



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

February 21, 2017

Mr. Robert S. Bement
Executive Vice President Nuclear/
Chief Nuclear Officer
Mail Station 7602
Arizona Public Service Company
P.O. Box 52034
Phoenix, AZ 85072-2034

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE
(CAC NOS. MF7138, MF7139, AND MF7140)

Dear Mr. Bement:

By letter dated November 9, 2016 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML16321A001), Arizona Public Service Company (the licensee) submitted an affidavit dated October 27, 2016 (CAW-16-4498), to the U.S. Nuclear Regulatory Commission (NRC), executed by Mr. James A Gresham, Manager, Regulatory Compliance, Westinghouse Electric Company LLC (Westinghouse), requesting that the information contained in the following document (Attachment 6 of the letter dated November 9, 2016) be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Part 2, Section 2.390:

- WCAP-18030-P, Revision 1, "Criticality Safety Analysis for Palo Verde Nuclear Generating Station Units 1, 2, and 3," October 2016 (Proprietary)

A non-proprietary copy of the document entitled WCAP-18030-NP, Revision 1, "Criticality Safety Analysis for Palo Verde Nuclear Generating Station Units 1, 2, and 3," October 2016, contained in Attachment 5 of your letter dated November 9, 2016, has been placed in the NRC's Public Document Room and added to the NRC Library in ADAMS at Accession No. ML16321A003.

Please note that Revision 0 of the subject document was submitted to the NRC on November 25, 2015 (ADAMS Accession No. ML15336A251), with an affidavit dated September 5, 2015 (CAW-15-4271), from Westinghouse, the supplier of the proprietary information. After our review and subsequent telephone conversation with you discussing the extent of proprietary information, it was mutually agreed to submit Revision 1 reflecting appropriate proprietary information.

The October 27, 2016, affidavit stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- (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 that 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 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 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.

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 submitted information 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.

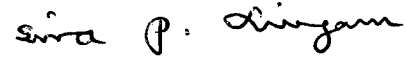
If the basis for withholding this information from public inspection should change in the future such that the information could then be made available for public inspection, you should promptly notify the NRC. You also should understand that the NRC may have cause to review this determination in the 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.

R. Bement

- 3 -

If you have any questions regarding this matter, I may be reached at 301-415-1564.

Sincerely,



Siva P. Lingam, Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. STN 50-528, STN 50-529,
and STN 50-530

cc: Mr. James A. Gresham
Manager, Regulatory Compliance
Westinghouse Electric Company
1000 Westinghouse Drive, Building 3
Cranberry Township, PA 16066

Additional Distribution via Listserv

R. Bement

- 4 -

SUBJECT: PALO VERDE NUCLEAR GENERATING STATION, UNITS 1, 2, AND 3 -
REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE
(CAC NOS. MF7138, MF7139, AND MF7140) DATED

DISTRIBUTION:

PUBLIC

LPL4 Reading

RidsACRS_MailCTR Resource

RidsNrrDorlLpl4 Resource

RidsNrrDssSnpb Resource

RidsNrrLAJBurkhardt Resource

RidsNrrLAPBlechman Resource

RidsNrrPMPaloVerde Resource

RidsRgn4MailCenter Resource

KWood, NRR

ADAMS Accession No.: ML16068A008

OFFICE	NRR/DORL/LPL4/PM	NRR/DORL/LPL4/LA	NRR/DSS/SNPB/BC
NAME	SLingam	JBurkhardt	RLukes
DATE	11/1/16	10/31/16	2/17/17
OFFICE	NRR/DORL/LPL4/BC	NRR/DORL/LPL4/PM	
NAME	RPascarelli	SLingam	
DATE	2/21/17	2/21/17	

OFFICIAL RECORD COPY