normal issuance of our inspection reports and other correspondence.

Enclosure 2 lists our planned inspections for the period April 2000 through March 2001 at North Anna to allow you to resolve scheduling conflicts and personnel availability in advance of our inspectors' arrival onsite. The inspection schedule for the latter half of the period is more tentative and may be adjusted in the future due to emerging performance issues at North Anna or other nuclear facilities. We also included some NRC non-inspection activities in Enclosure 2 for your information. Routine resident inspections are not listed due to their ongoing and continuous nature.

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We will inform you of any changes to the inspection plan. If you have any questions, please contact me at (404) 562-4550.

Sincerely,

/RA/

Robert C. Haag, Chief
Reactor Projects Branch 5
Division of Reactor Projects

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

Enclosures: 1. Plant Issues Matrix
2. Inspection Plan

cc w/enclosures:
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North Anna Power Station
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Virginia Electric and Power Company
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Executive Vice President
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cc w/enclosures continued: See page 4

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cc w/enclosures continued:
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