

VIRGINIA ELECTRIC AND POWER COMPANY
RICHMOND, VIRGINIA 23261

STANLEY RAGOONE
PRESIDENT

June 27, 1979

Mr. Joseph M. Hendrie, Chairman
United States Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Chairman Hendrie:

Since the Order to Show Cause was issued on March 13, 1979, Vepco has endeavored to reanalyze the piping systems for Surry Power Station and to keep the NRC staff informed of our progress. To this end, there have been numerous meetings, approximately a dozen letters, and almost daily phone contact between the NRC staff and Vepco.

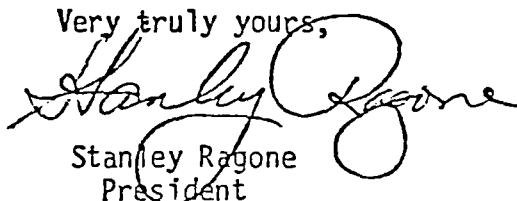
The NRC, Stone & Webster and Vepco now recognize the overall analysis effort is of a greater magnitude than was thought in March. The massive magnitude and complexity of the reanalysis was not recognized early, and at times trends seemed apparent which have led us to incorrect assumptions about certain aspects of the overall program. For instance, several thousands of engineering manhours were expended and about 40 percent of the pipe stress analyses were completed before the need for modifications were finally identified. In May and early June, it seemed that this experience could be extrapolated to future analyses and it could be concluded that very few hardware modifications would be required for the remaining systems to be analyzed. It turned out that this conclusion was not valid since, in the last few days, we have identified pipes which require modifications due to overstress. Early observations were associated with completed pipe stress analyses that may not have been representative of the remaining cases. Recent experience indicates that remaining cases may be susceptible to additional hardware modifications. Several problems that require hardware modifications have been identified, although for the most part they are for reasons other than that outlined in the March 13 Order. In each case, the Staff was notified prior to the modifications being completely evaluated and through the entire analysis procedure. We now believe, as does the NRC Staff, that a large percentage of the analyses must be completed before start-up can be allowed so that sufficient modifications can be completed to assure the safe operation of Surry.

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The continued shutdown of Surry Power Station remains a frustrating condition for Vepco and our customers. We now recognize the need for many thousands of engineering manhours yet to be expended which probably will not be completed in time to allow the operation of Surry Unit 1 during the summer peak load period. The Company has made arrangements for 800mw of capacity from an adjacent utility in July and August to replace the Surry capacity. However, the Company's resource level is still below our normal level. We will not, however, in any way compromise the thoroughness of the reanalysis. The safe operation of Surry and effective and open communication with the staff are equally as important as the generation of power. Therefore, as modifications have been identified, the Staff has been notified promptly, as was the case in our letters of June 8, June 12, June 19, and June 25, 1979.

The Staff's availability and responsiveness have been extremely beneficial to our reanalysis effort. We appreciate their continued accessibility, and we will continue to provide information in a timely and professional manner so that both Vepco and the Staff may be completely satisfied that Surry can be returned to service and operated safely. Input from the Staff has been and continues to be valuable. We are desirous of providing whatever information the Commission may require to complete the review of the Surry pipe stress reanalysis effort.

Very truly yours,



Stanley Ragone
President

cc: Mr. Harold R. Denton
Governor John Dalton
Attorney General J. Marshall Coleman
Virginia State Corporation Commission
North Carolina Public Utilities Commission
North Carolina Public Utilities Staff