



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D.C. 20555-0001

August 19, 2010

Mr. Timothy S. Rausch
Senior Vice President and Chief Nuclear Officer
PPL Susquehanna, LLC
769 Salem Boulevard
Berwick, PA 18603-0467

SUBJECT: SUSQUEHANNA STEAM ELECTRIC STATION, UNIT 1 - REQUEST FOR
WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE
(TAC NO. ME3451)

Dear Mr. Rausch:

By letters dated April 20, 2010 (PLA-6612, Agencywide Documents Access and Management System (ADAMS) Package Accession No. ML101190430), July 15, 2010 (PLA-6633, ADAMS Package Accession No. ML102210230); and two Electronic Transmittals dated July 22, 2010 (ADAMS Package Accession Nos. ML102040160 and ML10204217), PPL Susquehanna, LLC, submitted following affidavits:

- 1) Mr. Edward D. Schrull, Vice President, Regulatory Affairs, Services Licensing, GE-Hitachi Nuclear Energy Americas LLC, dated March 31, 2010. The affidavit associated with PPL Susquehanna, LLC Letter Number PLA-6612, "Susquehanna Steam Electric Station Unit 1 Operating License No. NPF-14, Docket No. 50-387, REQUESTED REPORTS ON STEAM DRYER INSPECTION FOR SUSQUEHANNA SES UNIT 1, dated April 20, 2010, Enclosure 1 - Proprietary Version - "Engineering Report - Steam Dryer Inspections 45° Tee Crack Indication Evaluation."
- 2) Three affidavits executed by Mr. Richard D. Pagodin, General Manager, Nuclear Engineering, PPL, Susquehanna, LLC, dated May 11, May 31, and July 15, 2010, requesting that the information contained in the following documents be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 2.390:
 - (a) Electronic Transmittal dated July 22, 2010, Enclosure 1: Proprietary Version of SSES Replacement Steam Dryer Report, Unit 1 Start-up 107% Power Test Plateau, May 11 2010," (affidavit dated May 11, 2010)
 - (b) Electronic Transmittal dated July 22, 2010, Enclosure 1: Proprietary Version of SSES Replacement Steam Dryer Report, Unit 1 Start-up 110.5% Power Test Plateau, May 31 2010," (affidavit dated May 31, 2010)
 - (c) PPL Susquehanna, LLC Letter Number PLA-6633, "Susquehanna Steam Electric Station Unit 1 Operating License No. NPF-14, License Conditions 2.C.(36)(a)3,(b)(7), and (f), Docket No. 50-387, dated July 15, 2010, Enclosure 1 Proprietary Version of SSES Replacement Dryer and Flow Induced Vibration Report, Unit 1 Start-up 114% Power Test Plateau, July 2010," (affidavit dated July 15, 2010).

The affidavit by Mr. Edward D. Schrull stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- (3) In making this application for withholding of proprietary information of which it is the owner or licensee, GEH 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 10 CFR 9.17(a)(4), and 2.390(a)(4) for trade secrets (Exemption 4). The material for which exemption from disclosure is here sought also qualifies 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*, 975 F2d 871 (DC Cir. 1992), and *Public Citizen Health Research Group v. FDA*, 704 F2d 1280 (DC Cir. 1983).
- (4)a. Information that discloses a process, method, or apparatus, including supporting data and analyses, where prevention of its use by GEH's competitors without license from GEH constitutes a competitive economic advantage over GEH and/or other companies.
- (4)b. Information that, if used by a competitor, would reduce their expenditure of resources or improve their competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing of a similar product.
- (8) The information identified in paragraph (2) [of the affidavit], above, is classified as proprietary because it contains detailed methods and processes that GEH has developed and applied to steam dryers and steam dryer inspections for the BWR over a number of years. The development of the BWR steam dryer and steam dryer inspections was achieved at a significant cost to GEH. The dryer design and development of the inspection and evaluation process along with the interpretation and application of the analytical and inspection results is derived from the extensive experience database that constitutes a major GEH asset.
- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to GEH's competitive position and foreclose or reduce the availability of profitmaking opportunities. The information is part of GEH's comprehensive BWR safety and 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. In addition, the technology base includes the value derived from providing analyses done with NRC-approved methods.

The research, development, engineering, analytical and NRC review costs comprise a substantial investment of time and money by GEH. 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. GEH's competitive advantage will be lost if its competitors are able to use the results of the GEH 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 GEH 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 expenditure of resources would unfairly provide competitors with a windfall, and deprive GEH of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing and obtaining these very valuable analytical tools.

The affidavits by Mr. Richard D. Pagodin stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

7. The information identified . . . is classified as proprietary because it details the results of test data derived from test instrumentation installed specifically to collect this data. This instrumentation was installed at a significant cost to PPL. The data and the conditions under which it was collected constitute a major PPL asset.
8. Public disclosure of the information sought to be withheld is likely to cause substantial harm to PPL by foreclosing or reducing the availability of profit-making opportunities. The information is of value to other BWR [boiling-water reactor] Licensee's and would support [their] evaluations and analyses associated with extended power uprate license amendment submittals. Making this information available to other BWR Licensee's would represent a windfall and deprive PPL the opportunity to recover a portion of its large investment in test instrumentation from which this data is derived.

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 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

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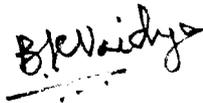
- 4 -

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.

Nonproprietary copies of PPL Susquehanna, LLC documents listed in paragraph 2(a), 2(b), and 2(c) above (ADAMS Accession Nos. ML102040144, ML102040207, and ML102230125, respectively), have been placed in the NRC's Public Document Room and added to the Agencywide Documents Access and Management System Public Electronic Reading Room.

If you have any questions regarding this matter, I may be reached at 301-415-3308.

Sincerely,



Bhalchandra K. Vaidya, Project Manager
Plant Licensing Branch I-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-387

cc: Mr. Edward D. Schrull
Vice president, Regulatory Affairs,
Services Licensing,
GE-Hitachi Nuclear Energy Americas LLC,
3901 Castle Hayne Rd.
Wilmington, NC28401

Mr. Richard D. Pagodin
General Manager, Nuclear Engineering,
PPL, Susquehanna, LLC,
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Sincerely,

/RA/

Bhalchandra K. Vaidya, Project Manager
Plant Licensing Branch I-1
Division of Operating Reactor Licensing
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cc: Mr. Edward D. Schrull
Vice president, Regulatory Affairs,
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