

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

November 21, 2001

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC
DISCLOSURE- CE NUCLEAR POWER (CENP) LLC (TAC NO. MB1343)

Dear Mr. Richardson:

By your affidavit dated February 22, 2001, in conjunction with the application by Arizona Public Service Company, you have requested that Westinghouse Inc. attachment to letter V-2001-014 entitled, "Performance of Alloy A Clad Rods and LFA in Palo Verde Unit 3," be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 2.790. A nonproprietary copy of this document has been placed in the Nuclear Regulatory Commission's (NRC's) 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 hundreds of thousands of dollars and thousands of manhours of effort. In order to acquire equivalent information, a competitor would need to invest considerable time, expense and inconvenience to design, develop, manufacture and test the subject fuel cladding.
- c. The information consists of technical data and details concerning the design, development, and performance of Alloy A as applied to lead test fuel rods, the application of which provides CENP a competitive economic advantage. The availability of such information to competitors would enable them to design their product 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 technical analysis 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 steam generator repair systems and services by reducing the costs associated with their technology development. In addition, disclosure would have an adverse economic impact on CENP's potential for obtaining or maintaining foreign licenses.

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(s) of the submitted information 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 301-415-1396.

Sincerely,

***/RA by DHolland
For RWharton/***

L. Raynard Wharton, Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. STN 50-530

cc: See next page

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Sincerely,

***/RA by DHolland
For RWharton/***

L. Raynard Wharton, Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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***See previous concurrence**

NRR-084

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Palo Verde Generating Station, Units 1, 2, and 3

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