

November 8, 2002

Mr. K. S. Canady
Vice President
Duke Energy Corporation
526 South Church Street
Charlotte, NC 28201-1006

SUBJECT: DUKE ENERGY CORPORATION, REQUEST FOR WITHHOLDING
INFORMATION FROM PUBLIC DISCLOSURE FOR CATAWBA AND MCGUIRE
NUCLEAR STATIONS, UNITS 1 AND 2 (TAC NOS. MB3105, MB3106, MB3173
AND MB3175)

Dear Mr. Canady:

By letter dated September 13, 2001, and August 14, 2002, you submitted affidavits, executed by you, dated September 13, 2001, and August 14, 2002, requesting that the following documents be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 2.790:

Appendix E to Topical Report DPC-NE-2005P, Duke Power Thermal-Hydraulic
Statistical Core Design Methodology (PROPRIETARY)

Letter dated August 14, 2002, K. S. Canady, Duke Power, to U.S. Nuclear Regulatory
Commission's (NRC's) responding to request for additional information.

A nonproprietary copy of these documents, that was included as Attachment 2 to your letters, has been placed in the 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:

4. Pursuant to the provisions of paragraph (b)(4) of 10 CFR 2.790, the following is furnished for consideration by the NRC 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 by Duke and has been held in confidence by Duke and its consultants.
 - ii) The information is of a type that would customarily be held in confidence by Duke. The information consists of analysis methodology details, analysis results, supporting data, and aspects of development programs, relative to a method of analysis that provides a competitive advantage to Duke.
 - iii) The information was transmitted to the NRC in confidence and under the provisions of 10 CFR 2.790, it is to be received in confidence by the NRC.
 - iv) The information sought to be protected is not available in public to the best our [Duke's] knowledge and belief.

- v) The proprietary information sought to be withheld in this submittal is that which is marked in the proprietary version of the report DPC-NE-2005, Duke Power company Thermal-Hydraulic Statistical Core Design Methodology, and supporting documentation, and omitted from the non-proprietary versions. This information enables Duke to:
 - (a) Respond to Generic letter 83-11, "Licensee Qualification for Performing Safety Analyses in Support of Licensing Actions."
 - (b) Support license amendment and Technical Specification revision requests for McGuire and Catawba reactors with advanced Mk-BW fuel assemblies manufactured by Framatome Advanced Nuclear Power.
 - (c) Perform safety reviews per 10 CFR 50.59.
 - (d) Evaluate core thermal-hydraulic performance and support the establishment of core operating limits.
 - vi) The proprietary information sought to be withheld from public disclosure has substantial commercial value to Duke.
 - (a) It allows Duke to reduce vendor and consultant expenses associated with supporting the operation and licensing of nuclear power plants.
 - (b) Duke intends to sell the information to nuclear utilities, vendors, and consultants for the purpose of supporting the operation and licensing of nuclear power plants.
 - (c) The subject information could only be duplicated by competitors at similar expense to that incurred by Duke.
5. Public disclosure of this information is likely to cause harm to Duke because it would allow competitors in the nuclear industry to benefit from the results of a significant development program without requiring a commensurate expense or allowing Duke to recoup a portion of its expenditures or benefit from the sale of the information.

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 versions 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.

Mr. K. S. Canady

-3-

November 8, 2002

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 can be reached at 301-415-1493.

Sincerely,

/RA/

Robert E. Martin, Project Manager, Section 1
Project Directorate II
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-413, 50-414, 50-369 and 50-370

cc: See next page

Mr. K. S. Canady

-3-

November 8, 2002

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 can be reached at 301-415-1493.

Sincerely,

/RA/

Robert E. Martin, Project Manager, Section 1

Project Directorate II

Division of Licensing Project Management Office
of Nuclear Reactor Regulation

Docket Nos. 50-413, 50-414, 50-369 and 50-370

cc: See next page

Distribution:

PUBLIC

PD-II-1 R/F

HBerkow

JNakoski

CHawes

LOlshan

OGC (M.P.Siemien)

RHaag, RII

ACCESSION NUMBER: ML 023120274

OFFICE	PDII-1/PM	PDII-1/PM	SRXB	PDII-1/LA	PDII-1/SC	OGC
NAME	RMartin	CPatel	THuang	CHawes	JNakoski	MPSiemien
DATE	10/28/02	10/28/02	10/28/02	10/25/02	11/6/02	11/ 05/02

OFFICIAL RECORD COPY

McGuire Nuclear Station
Catawba Nuclear Station

cc:

Ms. Lisa F. Vaughn
Legal Department (PBO5E)
Duke Energy Corporation
422 South Church Street
Charlotte, North Carolina 28201-1006

County Manager of Mecklenburg County
720 East Fourth Street
Charlotte, North Carolina 28202

Mr. Michael T. Cash
Regulatory Compliance Manager
Duke Energy Corporation
McGuire Nuclear Site
12700 Hagers Ferry Road
Huntersville, North Carolina 28078

Anne Cottingham, Esquire
Winston and Strawn
1400 L Street, NW.
Washington, DC 20005

Senior Resident Inspector
c/o U. S. Nuclear Regulatory
Commission
12700 Hagers Ferry Road
Huntersville, North Carolina 28078

Mr. Peter R. Harden, IV
VP-Customer Relations and Sales
Westinghouse Electric Company
6000 Fairview Road
12th Floor
Charlotte, North Carolina 28210

Dr. John M. Barry
Mecklenburg County
Department of Environmental
Protection
700 N. Tryon Street
Charlotte, North Carolina 28202

Mr. Richard M. Fry, Director
Division of Radiation Protection
North Carolina Department of
Environment, Health, and
Natural Resources
3825 Barrett Drive
Raleigh, North Carolina 27609-7721

Ms. Karen E. Long
Assistant Attorney General
North Carolina Department of
Justice
P. O. Box 629
Raleigh, North Carolina 27602

Mr. C. Jeffrey Thomas
Manager - Nuclear Regulatory
Licensing
Duke Energy Corporation
526 South Church Street
Charlotte, North Carolina 28201-1006

NCEM REP Program Manager
4713 Mail Service Center
Raleigh, NC 27699-4713

Mr. T. Richard Puryear
Owners Group (NCEMC)
Duke Energy Corporation
4800 Concord Road
York, South Carolina 29745

McGuire Nuclear Station
Catawba Nuclear Station

cc:

Mr. Gary Gilbert
Regulatory Compliance Manager
Duke Energy Corporation
4800 Concord Road
York, South Carolina 29745

North Carolina Municipal Power
Agency Number 1
1427 Meadowwood Boulevard
P. O. Box 29513
Raleigh, North Carolina 27626-0513

County Manager of York County
York County Courthouse
York, South Carolina 29745

Piedmont Municipal Power Agency
121 Village Drive
Greer, South Carolina 29651

Saluda River Electric
P. O. Box 929
Laurens, South Carolina 29360

Virgil R. Autry, Director
Division of Radioactive Waste Management
Bureau of Solid and Hazardous Waste
Department of Health and Environmental
Control
2600 Bull Street
Columbia, South Carolina 29201

North Carolina Electric Membership
Corporation
P. O. Box 27306
Raleigh, North Carolina 27611

Senior Resident Inspector
4830 Concord Road
York, South Carolina 29745

Mr. G. R. Peterson
Site Vice President
Catawba Nuclear Station
Duke Energy Corporation
4800 Concord Road
York, South Carolina 29745

Mr. H. B. Barron
Vice President, McGuire Site
Duke Energy Corporation
12700 Hagers Ferry Road
Huntersville, North Carolina 28078