



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

May 15, 2014
NOC-AE-14003106
10 CFR 2.390

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

South Texas Project
Units 1 and 2
Docket Nos. STN 50-498 and 50-499
Second Submittal of CASA Grande Source Code
for STP's Risk-Informed GSI-191 Licensing Application
(TAC NOS. MF2400, MF2401, MF2402, MF2403,
MF2404, MF2405, MF2406, MF2407, MF2408, AND MF2409)

References:

1. Letter, G. T. Powell, STPNOC, to NRC Document Control Desk, "Supplement 1 to Revised STP Pilot Submittal and Requests for Exemptions and License Amendment for a Risk-Informed Approach to Resolving Generic Safety Issue (GSI)-191", November 13, 2013, NOC-AE-13003043, ML13323A183
2. Letter, G. T. Powell, STPNOC, to NRC Document Control Desk, "Submittal of CASA Grande Source Code for STP's Risk-Informed GSI-191 Licensing Application", March 18, 2014, NOC-AE-14003111, ML14087A126
3. Los Alamos National Laboratory (LANL) inter-agency transfers of CASA Grande to NRC, License Tracking Number 14-N03329

This submittal documents the transmittal to the NRC of the CASA Grande source code used in the STP pilot Risk-Informed GSI-191 licensing application (Reference 1). This submittal facilitates the NRC review of affidavit for withholding. Two CDs with the source code are being transmitted separately to the NRC by LANL under the same license authorization listed in Reference 3. The CDs are labeled with this letter number (NOC-AE-14003106) and "Withhold from Public Disclosure per 10CFR2.390". Instructions for accessing the information on the CDs will be provided upon request to casa@alionscience.com. One CD is being provided to the Document Control Desk, the other to Mr. Balwant Singal, NRC's STP Project Manager.

The source code is protected under an exclusive commercialization agreement between Los Alamos National Security (operations manager of LANL) and Alion Science & Technology. Therefore, the information and analyses embodied in the code are considered to be proprietary to Alion and are accompanied by a formal request to

STI: 33840360

A001
NRC

withhold the documents from public disclosure in accordance with 10CFR2.390. The original Affidavit for Withholding was provided in Reference 2 and is applicable to the CDs documented by this submittal. A copy is attached to this correspondence. The source code is considered to be proprietary in its entirety, so no redacted non-proprietary version is provided.

There are no regulatory commitments in this submittal.

If there are any questions regarding this request, please contact Wayne Harrison at (361) 972-8774 or me at (361) 972-7566.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on: May 15, 2014



G. T. Powell
Site Vice President

awh

Attachment:

Copy of Alion Affidavit for Withholding

cc:
(paper copy)

Regional Administrator, Region IV
U. S. Nuclear Regulatory Commission
1600 East Lamar Boulevard
Arlington, TX 76011-4511

Balwant K. Singal
Senior Project Manager
U.S. Nuclear Regulatory Commission
One White Flint North (MS 8 B1)
11555 Rockville Pike
Rockville, MD 20852

NRC Resident Inspector
U. S. Nuclear Regulatory Commission
P. O. Box 289, Mail Code: MN116
Wadsworth, TX 77483

Jim Collins
City of Austin
Electric Utility Department
721 Barton Springs Road
Austin, TX 78704

(electronic copy)

A. H. Gutterman, Esquire
Morgan, Lewis & Bockius LLP

Balwant K. Singal
Michael Markley
John Stang
U. S. Nuclear Regulatory Commission

John Ragan
Chris O'Hara
Jim von Suskil
NRG South Texas LP

Kevin Pollo
Cris Eugster
L.D. Blaylock
CPS Energy

Peter Nemeth
Crain Caton & James, P.C.

C. Mele
City of Austin

Richard A. Ratliff
Texas Department of State Health Services

Robert Free
Texas Department of State Health Services

Attachment

Copy of Alion Application for Withholding



AFFIDAVIT

I, Megan A. Stachowiak, state as follows:

- (1) I am Division Manager, Nuclear Services, ALION Science & Technology ("Alion") and have been delegated the function of reviewing the information described in paragraph (2) which is sought to be withheld, and have been authorized to apply for its withholding.
- (2) The information sought to be withheld is CASA Grande v1.6 Source Code in its entirety. This code was used to support the South Texas Project licensing submittal and is being submitted for Southwest Research Institute (SwRI) review. The source code is protected by an exclusive commercialization agreement between Alion and Los Alamos National Security (LANS), LLC.
- (3) In making this application for withholding of proprietary information of which it is the owner, Alion 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 10 CFR 9.17(a)(4), and 2.390(a)(4) for "trade secrets" (Exemption 4). The material for which exemption from disclosure is here sought 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).
- (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 Alion's competitors without license from Alion 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 aspects of past, present, or future Alion customer-funded development plans and programs, resulting in potential products to Alion;
 - d. 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 paragraphs (4) a, and (4) b, above.

- (5) To address 10 CFR 2.390 (b) (4), the information sought to be withheld is being submitted to NRC in confidence. The information is of a sort customarily held in confidence by Alion, 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 Alion, no public disclosure has been made, and it is not available in public sources. All disclosures to third parties including any required transmittals to NRC, have been made, or must be made, pursuant to regulatory provisions or 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 Alion 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 their delegate), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside Alion 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 document identified in paragraph (2), above, is classified as proprietary because it contains "know-how" and "unique data" developed by Alion within our research and development programs. The development of this document, supporting methods and data constitutes a major Alion asset in this current market.
- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to Alion's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of Alion's comprehensive BWR/PWR GSI-191 analysis base, and its commercial value extends beyond the original development cost. The value of the technology base goes beyond the extensive physical database and experimental methodology and includes development of the expertise to determine and apply the appropriate evaluation process.

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

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.



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

I declare under penalty of perjury that the foregoing affidavit and the matters stated therein are true and correct to the best of my knowledge, information, and belief.

Executed on this 13th day of March 2014.

A handwritten signature in black ink, appearing to read 'Megan A. Stachowiak', written over a horizontal line.

Megan A. Stachowiak
Division Manager, Nuclear Services
ALION Science & Technology