

July 1, 2004

Mr. J. A. Gresham, Manager
Regulatory Compliance and Plant Licensing
Westinghouse Electric Company
P. O. Box 355
Pittsburgh, Pennsylvania 15230-0355

SUBJECT: WESTINGHOUSE ELECTRIC COMPANY REQUEST FOR WITHHOLDING
INFORMATION FROM PUBLIC DISCLOSURE FOR SOUTH TEXAS PROJECT
ELECTRIC GENERATING STATION - OPTIMIZED ZIRLO™ FUEL
(TAC NOS. MC3368 AND MC3369)

Dear Mr. Gresham:

By letter dated May 27, 2004, South Texas Project Nuclear Operating Company submitted an affidavit dated May 18, 2004, executed by you, requesting 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), Part 2, Section 2.390:

Request for Exemption from the Provisions of 10 CFR 50.44, 10 CFR 50.46, and
10 CFR 50 Appendix K for Eight Lead Test Assemblies (LTAs) and Supporting
Justification (Proprietary), May 2004

A nonproprietary copy of this document has been 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 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.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.390 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 2.390(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 301-415-1439.

Sincerely,

/RA/

David H. Jaffe, Senior Project Manager, Section 1
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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Division of Licensing Project Management
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Docket Nos. 50-498 and 50-499

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