



30 April 2012

**Affidavit requesting the withholding of information from public disclosure within Nuclear Regulatory Commission Inspection Report Number 99900080/2012-201 and Notice of Non-conformance for SPX Corporation McKean, PA Facility 13-17 February 2012.**

“Per 10CFR 2.390 Public inspections, exemptions, requests for withholding.”

Rick Kuntz - Quality Manager, as an upper-level management member of SPX Corporation – Flow Technology – Americas “SPX FT-A” with responsibilities at the McKean PA facility and delegated by the President of SPX FT-A (owner of the subject information) submits this affidavit for consideration.

SPX FT-A fully recognises and appreciates the balance the NRC Commission is working to achieve between the right of the public to be fully apprised as to the basis for and effects of licensing actions and SPX’s legitimate concerns for protection of competitive position in the marketplace.

We have identified in yellow-highlight the content sought to be withheld from public disclosure on the attached NRC Inspection Report Number 99900080/2012-201 and Notice of Non-conformance. SPX FT-A, McKean, PA is the sole designer and manufacturer of the pyrotechnically actuated Squib valve and is currently completing qualification as an integral component of the Westinghouse AP1000. The public disclosure of the highlighted information will cause substantial harm to the competitive position of SPX FT-A.

The information that is being requested withheld from public disclosure is held in strict confidence by SPC FT-A. There are several components to our strategy to maintain control of our proprietary information. Non-disclosure agreements are executed with suppliers of components as well as with current and prospective customers. “Proprietary information” notations are built into the title block templates on engineering drawings; e-mails are noted as “may contain information



that is confidential and privileged”, serving notice as to the proprietary nature of the information contained in the document. SPX FT-A implements limited and controlled access to our facilities by all visitors (escorts required, no photographs without the written permission of the site director) as part of our program controlling our proprietary information. Additionally, SPX Corporate “Acceptable Use (IT)” policy clearly defines and controls our network based information with controlled access segregated servers and password controls.

Information was provided to the NRC Inspection team in confidence in order to support the conduct of their inspection of compliance to 10CFR50 Appendix B and is evidenced by the letter presented to Mr Yamir Diaz-Castillo NRC Inspection Team Lead at the closing meeting 17 February 2012 stipulating that the documents entrusted to the NRC:

- Not be entered into the public record by the NRC.
- That they will be returned to SPX McKean within 90 days of this letter.
- No additional copies of the documents will be made / circulated.

This type of information is always held in confidence, via the means noted above. SPX as a company is focused on delivering solutions to our Customers through market leading innovations in product and service; applies aggressive defence to our competitive position and intellectual property.

The information in question is not currently available in public sources as a result of the implementation of the policies and practices noted above.

As the only designer and manufacturer of the pyrotechnically actuated Squib valves for the nuclear market , SPX FT-A success in securing and delivering the pyrotechnically actuated Squib valve and service lies within our control. SPX FT-A is currently executing a contract for the manufacture of 96 pyrotechnically actuated Squib valves to be installed in (8) nuclear plants; (2) domestic and (6) in China. The total contracted value of these valves exceeds \$118M USD. SPX FT-A



may have an annual \$1+M USD opportunity for maintenance parts and service for the life of the 96 Squib valves currently under contract to manufacture and deliver.

In the near future, there should be several viable opportunities for SPX FT-A to quote and supply various types of Squib valves that utilize pyrotechnic actuation. Because of NDA's (non-disclosure agreements) that are in place, we cannot divulge the names of the companies we are quoting. However, we can say that we have quoted and are quoting full size reactors with passive safety systems as well as several SMR (Small Modular Reactor) designs. Because of the Fukushima incident in Japan, we are also in the process of quoting pyrotechnically actuated Squib valves to replace motor operated squibs that failed because of the lack of power. Our customer would replace the motor operated Squib valves on all plants that are similar in design to the Fukushima plants.

The design work on the Squib valve started in late 2006 with an original design specification released in March, 2007. During these past 5 years the costs of the design activities are \$12+M USD.

Specifically we request exemption from disclosure under regulation 10 CFR 2.390 the information in the Inspection Report NRC Report Number 99900080/2012-201 and Notice of Non-conformance, noted in the (3) issues below;

Issue 1: In the NRC Report Number 99900080/2012-201 and Notice of Non-conformance on page 7 of the Report Details, in the first sentence of the last paragraph on page 7, SPX FT-A requests that the words "of igniting the charge that ultimately provides the motive force", be redacted from the sentence. This information would reveal the specific use of the initiator as a device that is used in conjunction with an independent charge, which is a method that was selected after significant cost and time in research and experimentation effort was used to determine that this method was acceptable for the unique design requirements of the Squib valve.

Issue 2: In the NRC Report Number 99900080/2012-201 and Notice of Non-conformance on page 8 of the Report Details, in the first sentence of the first paragraph on page 8, SPX FT-A requests



that the words "heats a fine wire (bridge wire) located within the initiator assembly to", be redacted from the sentence. This information would reveal the specific use of the bridge wire method of initiation of the independent charge, which is a method that was selected after extensive research and experimentation to assess all possible acceptable methods for use in this unique application.

Issue 3: In the NRC Report Number 99900080/2012-201 and Notice of Non-conformance on page 8 of the Report Details, in the second sentence of the first paragraph on page 8, SPX FT-A, requests that the words "of the wire", and " the bridge wire to the connector pins.", be redacted from the sentence. This information would reveal the specific use of the wire, or bridge wire method of initiation of the independent charge, which is the method that was selected after a significant investment of financial resources and time in research and experimentation to determine a method acceptable for use for this unique application.

The public disclosure of the identified proprietary information will cause substantial harm to the competitive position and advantage that has been derived from research and development in the design and manufacture of the pyrotechnically actuated Squib valves by SPX FT-A.

Commonwealth of Pennsylvania  
County of Erie

Respectfully Submitted,

  
Richard F. Kuntz

SPX Corporation – Flow Technology – Americas

Quality Manager

5620 West Road

McKean, PA 16426 USA

Sworn to and subscribed before me  
this 30 day of April, 2012.

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
William James Hamill Jr., Notary Public  
McKean Twp., Erie County  
My Commission Expires March 14, 2016  
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

