Westinghouse

Westinghouse Electric Company
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U.S. Nuclear Regulatory Commission
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Washington, DC 20555-0001

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Attention: Mr. Girija Shukla

Our ref: LTR-NRC-02-49

October 17, 2002

Subject: Future NRC Meeting with Westinghouse/WOG in Regard to Steam Generator Water Level Uncertainty Issues

Dear Mr. Shukla:

A meeting has been scheduled between Westinghouse/WOG/NRC on October 30, 2002 to update the NRC staff on steam generator water level uncertainty issues. At this meeting we will be discussing details of the resolution plan for these issues which we consider proprietary to Westinghouse Electric Company. Therefore, we request that this meeting be closed to members of the public.

Attached please find our Application for Withholding and Affidavit pertaining to the proprietary subject matter that will be discussed at the upcoming meeting.

Please contact me at 412-374-5282 if you have any questions concerning this submittal.

Very truly yours,

H. A. Sepp, Manager
Regulatory and Licensing Engineering

Enclosures

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Attention: Mr. Girija Shukla

Our ref: AW-02-1555

October 17, 2002

APPLICATION FOR WITHHOLDING PROPRIETARY INFORMATION FROM PUBLIC DISCLOSURE

Subject: U.S. Nuclear Regulatory Commission Meeting with Westinghouse Electric Company, October 30, 2002, "Steam Generator Level Uncertainty Issues"

Dear Mr. Shukla:

The application for withholding is submitted by Westinghouse Electric Company, LLC ("Westinghouse"), pursuant to the provisions of Paragraph (b)(1) of Section 2.790 of the Commission's regulations. This application regards the proposed meeting to be held at the NRC Headquarters in Rockville, MD on October 30, 2002 as described in the Westinghouse letter LTR-NRC-02-49. At that meeting, details of the resolution plan for the steam generator water level issues will be discussed. These details include commercial strategic information proprietary to Westinghouse that is customarily held in confidence.

In conformance with 10 CFR Section 2.790, Affidavit AW-02-1555 accompanies this application for withholding setting forth the basis on which the identified proprietary information may be withheld from public disclosure. The basis of designating the information to be discussed in the October 30, 2002 meeting as proprietary are described in Articles (a), (c) and (e) identified in the attached affidavit.

Correspondence with respect to this application for withholding or the accompanying affidavit should reference AW-02-1555 and should be addressed to the undersigned.

Very truly yours,

H. A. Sepp, Manager
Regulatory and Licensing Engineering

Enclosures

AW-02-1555

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA:

ss

COUNTY OF ALLEGHENY:

Before me, the undersigned authority, personally appeared H. A. Sepp, who, being by me duly sworn according to law, deposes and says that he is authorized to execute this Affidavit on behalf of Westinghouse Electric Company LLC ("Westinghouse"), and that the averments of fact set forth in this Affidavit are true and correct to the best of his knowledge, information, and belief:

H. A. Sepp, Manager
Regulatory and Licensing Engineering

Sworn to and subscribed
before me this 17th day
of October, 2002

Lorraine M. Piplica
Notary Public

LORRAINE M. PIPLICA
COMMONWEALTH OF PENNSYLVANIA
NOTARY PUBLIC

Notarial Seal
Lorraine M. Piplica, Notary Public
Monroeville Boro, Allegheny County
My Commission Expires Dec. 14, 2003
Member, Pennsylvania Association of Notaries

(1) I am Manager, Regulatory and Licensing Engineering, in Nuclear Services, Westinghouse Electric Company LLC ("Westinghouse"), and as such, I have been specifically delegated the function of reviewing the proprietary information sought to be withheld from public disclosure in connection with nuclear power plant licensing and rule making proceedings, and am authorized to apply for its withholding on behalf of the Westinghouse Electric Company LLC.

(2) I am making this Affidavit in conformance with the provisions of 10CFR Section 2.790 of the Commission's regulations and in conjunction with the Westinghouse application for withholding accompanying this Affidavit.

(3) I have personal knowledge of the criteria and procedures utilized by the Westinghouse Electric Company LLC in designating information as a trade secret, privileged or as confidential commercial or financial information.

(4) Pursuant to the provisions of paragraph (b)(4) of Section 2.790 of the Commission's regulations, the following is furnished for consideration by the Commission in determining whether the information sought to be withheld from public disclosure should be withheld.

(i) The information sought to be withheld from public disclosure is owned and has been held in confidence by Westinghouse.

(ii) The information is of a type customarily held in confidence by Westinghouse and not customarily disclosed to the public. Westinghouse has a rational basis for determining the types of information customarily held in confidence by it and, in that connection, utilizes a system to determine when and whether to hold certain types of information in confidence. The application of that system and the substance of that system constitutes Westinghouse policy and provides the rational basis required.

Under that system, information is held in confidence if it falls in one or more of several types, the release of which might result in the loss of an existing or potential competitive advantage, as follows:

(a) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where prevention of its use by any of

Westinghouse's competitors without license from Westinghouse constitutes a competitive economic advantage over other companies.

(b) It consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), the application of which data secures a competitive economic advantage, e.g., by optimization or improved marketability.

(c) Its use 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 a similar product.

(d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Westinghouse, its customers or suppliers.

(e) It reveals aspects of past, present, or future Westinghouse or customer funded development plans and programs of potential commercial value to Westinghouse.

(f) It contains patentable ideas, for which patent protection may be desirable.

There are sound policy reasons behind the Westinghouse system which include the following:

(a) The use of such information by Westinghouse gives Westinghouse a competitive advantage over its competitors It is, therefore, withheld from disclosure to protect the Westinghouse competitive position.

(b) It is information that is marketable in many ways. The extent to which such information is available to competitors diminishes the Westinghouse ability to sell products and services involving the use of the information.

(c) Use by our competitor would put Westinghouse at a competitive disadvantage by reducing his expenditure of resources at our expense.

(d) Each component of proprietary information pertinent to a particular competitive advantage is potentially as valuable as the total competitive advantage. If competitors acquire components of proprietary information, any one component may be the key to the entire puzzle, thereby depriving Westinghouse of a competitive advantage.

(e) Unrestricted disclosure would jeopardize the position of prominence of Westinghouse in the world market, and thereby give a market advantage to the competition of those countries.

(f) The Westinghouse capacity to invest corporate assets in research and development depends upon the success in obtaining and maintaining a competitive advantage.

(iii) The information is being transmitted to the Commission in confidence and, under the provisions of 10CFR Section 2.790, it is to be received in confidence by the Commission.

(iv) The information sought to be protected is not available in public sources or available information has not been previously employed in the same original manner or method to the best of our knowledge and belief.

This information will be discussed at an upcoming U.S. NRC meeting as described by Westinghouse's letter and Application for Withholding Proprietary Information from Public Disclosure, being transmitted by Westinghouse Electric Company (Westinghouse) Letter AW-02-1555 and to the Document Control Desk, Attention: Mr. Girija Shukla.

This information has substantial commercial value as follows:

(a) Westinghouse plans to sell the use of similar information to its customers for evaluating the effects of transient conditions and SG hardware configuration on SG water level setpoints.

(b) Westinghouse can sell support and defense of the resolution plan for addressing the identified SG water level uncertainty issues.

Public disclosure of this proprietary information is likely to cause substantial harm to the competitive position of Westinghouse because it would enhance the ability of competitors to provide similar methodologies and licensing defense services for commercial power reactors without commensurate expenses. Also, public disclosure of the information would enable others to use the information to meet NRC requirements for licensing documentation without purchasing the right to use the information.

The development of the technology described in part by the information is the result of applying the results of many years of experience in an intensive Westinghouse effort and the expenditure of a considerable sum of money.

In order for competitors of Westinghouse to duplicate this information, similar technical programs would have to be performed and a significant manpower effort, having the requisite talent and experience, would have to be expended.

Further the deponent sayeth not.