



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

November 18, 1991

Docket No. 50-206

Mr. R. P. DiPiazza, Manager
Operating Plant Licensing Support
Westinghouse Electric Corporation
P. O. Box 355
Pittsburgh, Pennsylvania 15230-0355

Withheld
11/21/91

Dear Mr. DiPiazza:

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE

By your application dated July 2, 1991 (CAW 91-183), you submitted Additional Engineering Evaluations for the SONGS-1 Thermal Shield Lower Support Replacement Design (WCAP-12981) and requested that it be withheld from public disclosure pursuant to 10 CFR 2.790.

You 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 Westinghouse.
- (ii) The information is of a type customarily held in confidence by Westinghouse and not customarily disclosed to the public. Westinghouse 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 Westinghouse policy and provides the rational basis required.

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 competitive 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 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.

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- (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.
- (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Westinghouse, its customers or suppliers.
- (e) It reveals aspects of past, present, or future Westinghouse or customer funded development plans and programs of potential commercial value to Westinghouse.
- (f) It contains patentable ideas, for which patent protection may be desirable.
- (g) It is not the property of Westinghouse, but must be treated as proprietary by Westinghouse according to agreements with the owner.

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

- (a) The use of such information by Westinghouse gives Westinghouse a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Westinghouse competitive position.
- (b) It is information which is marketable in many ways. The extent to which such information is available to competitors diminishes the Westinghouse ability to sell products and services involving the use of the information.
- (c) Use by our competitor would put Westinghouse at a competitive disadvantage by reducing his expenditure of resources at our expense.
- (d) Each component or 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 Westinghouse of a competitive advantage.
- (e) Unrestricted disclosure would jeopardize the position of prominence of Westinghouse in the world market, and thereby give a market advantage to the competition of those countries.
- (f) The Westinghouse 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 Section 2.790, 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 original manner or method to the best of our knowledge and belief.
- (v) The proprietary information sought to be withheld in this submittal is that which is appropriately marked in "Additional Engineering Evaluations for the SONGS-1 Thermal Shield Lower Support Replacement Design," WCAP-12981 (Proprietary), July 1991, for San Onofre Nuclear Generating Station Unit 1, being transmitted by the Southern California Edison Company (SCE) letter and Application for Withholding Proprietary Information from Public Disclosure, F. Nandy, SCE, to the Document Control Desk, Attention George Kalman (NRC). The proprietary information as submitted for use by Southern California Edison Company for San Onofre Unit 1 is expected to be applicable in other licensee submittals in response to certain NRC requirements for justification of reactor vessel internals integrity.

This information enables Westinghouse to:

- (a) Provide documentation of analytical evaluations of the as-found condition of the thermal shield support system at San Onofre Unit 1.
- (b) Provide a comparison of the analytical evaluation of the thermal shield degradation with the as-found condition of the thermal shield support system.
- (c) Demonstrate the structural integrity of the core barrel, thermal shield and thermal shield support system.
- (d) Demonstrate no adverse impact on plant operation due to replacement of the thermal shield support system.
- (e) Assist customer to obtain NRC approval.

Further this information has substantial commercial value as follows:

- (a) Westinghouse plans to sell the use of similar information to its customers for plant upgrades with appropriate licensing documentation.
- (b) Westinghouse can sell support and defense of the technology to customers in the license process.

Public disclosure of this proprietary information is likely to cause substantial harm to the competitive position of Westinghouse because

it would enhance the ability of competitors to provide similar analytical documentation 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 purchasing 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 Westinghouse effort and the expenditure of a considerable sum of money.

In order for competitors of Westinghouse to duplicate this information, 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 the analytical methods and performing sensitivity studies.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.790 and, on the basis of Westinghouse's statements, have determined the submitted information sought to be withheld contains trade secrets or proprietary commercial information.

Therefore, the version of the submitted information marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.790(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 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 should also 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.

Sincerely,
Original signed by
George Kalman, Senior Project Manager
Project Directorate V
Division of Reactor Projects III/IV/V
Office of Nuclear Reactor Regulation

cc: See next page

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Sincerely,



George Kalman, Senior Project Manager
Project Directorate V
Division of Reactor Projects III/IV/V
Office of Nuclear Reactor Regulation

cc: See next page

Mr. Harold B. Ray
Southern California Edison Company

San Onofre Nuclear Generating
Station, Unit No. 1

cc:

Mr. Phil Johnson
U.S. Nuclear Regulatory Commission
Region V
1450 Maria Lane, Suite 210
Walnut Creek, California 94596

Mr. Richard J. Kosiba, Project Manager
Bechtel Power Corporation
12440 E. Imperial Highway
Norwalk, California 90650

Mr. Robert G. Lacy
Manager, Nuclear Department
San Diego Gas & Electric Company
P. O. Box 1831
San Diego, California 92112

Resident Inspector/San Onofre NPS
c/o U.S. Nuclear Regulatory Commission
P. O. Box 4329
San Clemente, California 92674

Mayor
City of San Clemente
100 Avenida Presidio
San Clemente, California 92672

Chairman, Board of Supervisors
County of San Diego
1600 Pacific Highway, Room 335
San Diego, California 92101

Regional Administrator, Region V
U.S. Nuclear Regulatory Commission
1450 Maria Lane, Suite 210
Walnut Creek, California 94596

Mr. John Hickman
Senior Health Physicist
Environmental Radioactive Mgmt. Unit
Environmental Management Branch
State Department of Health Services
714 P Street, Room 616
Sacramento, California 95814

Mr. Don J. Womeldorf
Chief, Environmental Management Branch
California Department of Health Services
714 P Street, Room 616
Sacramento, California 95814