

November 16, 2000

Mr. Richard Bernier, Chairman
CE Owners Group
Mail Stop 7868
Arizona Public Service Company
Palo Verde Nuclear Generating Station
P.O. Box 52034
Phoenix, Arizona 85972-2034

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE -
COMBUSTION ENGINEERING OWNERS GROUP (TAC NO. MB0337)

Dear Mr. Bernier:

By letter and affidavit dated July 7, 2000, the Combustion Engineering Owners Group (CEOG) submitted CE NPSD-1199-P, "Model for Failure of RCP Seals Given Loss of Seal Cooling," and requested that it be withheld from public disclosure pursuant to 10 CFR 2.790. A nonproprietary version has been placed in the NRC public document room and added to the Agencywide Documents Access and Management Systems Publicly Available Records System (ADAMS PARS) Library.

The affidavit stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- a.. A similar product is manufactured and sold by major competitors of CENP.
- b. Development of this information by CENP required thousands of dollars and hundreds of manhours of effort: a competitor would have to undergo similar expense in generating equivalent information.
- c. The information consists of (1) a technical description of the seals used at CE plants, (2) a description of the failure mechanisms, (3) a quantification of a mechanistic seal model, and (4) a definition of the expected leakage rates for combination of seal stage failures. Application of this failure model provides CENP a competitive economic advantage. The availability of such information to competitors would enable them to modify their products to better compete with CENP, take marketing or other actions to improve their product's position or impair the position of CENP's product, and avoid developing similar data and analyses in support of their processes, methods or apparatus.
- d. In pricing CENP's products and services, significant research, development, engineering, analytical, manufacturing, licensing, quality assurance and other costs and expenses must be included. The ability of

CENP's competitors to utilize such information without similar expenditure of resources may enable them to sell at prices reflecting significantly lower costs.

- e. Use of the information by competitors in the international marketplace would increase their ability to market engineering services by reducing the costs associated with their technology development.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.790 and, on the basis of your statements, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure.

Therefore, the version of CE NPSD-1199-P, "Model for Failure of RCP Seals Given Loss of Seal Cooling," marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.790(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

Withholding from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the documents. If the need arises, we may send copies of this information to our consultants working in this area. We will, of course, ensure that the consultants have signed the appropriate agreements for handling proprietary information.

If the basis for withholding this information from public inspection should change in the future such that the information could then be made available for public inspection, you should promptly notify the NRC. You also should understand that the NRC may have cause to review this determination in the future, for example, if the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC makes a determination adverse to the above, you will be notified in advance of any public disclosure.

If you have any questions regarding this matter, I may be reached at 301-415-1424.

Sincerely,

/RA/

Jack Cushing, Project Manager, Section 2
Project Directorate IV & Decommissioning
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Project No. 692

cc: See next page

CENP's competitors to utilize such information without similar expenditure of resources may enable them to sell at prices reflecting significantly lower costs.

- e. Use of the information by competitors in the international marketplace would increase their ability to market a competing product, reducing the costs associated with their technology development.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.790 and, on the basis of your statements, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure.

Therefore, the version of, CE NPSD-1199-P, "Model for Failure of RCP Seals Given Loss of Seal Cooling," marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.790(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

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Jack Cushing, Project Manager, Section 2
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CE Owners Group

Project No. 692

cc:

Mr. Gordon C. Bischoff, Project Director
CE Owners Group
Westinghouse Electric Company
CE Nuclear Power, LLC
M.S. 9615-1932
2000 Day Hill Road
Post Office Box 500
Windsor, CT 06095

Mr. Charles B. Brinkman, Manager
Washington Operations
Westinghouse Electric Company
CE Nuclear Power, LLC
12300 Twinbrook Parkway, Suite 330
Rockville, MD 20852

Mr. Virgil Paggen
CE Nuclear Power LLC
M. S. 9383-1922
2000 Day Hill Road
Windsor, CT 06095-1922

Mr. Philip W. Richardson, Manager
Windsor Nuclear Licensing
Westinghouse Electric Company
CE Nuclear Power, LLC
P.O. Box 500
2000 Day Hill Road
Windsor, CT 06095-0500