September 4, 2002

Mr. Glen A. Watford, Manager
Fuel Engineering Services
Global Nuclear Fuel - Americas, LLC
Castle Hayne Road, Mailcode A16
Wilmington, NC 28401

SUBJECT: GLOBAL NUCLEAR FUEL - AMERICAS, LLC, REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE FOR QUAD CITIES NUCLEAR POWER STATION, UNIT 1 (TAC NO. MB5209)

Dear Mr. Watford:

By letter dated August 15, 2002, Exelon Generation Company, LLC, submitted an affidavit dated August 2, 2002, executed by you on behalf of Global Nuclear Fuel - Americas, LLC (GNF-A), requesting that the following document be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 2.790:

Attachment A (Global Nuclear Fuel Additional Information Regarding the Cycle Specific SLMCPR for Quad Cities Unit 1 Cycle 18).

Attachment B, a nonproprietary version of Attachment A, has been placed in the Nuclear Regulatory Commission's (NRC's) Public Document Room and added to the Agencywide Documents Access and Management System Public Electronic Reading Room.

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

> The information identified in Attachment A is classified as proprietary because it contains details of GNF-A's fuel design and licensing methodology. The development of the methods used in these analyses, along with the testing, development, and approval of the supporting methodology was achieved at a significant cost, on the order of several million dollars, to GNF-A or its licensor.
>
> Public disclosure of the information sought to be withheld is likely to cause substantial harm to GNF-A's competitive position and foreclose or reduce the availability of profit-making opportunities. The fuel design and licensing methodology is part of GNF-A's comprehensive boiling-water reactor safety and 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. In addition, the technology base includes the value derived from providing analyses done with NRC-approved methods.

The research, development, engineering, analytical, and NRC review costs comprise a substantial investment of time and money by GNF-A or its licensor.

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.

GNF-A's competitive advantage will be lost if its competitors are able to use the results of the GNF-A 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 the information to GNF-A 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 GNF-A of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

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, Attachment A 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 301-415-2296.

Sincerely,

/RA/

Carl F. Lyon, Project Manager, Section 2
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No. 50-254

cc: See next page

Quad Cities Nuclear Power Station Units 1 and 2

cc:

Site Vice President - Quad Cities Nuclear Power Station
Exelon Generation Company, LLC
22710 206th Avenue N.
Cordova, IL 61242-9740

Quad Cities Nuclear Power Station Plant Manager
Exelon Generation Company, LLC
22710 206th Avenue N.
Cordova, IL 61242-9740

Regulatory Assurance Manager - Quad Cities
Exelon Generation Company, LLC
22710 206th Avenue N.
Cordova, IL 61242-9740

Quad Cities Resident Inspectors Office
U.S. Nuclear Regulatory Commission
22712 206th Avenue N.
Cordova, IL 61242

William D. Leech
Manager - Nuclear
MidAmerican Energy Company
P.O. Box 657
Des Moines, IA 50303

Vice President - Law and Regulatory Affairs
MidAmerican Energy Company
One River Center Place
106 E. Second Street
P.O. Box 4350
Davenport, IA 52808

Chairman
Rock Island County Board of Supervisors
1504 3rd Avenue
Rock Island County Office Bldg.
Rock Island, IL 61201

Regional Administrator
U.S. NRC, Region III
801 Warrenville Road
Lisle, IL 60532-4351

Illinois Department of Nuclear Safety
Office of Nuclear Facility Safety
1035 Outer Park Drive
Springfield, IL 62704

Document Control Desk-Licensing
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Senior Vice President - Nuclear Services
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Vice President
Mid-West Operations Support
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Senior Vice President
Mid-West Regional Operating Group
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Vice President - Licensing and Regulatory Affairs
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Director - Licensing
Mid-West Regional Operating Group
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Mr. John L. Skolds, President
Exelon Nuclear
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Senior Counsel, Nuclear
Mid-West Regional Operating Group
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

Manager Licensing - Dresden and Quad Cities
Exelon Generation Company, LLC
4300 Winfield Road
Warrenville, IL 60555

If you have any questions regarding this matter, I may be reached at 301-415-2296.

Sincerely,

/RA/

Carl F. Lyon, Project Manager, Section 2
Project Directorate III
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

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