



**Pacific Gas and
Electric Company**

Lawrence F. Womack
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December 15, 2003

PG&E Letter HIL-03-004

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Docket No. 72-27
Humboldt Bay Independent Spent Fuel Storage Installation
Submittal of Holtec Proprietary Report Packages

Dear Commissioners and Staff:

By Pacific Gas and Electric Company (PG&E) Letter HIL-03-001, dated December 15, 2003, PG&E submitted an application to the Nuclear Regulatory Commission (NRC) requesting a site-specific license for an Independent Spent Fuel Storage Installation at the Humboldt Bay Power Plant. The application included a Safety Analysis Report, Environmental Report, and other required documents in accordance with 10 CFR 72.

Proprietary versions of the Holtec reports prepared in support of the Humboldt Bay ISFSI license application are transmitted in Enclosure 1, Attachments 1 through 12 for use by the NRC staff in their review of the application. Enclosure 2 contains an affidavit signed by Holtec, the owner of the proprietary information in the reports. The affidavit sets forth the basis on which the Holtec information contained in the subject reports may be withheld from public disclosure by the NRC, and it addresses with specificity the considerations listed in the Freedom of Information Action ("FOIA"), 5 USC Sec. 552(b)(4) and the Trade Secrets Act, 18 USC Sec. 1905, and NRC regulations 10 CFR 9.17(a)(4), 2.790(a)(4), and 2.790(b)(1). PG&E requests that the Holtec proprietary information be withheld from public disclosure in accordance with the cited regulations.

Correspondence with respect to the proprietary aspects of the application for withholding related to the Holtec proprietary information or the Holtec affidavit provided in Enclosure 2 should be addressed to Brian Gutherman, Licensing Manager, Holtec International, Holtec Center, 555 Lincoln Drive West, Marlton, New Jersey, 08053.

Note that nonproprietary versions of the Holtec reports will be transmitted to the NRC in a separate submittal.

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If you have any questions regarding the enclosed calculations, please contact Mr. Terence Grebel at (805) 545-4160.

Sincerely,

A handwritten signature in black ink, appearing to read 'L. F. Womack'.

Lawrence F. Womack
Vice President - Nuclear Services

Enclosures

cc: Brian Gutherman
Humboldt Distribution
cc/enc. James R. Hall (8)

LIST OF HOLTEC PROPRIETARY CALCULATION PACKAGES

1. Evaluation of Fires for the HBPP ISFSI
Holtec Report No. HI-2033006, Revision 1
2. Criticality Evaluation for the Humboldt Bay ISFSI Project
Holtec Report No. HI-2033010, Revision 1
3. Humboldt Bay Cask Storage Vault Structural Analysis
Holtec Report No. HI-2033013, Revision 0
4. Seismic Response of HI-STAR HB in Vault Subject to DBE
Holtec Report No. HI-2033014, Revision 0
5. HBPP Fuel Assembly Decay Heat Calculations
Holtec Report No. HI-2033023, Revision 1
6. Humboldt Bay Thermal Analysis
Holtec Report No. HI-2033033, Revision 0
7. Structural Calculation Package for MPC-HB
Holtec Report No. HI-2033035, Revision 0
8. Seismic Response of the HI-STAR HB and Transporter to the DBE Event
Holtec Report No. HI-2033036, Revision 0
9. Evaluation of Explosions for the HBPP ISFSI
Holtec Report No. HI-2033041, Revision 1
10. Miscellaneous Calculations for the HI-STAR HB
Holtec Report No. HI-2033042, Revision 0
11. Seismic Response of HI-STAR HB in RFB and Yard
Holtec Report No. HI-2033046, Revision 0
12. ISFSI Dose Assessment for Humboldt Bay
Holtec Report No. HI-2033047, Revision 0

HOLTEC AFFIDAVIT FOR PROPRIETARY CALCULATION PACKAGES

AFFIDAVIT PURSUANT TO 10CFR2.790

I, Brian Gutherman, being duly sworn, depose and state as follows:

- (1) I am the Manager, Licensing and Technical Services of Holtec International and have reviewed the information described in paragraph (2) which is sought to be withheld, and am authorized to apply for its withholding.
- (2) The information sought to be withheld is included in the following Holtec International Calculation Reports and annotated appropriately:
 - Holtec Report No. HI-2033006, Evaluation of Fires for the HBPP ISFSI, Revision 0.
 - Holtec Report No. HI-2033010, Criticality Evaluation for the Humboldt Bay ISFSI Project, Revision 1.
 - Holtec Report No. HI-2033013, Humboldt Bay Cask Storage Vault Structural Analysis, Revision 0.
 - Holtec Report No. HI-2033014, Seismic Response of HI-STAR HB in Vault Subject to DBE, Revision 0.
 - Holtec Report No. HI-2033023, HBPP Fuel Assembly Decay Heat Calculations, Revision 1.
 - Holtec Report No. HI-2033033, Humboldt Bay Thermal Analysis, Revision 0
 - Holtec Report No. HI-2033035, Structural Calculation Package for MPC-HB, Revision 1.
 - Holtec Report No. HI-2033036, Seismic Response of the HI-STAR HB and Transporter to the DBE Event, Revision 0.
 - Holtec Report No. HI-2033041, Evaluation of Explosions for the HBPP ISFSI, Revision 1.
 - Holtec Report No. HI-2033042, Miscellaneous Calculations for the HI-STAR HB, Revision 0.
 - Holtec Report No. HI-2033046, Seismic Response of HI-STAR HB in RFB and Yard, Revision 0.
 - Holtec Report No. HI-2033047, ISFSI Dose Assessment for Humboldt Bay, Revision 0.

AFFIDAVIT PURSUANT TO 10CFR2.790

This information is considered proprietary to Holtec International.

- (3) In making this application for withholding of proprietary information of which it is the owner, Holtec International relies upon the exemption from disclosure set forth in the Freedom of Information Act ("FOIA"), 5 USC Sec. 552(b)(4) and the Trade Secrets Act, 18 USC Sec. 1905, and NRC regulations 10CFR Part 9.17(a)(4), 2.790(a)(4), and 2.790(b)(1) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (Exemption 4). The material for which exemption from disclosure is here sought is all "confidential commercial information", and some portions also qualify under the narrower definition of "trade secret", within the meanings assigned to those terms for purposes of FOIA Exemption 4 in, respectively, Critical Mass Energy Project v. Nuclear Regulatory Commission, 975F2d871 (DC Cir. 1992), and Public Citizen Health Research Group v. FDA, 704F2d1280 (DC Cir. 1983).
- (4) Some examples of categories of information which fit into the definition of proprietary information are:
- a. Information that discloses a process, method, or apparatus, including supporting data and analyses, where prevention of its use by Holtec's competitors without license from Holtec International constitutes a competitive economic advantage over other companies;
 - b. Information which, if used 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 of a similar product.
 - c. Information which reveals cost or price information, production, capacities, budget levels, or commercial strategies of Holtec International, its customers, or its suppliers;
 - d. Information which reveals aspects of past, present, or future Holtec International customer-funded development plans and programs of potential commercial value to Holtec International;

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- e. **Information which discloses patentable subject matter for which it may be desirable to obtain patent protection.**

The information sought to be withheld is considered to be proprietary for the reasons set forth in paragraphs 4.a, 4.b, 4.d, and 4.e, above.

- (5) **The information sought to be withheld is being submitted to the NRC in confidence. The information (including that compiled from many sources) is of a sort customarily held in confidence by Holtec International, and is in fact so held. The information sought to be withheld has, to the best of my knowledge and belief, consistently been held in confidence by Holtec International. No public disclosure has been made, and it is not available in public sources. All disclosures to third parties, including any required transmittals to the NRC, have been made, or must be made, pursuant to regulatory provisions or proprietary agreements which provide for maintenance of the information in confidence. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in paragraphs (6) and (7) following.**
- (6) **Initial approval of proprietary treatment of a document is made by the manager of the originating component, the person most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge. Access to such documents within Holtec International is limited on a "need to know" basis.**
- (7) **The procedure for approval of external release of such a document typically requires review by the staff manager, project manager, principal scientist or other equivalent authority, by the manager of the cognizant marketing function (or his designee), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside Holtec International are limited to regulatory bodies, customers, and potential customers, and their agents, suppliers, and licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.**

AFFIDAVIT PURSUANT TO 10CFR2.790

- (8) The information classified as proprietary was developed and compiled by Holtec International at a significant cost to Holtec International. This information is classified as proprietary because it contains detailed descriptions of analytical approaches and methodologies not available elsewhere. This information would provide other parties, including competitors, with information from Holtec International's technical database and the results of evaluations performed by Holtec International. Release of this information would improve a competitor's position without the competitor having to expend similar resources for the development of the database. A substantial effort has been expended by Holtec International to develop this information.
- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to Holtec International's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of Holtec International's comprehensive spent fuel storage 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.

The research, development, engineering, and analytical costs comprise a substantial investment of time and money by Holtec International.

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.

Holtec International's competitive advantage will be lost if its competitors are able to use the results of the Holtec International 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 this information to Holtec International 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

AFFIDAVIT PURSUANT TO 10CFR2.790

expenditure of resources would unfairly provide competitors with a windfall, and deprive Holtec International of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

STATE OF NEW JERSEY)
)
COUNTY OF BURLINGTON) ss:

Mr. Brian Gutherman, being duly sworn, deposes and says:

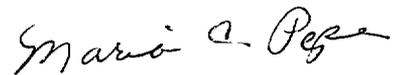
That he has read the foregoing affidavit and the matters stated therein are true and correct to the best of his knowledge, information, and belief.

Executed at Marlton, New Jersey, this 2nd day of December, 2003.



**Brian Gutherman
Holtec International**

Subscribed and sworn before me this 2nd day of December, 2003.



NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 25, 2005