

Proprietary Information – Withhold From Public Disclosure Under 10 CFR 2.390

RS-14-039

January 22, 2014

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

Quad Cities Nuclear Power Station, Units 1 and 2
Renewed Facility Operating License Nos. DPR-29 and DPR-30
NRC Docket Nos. 50-254 and 50-265

Subject: Additional Information Regarding License Amendment Request Associated with Use of Neutron Absorbing Inserts in Spent Fuel Pool Storage Racks

- References:**
1. Letter from D. M. Gullott (Exelon Generation Company, LLC) to U.S. NRC, "License Amendment Request – Use of Neutron Absorbing Inserts in Units 1 and 2 Spent Fuel Pool Storage Racks," dated July 16, 2013
 2. Letter from P. R. Simpson (Exelon Generation Company, LLC) to U.S. NRC, "Supplemental Information Regarding License Amendment Request Associated with use of Neutron Absorbing Inserts in Spent Fuel Pool Storage Racks," dated September 18, 2013

In Reference 1, Exelon Generation Company, LLC (EGC) requested a license amendment to modify the Technical Specifications (TS) to include the use of neutron absorbing spent fuel pool rack inserts (i.e., NETCO-SNAP-IN[®] rack inserts) for the purpose of criticality control in the spent fuel pools (SFPs) at Quad Cities Nuclear Power Station (QCNPS), Units 1 and 2. This change was requested due to the degradation of the Boraflex neutron absorbing material, currently being used in the QCNPS SFPs.

Supplemental information that was needed to support the NRC acceptance review was submitted in Reference 2. In the attachment to Reference 2, EGC discussed planned revisions to Holtec reports HI-2104790 and HI-2125245 and indicated that the revised reports would be submitted to the NRC upon completion. The revisions to these reports have been completed, and are attached.

Attachments 1 and 2 Contain Proprietary Information. Withhold From Public Disclosure Under 10 CFR 2.390. When separated from Attachments 1 and 2, this document is decontrolled.

ADD
NRR

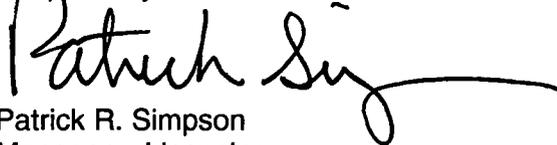
Attachments 1 and 2 contain information proprietary to Holtec International, and are supported by an affidavit signed by Holtec International. The affidavit, provided in Attachment 3, sets forth the basis on which the information may be withheld from public disclosure by the NRC and addresses with specificity the considerations listed in paragraph (b)(4) of 10 CFR 2.390, "Public inspections, exemptions, requests for withholding." Accordingly, it is requested that the information be withheld from public disclosure in accordance with 10 CFR 2.390. Non-proprietary versions of Attachments 1 and 2 are provided in Attachments 4 and 5, respectively.

EGC has reviewed the information supporting a finding of no significant hazards consideration, and the environmental consideration, that were previously provided to the NRC in Attachment 1 of Reference 1. The additional information provided in this submittal does not affect the bases for concluding that the proposed license amendment does not involve a significant hazards consideration. In addition, the additional information provided in this submittal does not affect the bases for concluding that neither an environmental impact statement nor an environmental assessment needs to be prepared in connection with the proposed amendment.

There are no regulatory commitments contained in this letter. Should you have any questions concerning this letter, please contact Mr. Kenneth M. Nicely at (630) 657-2803.

I declare under penalty of perjury that the foregoing is true and correct. Executed on the 22nd day of January 2014.

Respectfully,



Patrick R. Simpson
Manager – Licensing

Attachments:

1. Holtec International Report No. HI-2104790, Revision 1, "Nuclear Group Computer Code Benchmark Calculations" (PROPRIETARY INFORMATION)
2. Holtec International Report No. HI-2125245, Revision 4, "Licensing Report for Quad Cities Criticality Analysis for Inserts" (PROPRIETARY INFORMATION)
3. Holtec International Affidavit
4. Holtec International Report No. HI-2104790, Revision 1, "Nuclear Group Computer Code Benchmark Calculations"
5. Holtec International Report No. HI-2125245, Revision 4, "Licensing Report for Quad Cities Criticality Analysis for Inserts – Non Proprietary Version"

cc: NRC Regional Administrator, Region III
NRC Senior Resident Inspector – Quad Cities Nuclear Power Station
Illinois Emergency Management Agency – Division of Nuclear Safety (Attachments 3-5)

ATTACHMENT 3

Holtec International Affidavit



AFFIDAVIT PURSUANT TO 10 CFR 2.390

I, Debabrata (Debu) Mitra Majumdar, being duly sworn, depose and state as follows:

- (1) I have reviewed the information described in paragraph (2) which is sought to be withheld, and am authorized to apply for its withholding.
- (2) The information sought to be withheld is information provided in the following reports.
 - a. Holtec International Report No. HI-2125245, "Licensing Report for Quad Cities Criticality Analysis for Inserts" Revision 4 (Proprietary Version).
 - b. Holtec International Report No. HI-2104790, Revision 1, "Nuclear Group Computer Code Benchmark Calculations" (Proprietary).

These reports contain Holtec proprietary information.

- (3) In making this application for withholding of proprietary information of which it is the owner, Holtec International 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 10CFR Part 9.17(a)(4), 2.390(a)(4), and 2.390(b)(1) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (Exemption 4). The material for which exemption from disclosure is here sought is all "confidential commercial information", and some portions also qualify 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, 975F2d871 (DC Cir. 1992), and Public Citizen Health Research Group v. FDA, 704F2d1280 (DC Cir. 1983).

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- (4) Some examples of categories of information which fit into the definition of proprietary information are:
- a. Information that discloses a process, method, or apparatus, including supporting data and analyses, where prevention of its use by Holtec's competitors without license from Holtec International constitutes a competitive economic advantage over other companies;
 - b. Information which, if used 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 of a similar product.
 - c. Information which reveals cost or price information, production, capacities, budget levels, or commercial strategies of Holtec International, its customers, or its suppliers;
 - d. Information which reveals aspects of past, present, or future Holtec International customer-funded development plans and programs of potential commercial value to Holtec International;
 - e. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection.

The information sought to be withheld is considered to be proprietary for the reasons set forth in paragraph 4.b, above.

- (5) The information sought to be withheld is being submitted to the NRC in confidence. The information (including that compiled from many sources) is of a sort customarily held in confidence by Holtec International, and is in fact so held. The information sought to be withheld has, to the best of my knowledge and belief, consistently been held in confidence by Holtec International. No public disclosure has been made, and it is not available in public sources. All disclosures to third parties, including any required transmittals to the NRC, have been made, or must be made, pursuant to regulatory provisions or

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proprietary agreements which provide for maintenance of the information in confidence. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in paragraphs (6) and (7) following.

- (6) Initial approval of proprietary treatment of a document is made by the manager of the originating component, the person most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge. Access to such documents within Holtec International is limited on a "need to know" basis.
- (7) The procedure for approval of external release of such a document typically requires review by the staff manager, project manager, principal scientist or other equivalent authority, by the manager of the cognizant marketing function (or his designee), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside Holtec International are limited to regulatory bodies, customers, and potential customers, and their agents, suppliers, and licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.
- (8) The information classified as proprietary was developed and compiled by Holtec International at a significant cost to Holtec International. This information is classified as proprietary because it contains detailed descriptions of analytical approaches and methodologies not available elsewhere. This information would provide other parties, including competitors, with information from Holtec International's technical database and the results of evaluations performed by Holtec International. A substantial effort has been expended by Holtec International to develop this information. Release of this information would improve a competitor's position because it would enable Holtec's competitor to copy our technology and offer it for sale in competition with our company, causing us financial injury.

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- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to Holtec International's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of Holtec International's comprehensive spent fuel storage 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.

The research, development, engineering, and analytical costs comprise a substantial investment of time and money by Holtec International.

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.

Holtec International's competitive advantage will be lost if its competitors are able to use the results of the Holtec International 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 Holtec International 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 Holtec International of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

