

October 15, 2003

Mr. H. A. Sepp
Manager of Regulatory and Licensing Engineering
Westinghouse Electric Company LLC
P.O. Box 355
Pittsburgh, PA 15230-0355

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE
FOR CORE PROTECTION CALCULATOR UPGRADE AMENDMENT
REQUEST (TAC NOS. MB6726, MB6727, AND MB6728)

Dear Mr. Sepp:

By letter to the U. S. Nuclear Regulatory Commission (NRC), dated September 18, 2003 (102-04995), Arizona Public Service Company (APS) submitted the response to a request for a number of documents involved in the upgrade of the core protection calculator system for Palo Verde Nuclear Generating Station, Units 1, 2, and 3. Attachment 4 through 10 to that letter are proprietary versions of the following Westinghouse Electric Company (WEC) reports:

1. 00000-ICE-30158, Revision 7, "System Requirements Specifications for the Common Q Core Protection Calculator System," dated June 2003.
2. 00000-ICE-30164, Revision 2, "Hardware Design Description for the Common Q Core Protection Calculator System," dated June 2003.
3. 14273-ICE-36363, Revision 2, "PVNGS Core Protection Calculator (CPC) System Input Processing Uncertainty Calculation," dated July 2003.
4. 00000-ICE-35249, Revision 3, "Test Plan for the Common Q Core Protection Calculator System," dated June 2003.
5. 00000-ICE-36369, Revision 1, "CPC Timing Analysis for the Common Q Core Protection Calculator System," dated June 2003.
6. 14273-ICE-37731, Revision 0, "Software Preliminary Hazard Analysis for the Palo Verde Nuclear Generating Station Core Protection Calculator System," dated February 2002.
7. 00000-ICE-36374, Revision 1, "CPC Availability Analysis for the Common Q Core Protection Calculator System," dated September 2003.

Because these documents are internal WEC design reports, and not topical reports based on such design reports, and never intended to be submitted to NRC, WEC has declared each report in its entirety is proprietary and requested that each report be withheld from the public in accordance with Section 2.790 of Title 10 of the *Code of Federal Regulations*. Based on this, there are no non-proprietary versions of the above reports in the NRC's Public Document Room and these reports have not been added to the Agencywide Documents Access and Management System Public Electronic Reading Room.

By the affidavit dated September 4, 2003, executed by H. A. Sepp, Manager, Regulatory and Licensing Engineering, for WEC, which is Attachment 3 to APS's letter dated September 18, 2003, the NRC was requested to withhold the information in the above seven reports because the reports, in their entirety, have been designated as proprietary information. The affidavit stated that the proprietary information (hereafter known as "The information") should be exempt from mandatory public disclosure for the following reasons (taken verbatim from the affidavit):

- (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 ... 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 disadvantage 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.
- and
- (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.

We have reviewed your application and the information sought to be withheld from public disclosure in accordance with the requirements of 10 CFR 2.790, and, on the basis of your statements in the affidavit, have determined that the information sought to be withheld contains proprietary commercial information and should, in accordance with 10 CFR 2.790(b)(5), be withheld from public disclosure. The only part of the reports that are not marked with the proprietary a, b, or c designation above, are the title page, record of revision, table of contents, introduction, list of acronyms, and references. Based on its review of each report, the NRC staff concluded that there is no value to the public for having WEC create non-proprietary versions of these design documents that normally are not submitted to the NRC. Therefore, the submitted information 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 information. If the need arises, we may send copies of this information to our consultants working in this area. If this is done, we will, of course, ensure that the consultants have signed the appropriate agreements for handling proprietary information.

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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 staff of this fact. You should also understand that the NRC staff may have cause to review this determination in the future, for example, if the scope of a Freedom of Information Act request includes this information. In all review situations, if the NRC staff makes a determination adverse to the above determination, you will be notified in advance of any public disclosure.

If you have any questions regarding this matter, please contact me at 301-415-1307, or through the Internet at jnd@nrc.gov.

Sincerely,

/RA/

Jack Donohew, Senior Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

cc: See next page

H. A. Sepp

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Jack Donohew, Senior Project Manager, Section 2
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Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529
and STN 50-530

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

cc:

Mr. Steve Olea
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

Douglas Kent Porter
Senior Counsel
Southern California Edison Company
Law Department, Generation Resources
P.O. Box 800
Rosemead, CA 91770

Senior Resident Inspector
U.S. Nuclear Regulatory Commission
P. O. Box 40
Buckeye, AZ 85326

Regional Administrator, Region IV
U.S. Nuclear Regulatory Commission
Harris Tower & Pavillion
611 Ryan Plaza Drive, Suite 400
Arlington, TX 76011-8064

Chairman
Maricopa County Board of Supervisors
301 W. Jefferson, 10th Floor
Phoenix, AZ 85003

Mr. Aubrey V. Godwin, Director
Arizona Radiation Regulatory Agency
4814 South 40 Street
Phoenix, AZ 85040

Mr. Craig K. Seaman, Director
Regulatory Affairs/Nuclear Assurance
Palo Verde Nuclear Generating Station
P.O. Box 52034
Phoenix, AZ 85072-2034

Mr. Hector R. Puente
Vice President, Power Generation
El Paso Electric Company
2702 N. Third Street, Suite 3040
Phoenix, AZ 85004

Mr. John Taylor
Public Service Company of New Mexico
2401 Aztec NE, MS Z110
Albuquerque, NM 87107-4224

Ms. Cheryl Adams
Southern California Edison Company
5000 Pacific Coast Hwy Bldg DIN
San Clemente, CA 92672

Mr. Robert Henry
Salt River Project
6504 East Thomas Road
Scottsdale, AZ 85251

Terry Bassham, Esq.
General Counsel
El Paso Electric Company
123 W. Mills
El Paso, TX 79901

Mr. John Schumann
Los Angeles Department of Water & Power
Southern California Public Power Authority
P.O. Box 51111, Room 1255-C
Los Angeles, CA 90051-0100

Brian Almon
Public Utility Commission
William B. Travis Building
P. O. Box 13326
1701 North Congress Avenue
Austin, TX 78701-3326

Mr. Gregg R. Overbeck
Senior Vice President, Nuclear
Arizona Public Service Company
P. O. Box 52034
Phoenix, AZ 85072-2034