

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

In the Matter of)
)
PRIVATE FUEL STORAGE L.L.C.) Docket No. 72-22 ISFSI
)
)
(Private Fuel Storage Facility))
)
)

**Affidavit of John D. Parkyn
Pursuant to 10 CFR 2.790**

CITY OF LA CROSSE)
) SS:
STATE OF WISCONSIN)

John D. Parkyn, being duly sworn, states as follows:

1. I am Chairman of the Board of Private Fuel Storage L.L.C. ("PFS"), a limited liability company organized and existing under the laws of the State of Delaware with its principle office located in La Crosse, Wisconsin. In that capacity, I am responsible for the operational and managerial matters of PFS.

2. PFS is filing with the NRC a response to a Request for Additional Information, dated April 1, 1998 (TAC NO. L22462) regarding PFS' application for a license to construct and operate an independent spent fuel storage installation on the reservation of the Skull Valley Band of Goshute Indians. Some of the information contained in PFS' response is sensitive proprietary commercial and financial information that could cause great harm to PFS if it were made publicly available. Accordingly, PFS requests the NRC to withhold this information, developed and owned by PFS, from public disclosure pursuant to 10 CFR 2.790 of its regulations. This affidavit supplies the reasons why this information should be withheld from public disclosure as required by the regulation.

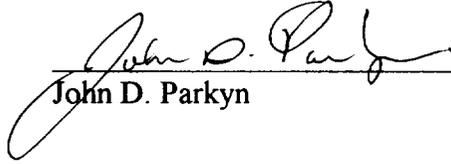
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3. The complete unredacted version of PFS' response containing the sensitive, proprietary commercial and financial information for which PFS requests the Commission to treat as proprietary and to withhold from public disclosure is Attachment A to this affidavit. A redacted version of PFS' response deleting the sensitive, proprietary commercial and financial information is Attachment B to this affidavit. The redacted version in Attachment B can be made publicly available without competitive harm to PFS.

4. I am familiar with the sensitive commercial and financial information contained in PFS' response (Attachment A to this affidavit). I am authorized to speak to PFS' practice of maintaining such information proprietary and the harm that would befall PFS if it were publicly disclosed.

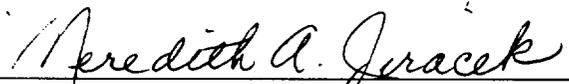
5. PFS' response (Attachment A to this affidavit) contains detailed cost data associated with the construction and operation of the Private Fuel Storage Facility. This information is information of the type customarily held in confidence by PFS, and this information is so held. PFS does not disclose this type of information to the public and it is not available from public sources. The rational basis for not disclosing this type of information is that the information is commercially sensitive to the conduct of PFS' business, i.e., the development and operation of an independent spent fuel storage facility, and its disclosure to competitors and customers could cause PFS substantial competitive harm. If the information contained in PFS' response (Attachment A to this affidavit) became available to PFS' competitors or customers (both current and potential), those parties would learn of sensitive cost information which could be used against PFS in the competition for customers or negotiation of contracts for services. Such a result would place PFS at a significant competitive disadvantage in negotiations with potential customers, would provide potential competitors with competitively advantageous information, and cause PFS substantial commercial harm.

6. Accordingly, the information included in PFS' response attached as Attachment A to this affidavit is being transmitted to the Commission in confidence under the provisions of 10 CFR 2.790 with the understanding that it will be received and held in confidence by the Commission and withheld from public disclosure.



John D. Parkyn

Sworn to before me this 18th day of May 1998.



Notary Public Meredith A. Jiracek
State of Wisconsin
My Expiration Date: 7/22/2001

Attachment B

REDACTED VERSION

LICENSE APPLICATION

LA Chapter 1, Section 1-6

- 1-3 (a) Provide adequate information to explain the basis for the \$100 million estimated cost for facility construction.
- Specify whether this amount is anticipated as being needed for the 15,000 MTU nominal target for the facility or for the 40,000 MTU facility capacity.
- (b) Provide an itemized description for each of the major construction tasks in the overall estimate.

RESPONSE

(a) The basis of the \$100 million estimate contained within the license application is as follows.

The PFSF has two design capacity cases which are premised on the projected customer base. The 15,000 Mtu nominal capacity case services the utilities which presently form the PFSLLC. The 40,000 Mtu licensed capacity case represents a larger customer base which includes the PFSLLC members and other utilities interested in utilizing the storage facility as a user, not as an owner.

Both design capacities will utilize a phased construction approach. For the nominal capacity case, the facility is planned to be constructed in two phases. The first phase will provide a storage capacity which equates to approximately one-third the licensed capacity (40,000 Mtu) of the facility. A small amount of additional capacity will be added in later construction period (year 2015) to complete the necessary design capacity for PFSLLC owners.

The licensed capacity case will be implemented as utilities elect to use the PFSF in addition to those utilities presently forming the PFSLLC. The required additional capacity will be constructed in as many as two additional phases until the licensed capacity of 40,000 Mtu is reached. Each of these two additional increments of capacity are equal to approximately one-third the capacity of the facility.

To implement the phased construction approach, certain additional costs will be realized to provide the capability for expansion. This occurs with the reconfiguration of select portions of the infrastructure systems while the facility is in operation. Certain economies can also be realized in the nominal case due to the correlation of the fuel receipt shipping schedule with the opening of the

REDACTED VERSION

federal repository during the lifetime of the PFSF. However, it is important to realize that the expansion of the 15,000 Mtu capacity case to the ultimate capacity of 40,000 Mtu is funded during operation of the facility from fees paid by the additional users. The estimate of cost included in the license application was conservatively calculated from the 40,000 Mtu ultimate capacity case while recognizing that the funding requirements for only the initial one third will be the direct responsibility of the PFSLLC.

(b) An itemized list of the major construction costs is confidential.

REDACTED VERSION

LA Appendix B, Chapter 5, Section 5-2

1-7 Provide a copy of the actual PFS letter of credit (or its proposed text) which PFS states will provide decommissioning funding assurance for the \$1,631,000 which PFS estimates will be needed for facility and site decommissioning costs.

- It should state whether the amount in the letter of credit will escalate over time if the cost of decommissioning increases above the estimated amount.

RESPONSE

Attached is a copy of the confirmation that River Bank of La Crosse, Wisconsin will issue to Private Fuel Storage a letter of credit with the U. S. Nuclear Regulatory Commission as beneficiary. The actual letter of credit would be issued at the time of facility licensing, but this represents the commitment of the financial institution in response to the NRC's question. This proposed letter of credit was drafted using the guidance of NRC Regulatory Guide 3.66, which states that a letter of credit should be limited in both amount and term.

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