

February 2, 2004

Mr. Calvin R. Hastings, President  
and CEO  
Caldon, Inc.  
1070 Banksville Avenue  
Pittsburgh, PA 15216

SUBJECT: CALDON, INC. REQUEST FOR WITHHOLDING INFORMATION FROM  
PUBLIC DISCLOSURE FOR PEACH BOTTOM ATOMIC POWER STATION  
UNITS 2 AND 3 (TAC NOS. MC1603 AND MC1604)

Dear Mr. Hastings:

By letter dated December 19, 2003, Exelon Nuclear submitted your affidavit dated December 18, 2003. In this affidavit, you requested that the information contained in the following document be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Section 2.790: "Caldon, Inc. Engineering Report: ER-404 Revision 2, Topical Report Enhanced Accuracy of LEFM CheckPlus Systems in Back up Modes of Operation."

A nonproprietary copy of this document will be 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:

- (a) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where prevention of its use by any of Caldon's competitors without license from Caldon 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 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, and assurance of quality, or licensing a similar product.
- (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Caldon, its customer or suppliers.

- (e) It reveals aspects of past, present, or future Caldon or customer-funded development plans and programs of potential customer value to Caldon.
- (f) It contains patentable ideas, for which patent protection may be desirable.

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 version 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 301-415-1494.

Sincerely,

*/RA/*

George F. Wunder, Project Manager, Section 2  
Project Directorate I  
Division of Licensing Project Management  
Office of Nuclear Reactor Regulation

Docket Nos. 50-277 and 50-278

cc: See next page

Peach Bottom Atomic Power Station, Units 2 and 3

cc:

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Secretary  
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Plant Manager  
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Resident Inspector  
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Peach Bottom Township  
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National Energy Committee  
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Correspondence Control  
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Peach Bottom Atomic Power Station, Units 2 and 3

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Warrenville, IL 60555

Mr. John L. Skolds, President  
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Exelon Generation Company, LLC  
200 Exelon Way, KSA 3-E  
Kennett Square, PA 19348

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/RA/

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Project Directorate I  
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\*See previous concurrence

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