



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

May 29, 2012

Mr. Preston Gillespie  
Vice President, Oconee Site  
Duke Energy Carolinas, LLC  
7800 Rochester Highway  
Seneca, SC 29672

SUBJECT: OCONEE NUCLEAR STATION, UNITS 1, 2, AND 3 - REQUEST FOR  
WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE  
(TAC NOS. ME7164, ME7165, AND ME7166)

Dear Mr. Gillespie:

By letter dated March 16, 2012, you submitted an affidavit dated March 5, 2012, executed by Ernest Hauser, Director of Sales, Caldon Ultrasonics Technology Center, you requested 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), Part 2, Section 2.390:

1. Caldon® UltraSonics Engineering Report ER-813, Revision 2, "Bounding Uncertainty Analysis for Thermal Power Determination at Oconee, Unit 1, Using the LEFM CheckPlus System."
2. Caldon® Ultrasonics Engineering Report ER-824, Revision 2, "Bounding Uncertainty Analysis for Thermal Power Determination at Oconee, Unit 2, Using the LEFM CheckPlus System."
3. Caldon® Ultrasonics Engineering Report ER-825 Revision 2, "Bounding Uncertainty Analysis for Thermal Power Determination at Oconee Unit 3, Using the LEFM CheckPlus System."

The affidavit stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

Pursuant to the provisions of paragraph (b) (4) of Section 2.390 of the Commission's regulations, the following is furnished for consideration by the Commission in determining whether the information sought to be withheld from public disclosure should be withheld.

- (i) The information sought to be withheld from public disclosure is owned and has been held in confidence by Cameron.
- (ii) The information is of a type customarily held in confidence by Cameron and not customarily disclosed to the public. Cameron has a rational basis for determining the types of information customarily held in confidence by it and, in that connection utilizes a system to determine when and whether to hold

certain types of information in confidence. The application of that system and the substance of that system constitutes Cameron policy and provides the rational basis required. Furthermore, the information is submitted voluntarily and need not rely on the evaluation of any rational basis.

Under that system, information is held in confidence if it falls in one or more of several types, the release of which might result in the loss of an existing or potential advantage, as follows:

- (a) The information reveals the distinguishing aspects of process (or component, structure, tool, method, etc.) where prevention of its use by any of Cameron's competitors without license from Cameron 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, and assurance of quality, or licensing a similar product.
- (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Cameron, its customer or suppliers.
- (e) It reveals aspects of past, present or future Cameron or customer funded development plans and programs of potential customer value to Cameron.
- (f) It contains patentable ideas, for which patent protection may be desirable.

There are sound policy reasons behind the Cameron system, which include the following:

- (a) The use of such information by Cameron gives Cameron a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Cameron competitive position.
- (b) It is information that is marketable in many ways. The extent to which such information is available to competitors diminishes the Cameron ability to sell products or services involving the use of the information.
- (c) Use by our competitor would put Cameron at a competitive disadvantage by reducing his expenditure of resources at our expense.

- (d) Each component of proprietary information pertinent to a particular competitive advantage is potentially as valuable as the total competitive advantage. If competitors acquire components of proprietary information, any one component may be the key to the entire puzzle; thereby depriving Cameron of competitive advantage.
- (e) Unrestricted disclosure would jeopardize the position of prominence of Cameron in the world market, and thereby give a market advantage to the competition of those countries.
- (f) The Cameron capacity to invest corporate assets in research and development depends upon the success in obtaining and maintaining a competitive advantage.
- (iii) The information is being transmitted to the Commission in confidence, and under the provisions of 10 CFR §§ 2.390, it is to be received in confidence by the Commission.
- (iv) The information sought to be protected is not available in public sources or available information has not been previously employed in the same manner or method to the best of our knowledge and belief.
- (v) The proprietary information sought to be withheld are the submittals titled:
  - Caldon® Ultrasonics Engineering Report ER-813, Revision 2, "Bounding Uncertainty Analysis for Thermal Power Determination at Oconee Unit 1 Using the LEFM CheckPlus System"
  - Caldon® Ultrasonics Engineering Report ER-824, Revision 2, "Bounding Uncertainty Analysis for Thermal Power Determination at Oconee Unit 2 Using the LEFM CheckPlus System"
  - Caldon® Ultrasonics Engineering Report ER-825 Revision 2, "Bounding Uncertainty Analysis for Thermal Power Determination at Oconee Unit 3 Using the LEFM CheckPlus System."

It is designated therein in accordance with 10 CFR §§ 2.390(b)(1)(i)(A,B), with the reason(s) for confidential treatment noted in the submittal and further described in this affidavit. This information is voluntarily submitted for use by the NRC Staff in their review of the accuracy assessment of the proposed methodology for the LEFM CheckPlus Systems used by Oconee Unit 1, Oconee Unit 2 and Oconee Unit 3 for MUR UPRATES.

Public disclosure of this proprietary information is likely to cause substantial harm to the competitive position of Cameron because it would enhance the ability of competitors to provide similar flow and temperature measurement systems and licensing defense services for commercial power reactors without commensurate expenses. Also, public disclosure of the information would enable others to use the information to meet NRC requirements for licensing documentation without the right to use the information.

The development of the technology described in part by the information is the result of applying the results of many years of experience in an intensive Cameron effort and the expenditure of a considerable sum of money.

In order for competitors of Cameron to duplicate this information, similar products would have to be developed, similar technical programs would have to be performed, and a significant manpower effort, having the requisite talent and experience, would have to be expended for developing analytical methods and receiving NRC approval for those methods.

Further, the deponent sayeth not.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.390 and, on the basis of the statements in the affidavit, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure.

Therefore, the version(s) 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.

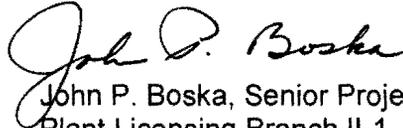
If the basis for withholding this information from public inspection should change in the future such that the information could then be made available for public inspection, you should promptly notify the NRC. You also should understand that the NRC may have cause to review this determination in the 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.

P. Gillespie

- 5 -

If you have any questions, please call me at 301-415-2901.

Sincerely,

A handwritten signature in black ink that reads "John P. Boska". The signature is written in a cursive style with a large initial "J".

John P. Boska, Senior Project Manager  
Plant Licensing Branch II-1  
Division of Operating Reactor Licensing

Docket Nos. 50-269, 50-270, and 50-287

Enclosure:  
As stated

cc: Mr. Ernest Hauser  
Director of Sales  
Caldon Ultrasonics Technology Center  
1000 McClaren Woods Drive  
Coraopolis, PA 15108

Additional Distribution via Listserv

P. Gillespie

- 5 -

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*/RA/*

John P. Boska, Senior Project Manager  
Plant Licensing Branch II-1  
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