Pacific Gas and
Electric Company

Lawrence F. Womack
Vice President
Nuclear Services

Diablo Canyon Power Plant
P.O. Box 56
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June 4, 2002

PG&E Letter DIL-02-007

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Docket No. 72-26
Diablo Canyon Independent Spent Fuel Storage Installation
Submittal of Holtec Proprietary Reports and Non-Proprietary Document

Dear Commissioners and Staff:

On December 21, 2001, Pacific Gas and Electric Company (PG&E) submitted an application to the Nuclear Regulatory Commission, in PG&E Letter DIL-01-002, requesting a site-specific license for an Independent Spent Fuel Storage Installation (ISFSI) at the Diablo Canyon Power Plant. The application included a Safety Analysis Report (SAR), Environmental Report, and other required documents in accordance with 10 CFR 72.

As requested by Mr. S. Baggett, proprietary versions of two Holtec reports are transmitted in Enclosure 1, Attachments 1 and 2 for use by the NRC staff in their review of the application. Enclosure 2 contains an affidavit signed by Holtec, the owner of the proprietary information in the report. The affidavit sets forth the bases on which the Holtec information contained in the subject reports may be withheld from public disclosure by the Commission. The affidavit also addresses with specificity the considerations listed in the Freedom of Information Action (FOIA), 5 USC Sec. 552(b)(4) and the Trade Secrets Act, 18 USC Sec. 1905, and NRC regulations 10 CFR 9.17(a)(4), 2.790(a)(4), and 2.790(b)(1). PG&E requests that the Holtec proprietary information be withheld from public disclosure in accordance with the cited regulations. Enclosure 3 contains the requested inter-company communication from T. Miyazaki to K. P. Singh.

Correspondence with respect to proprietary aspects of the application for withholding related Holtec proprietary information from public disclosure or to the Holtec affidavit provided in Enclosure 2 should be addressed to Brian Gutherman, Licensing Manager, Holtec International, Holtec Center, 555 Lincoln Drive West, Marlton, New Jersey 08053.

A non-proprietary version of the Holtec proprietary information will be provided in a separate transmittal letter.

NMSS PROP

If you have any questions regarding this matter, please contact Mr. Terence Grebel at (805) 595-6382.

Sincerely,

David Mikkelsen for

Lawrence F. Womack
Vice President – Nuclear Services

gwh
Enclosures
cc: Diablo Distribution
Brian Gutherman
Ellis W. Merschoff
David L. Proulx
Girija S. Shukla
cc/enc: James R. Hall
David A. Repka
John Stamatakos

LIST OF HOLTEC PROPRIETARY REPORTS

1. Holtec International Report No. HI-2002474, Analysis of the Loaded HI-STORM 100 System Under Drop and Tipover Scenarios, Revision 2.

2. Holtec International Report No. HI-992252, Topical Report on the HI-STAR/HI-STORM Thermal Model and its Benchmarking with Full-Size Cask Test Data, Revision 1.

HOLTEC AFFIDAVIT FOR PROPRIETARY REPORTS

AFFIDAVIT PURSUANT TO 10CFR2.790

I, Brian Gutherman, being duly sworn, depose and state as follows:

(1) I am Licensing Manager of Holtec International and have reviewed the information described in paragraph (2) which is sought to be withheld, and am authorized to apply for its withholding.

(2) The information sought to be withheld is included in the following Holtec International Calculation Reports:

- Holtec Report No. HI-992252, Topical Report on the HI-STAR/HI-STORM Thermal Model and its Benchmarking with Full-Size Cask Test Data, Revision 1.
- Holtec Report No. HI-2002474, Analysis of the Loaded HI-STORM 100 System Under Drop and Tipover Scenarios, Revision 2.

This information is considered proprietary to Holtec International.

(3) In making this application for withholding of proprietary information of which it is the owner, Holtec International relies upon the exemption from disclosure set forth in the Freedom of Information Act ("FOIA"), 5 USC Sec. 552(b)(4) and the Trade Secrets Act, 18 USC Sec. 1905, and NRC regulations 10CFR Part 9.17(a)(4), 2.790(a)(4), and 2.790(b)(1) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (Exemption 4). The material for which exemption from disclosure is here sought is all "confidential commercial information", and some portions also qualify under the narrower definition of "trade secret", within the meanings assigned to those terms for purposes of FOIA Exemption 4 in, respectively, Critical Mass Energy Project v. Nuclear Regulatory Commission, 975F2d871 (DC Cir. 1992), and Public Citizen Health Research Group v. FDA, 704F2d1280 (DC Cir. 1983).

(4) Some examples of categories of information which fit into the definition of proprietary information are:

a. Information that discloses a process, method, or apparatus, including supporting data and analyses, where prevention of its use by Holtec's

competitors without license from Holtec International constitutes a competitive economic advantage over other companies;

b. Information which, if used by a competitor, would reduce his expenditure of resources or improve his competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing of a similar product.

c. Information which reveals cost or price information, production, capacities, budget levels, or commercial strategies of Holtec International, its customers, or its suppliers;

d. Information which reveals aspects of past, present, or future Holtec International customer-funded development plans and programs of potential commercial value to Holtec International;

e. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection.

The information sought to be withheld is considered to be proprietary for the reasons set forth in paragraphs 4.a, 4.b, 4.d, and 4.e, above.

(5) The information sought to be withheld is being submitted to the NRC in confidence. The information (including that compiled from many sources) is of a sort customarily held in confidence by Holtec International, and is in fact so held. The information sought to be withheld has, to the best of my knowledge and belief, consistently been held in confidence by Holtec International. No public disclosure has been made, and it is not available in public sources. All disclosures to third parties, including any required transmittals to the NRC, have been made, or must be made, pursuant to regulatory provisions or proprietary agreements which provide for maintenance of the information in confidence. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in paragraphs (6) and (7) following.

(6) Initial approval of proprietary treatment of a document is made by the manager of the originating component, the person most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge. Access to such documents within Holtec International is limited on a "need to know" basis.

(7) The procedure for approval of external release of such a document typically requires review by the staff manager, project manager, principal scientist or other equivalent authority, by the manager of the cognizant marketing function (or his designee), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside Holtec International are limited to regulatory bodies, customers, and potential customers, and their agents, suppliers, and licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.

(8) The information classified as proprietary was developed and compiled by Holtec International at a significant cost to Holtec International. This information is classified as proprietary because it contains detailed descriptions of analytical approaches and methodologies not available elsewhere. This information would provide other parties, including competitors, with information from Holtec International's technical database and the results of evaluations performed by Holtec International. Release of this information would improve a competitor's position without the competitor having to expend similar resources for the development of the database. A substantial effort has been expended by Holtec International to develop this information.

(9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to Holtec International's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of Holtec International's comprehensive spent fuel storage technology base, and its commercial value extends beyond the original development cost. The value of the technology base goes beyond the extensive physical database and analytical methodology, and includes development of the expertise to determine and apply the appropriate evaluation process.

The research, development, engineering, and analytical costs comprise a substantial investment of time and money by Holtec International.

The precise value of the expertise to devise an evaluation process and apply the correct analytical methodology is difficult to quantify, but it clearly is substantial.

Holtec International's competitive advantage will be lost if its competitors are able to use the results of the Holtec International experience to normalize or verify their own process or if they are able to claim an equivalent understanding by demonstrating that they can arrive at the same or similar conclusions.

The value of this information to Holtec International would be lost if the information were disclosed to the public. Making such information available to competitors without their having been required to undertake a similar expenditure of resources would unfairly provide competitors with a windfall, and deprive Holtec International of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

AFFIDAVIT PURSUANT TO 10CFR2.790

STATE OF NEW JERSEY)
) ss:
COUNTY OF BURLINGTON)

Mr. Brian Gutherman, being duly sworn, deposes and says:

That he has read the foregoing affidavit and the matters stated therein are true and correct to the best of his knowledge, information, and belief.

Executed at Marlton, New Jersey, this 21st day of May, 2002.

Brian Gutherman
Holtec International

Subscribed and sworn before me this 21 day of May, 2002.

Joanna E. Johnson
Notary Public of New Jersey
My Commission Expires
May 5, 2005

HOLTEC NON-PROPRIETARY DOCUMENT

1. Inter-Company Communication from T. Miyazaki, Kansai Electric Power Co. to K. P. Singh, Holtec International, dated December 26, 2000.

THE
KANSAI
ELECTRIC POWER CO.,INC.
3-22 NAKANOSHIMA 3-CHOME
KITA-KU, OSAKA 530-8270, JAPAN
PHONE 06-6441-8821
TELEX 5248320 KEPCO J
CABLE KANSAIPOWER OSAKA

K.P. Singh
President & CEO
Holtec International
Holtec center
555 Lincoln Drive West
Marlton, NJ08053 U.S.A

December 26, 2000

Dear Dr. Singh,

I would like to express my thanks that I could have a useful time in the Holtec seminar and obtained a lot of knowledge to progress the so-called concrete cask system in Japan.

As for the information of the oxide corrosion thickness of fuel cladding,the attached is a part of NUPEC report which is issued and disclosed in1999 in Japan.

NUPEC (Nuclear Power Engineering Corporation) is a kind of subsidiary institute of MITI and working for the safety relevant matter of nuclear power plant.

Since the digital value of the thickness is not disclosed so far, please read out the oxide corrosion thickness from the figure, if necessary.

The measured fuel rod was provided from Takahama unit 3, which is one of Kansai's NPPs, 870MWe, PWR, 3loop, supplied by MHI(WH base design), operating from 1985, whose fuel is 17x17, 157 assemblies in the reactor.

The measured fuel rod was originally supplied by MHI, whose nominal cladding diameter is 9.50 mm and nominal wall thickness is 0.57 mm.

If you need further information, please contact me without any hesitation.

Best wishes,

T. Miyazaki

Takamasa Miyazaki
Manager of Nuclear Fuel Cycle Group
General office of Nuclear Power Production

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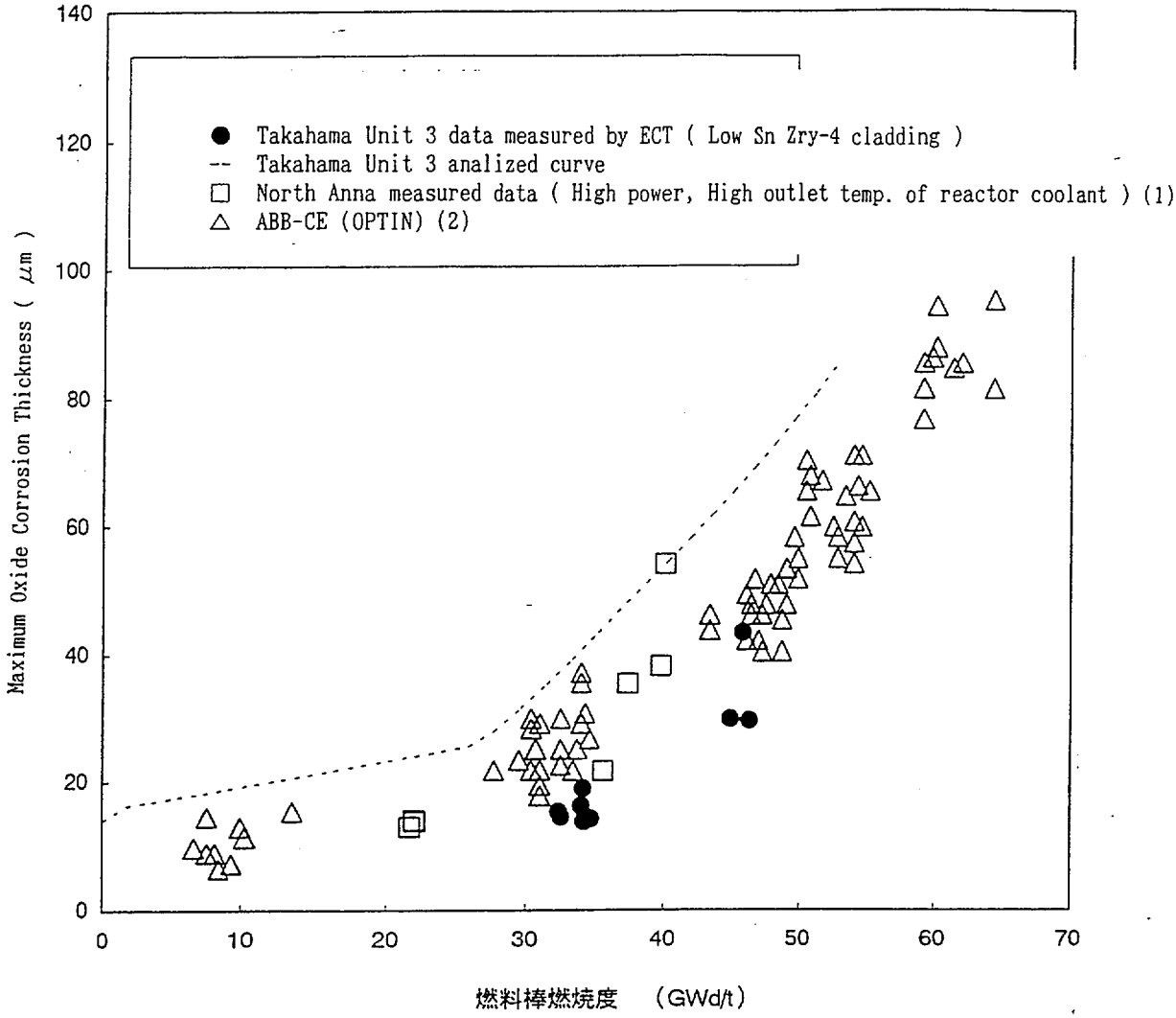
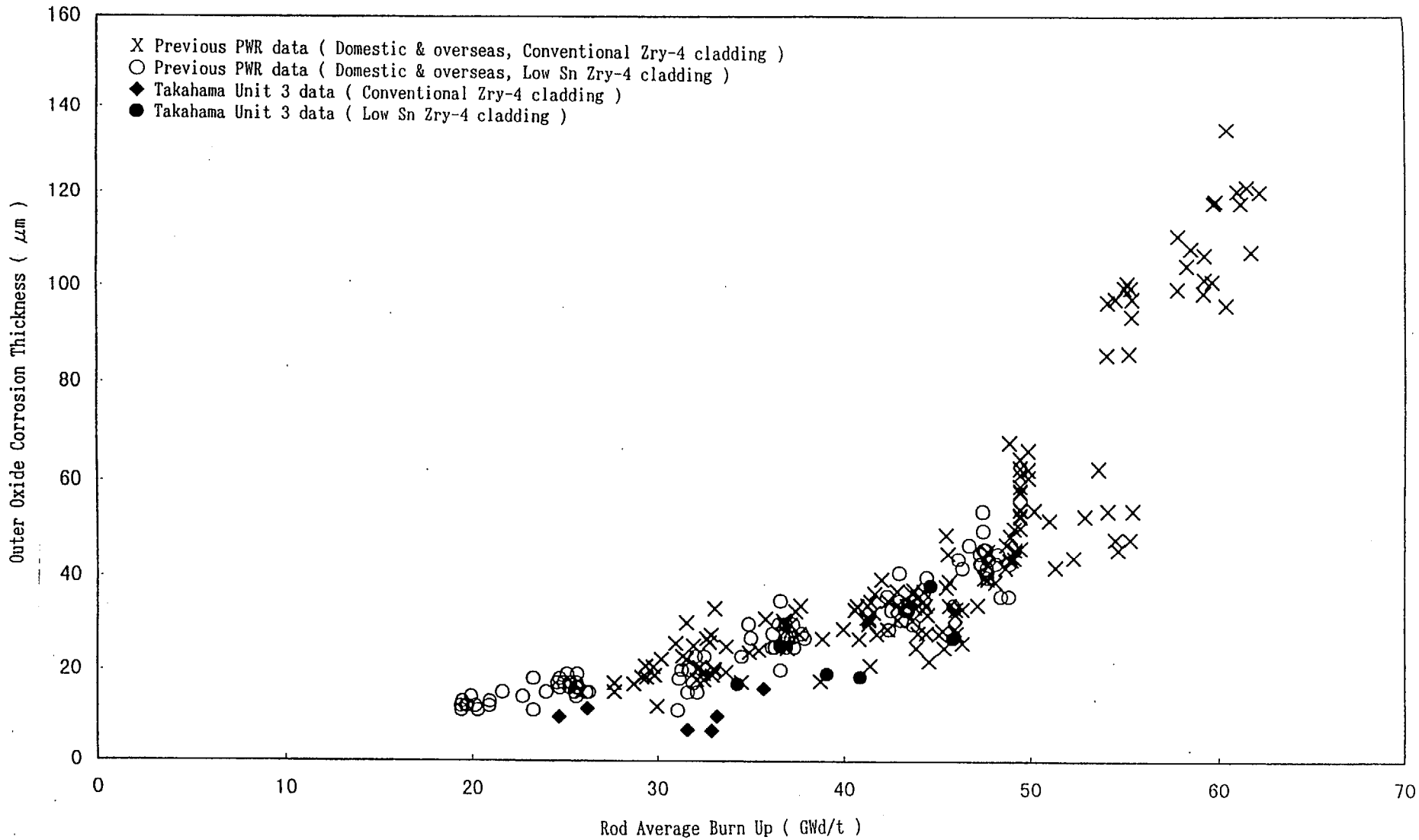
2001 L STREET, N.W., SUITE 801 WASHINGTON, D.C. 20036, U.S.A.
2 AVENUE HOCHE, 75008 PARIS, FRANCE



(1) Kilp,G.R., et al.:"Corrosion experience with zircaloy and ZIRLO in operating PWRs", ANS/ENS Topical Meeting, Avignon, France, April, 1991.
(2) Jourdain,P., et al., "Corrosion performance of optimised and advanced fuel rod cladding in PWRs at high burnups", Top fuel 97, BNES, 1997.

Oxide Corrosion Thickness vs Burn Up
compared with other previous data

NUPEC report (March, 1999)



Maximum Oxide Corrosion Thickness vs Burn Up
compared with other previous data

NUPEC report (March, 1999)