



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

September 13, 2012

Mr. Steven D. Capps
Vice President
McGuire Nuclear Station
Duke Energy Carolinas, LLC
12700 Hagers Ferry Road
Huntersville, NC 28078

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE
FOR MCGUIRE NUCLEAR STATION, UNITS 1 AND 2 (MCGUIRE 1 AND 2)
(TAC NOS. ME8213 AND ME8214)

Dear Mr. Capps:

By letter dated July 6, 2012, Mr. Regis Repko of Duke Energy Carolinas, LLC, attached a letter from Cameron International Corporation (Cameron) dated July 3, 2012, which submitted an affidavit dated July 3, 2012, and executed by Ernest M. Hauser of Cameron, 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), Part 2, Section 2.390:

Caldon® Ultrasonics Engineering Report ER-819 Rev. 2 "Bounding Uncertainty Analysis for Thermal Power Determination at McGuire [Nuclear Station (McGuire),] Unit 2 Using the [leading edge flow meter] LEFM CheckPlus System" [ER-819 Rev. 2]

Caldon® Ultrasonics Engineering Report ER-822 Rev. 2 "Bounding Uncertainty Analysis for Thermal Power Determination at McGuire Unit 1 Using the LEFM CheckPlus System" [ER-822 Rev. 2]

Caldon® Ultrasonics Engineering Report ER-972 Rev. 2 ""Traceability Between Topical Report (ER-157P-A Rev. 8 & Rev. 8 Errata) and the System Uncertainty Report"" [ER-972 Rev. 2]

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

- (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 a 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 a 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.

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 documents identified above, ER-819 Rev. 2, ER-822 Rev. 2, ER-972 Rev. 2, 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 Nuclear Regulatory Commission (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.

S. Capps

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If you have any questions, please call me at 301-415-1119.

Sincerely,

A handwritten signature in black ink that reads "Jon Thompson". The signature is written in a cursive, flowing style.

Jon Thompson, Project Manager
Plant Licensing Branch II-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-369 and 50-370

cc: Distribution via Listserv

Ernest Hauser
Caldon® Ultrasonics Technology Center
1000 McClaren Woods Drive
Coraopolis, PA 15108

S. Capps

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Sincerely,

/RA/

Jon Thompson, Project Manager
Plant Licensing Branch II-1
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