

Westinghouse Non-Proprietary Class 3



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50-528/529/530

U.S. Nuclear Regulatory Commission
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LTR-NRC-17-24

March 16, 2017

Subject: Submittal of Proprietary Westinghouse Information Presented at the Regulatory Audit held on March 8, 2017, at Excel Facility in Rockville, Maryland, for the Next Generation Fuel License Amendment Request and Exemption for Palo Verde Nuclear Generation Station, Units 1, 2, and 3 (Proprietary)

Enclosed are proprietary versions of the following presentations that were shared with the NRC on March 8, 2017, at Excel Facility in Rockville, Maryland, for the Next Generation Fuel License Amendment Request and Exemption for Palo Verde Nuclear Generation Station, Units 1, 2, and 3:

- Palo Verde Nuclear Generating Station Next Generation Fuel License Amendment Request Fuel Assembly Misload Analysis
- Validation of Thermal Conductivity Degradation Allowance Used in the Arizona Power Services Next Generation Fuel License Amendment Request

Also enclosed are:

1. An Application for Withholding Proprietary Information from Public Disclosure, AW-17-4560, with Proprietary Information Notice and Copyright Notice
2. An Affidavit (Non-Proprietary)

This submittal contains proprietary information of Westinghouse Electric Company LLC ("Westinghouse"). In conformance with the requirements of 10 CFR Section 2.390, as amended, of the Nuclear Regulatory Commission's ("Commission's") regulations, we are enclosing with this submittal an Application for Withholding Proprietary Information from Public Disclosure and an Affidavit. The Affidavit sets forth the basis on which the information identified as proprietary may be withheld from public disclosure by the Commission.

The subject document was prepared and classified as Westinghouse Proprietary Class 2. Westinghouse requests that the document be considered proprietary in its entirety. As such, a non-proprietary version will not be issued.

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Correspondence with respect to the proprietary aspects of the Application for Withholding or the Westinghouse Affidavit should reference AW-17-4560, and should be addressed to James A. Gresham, Manager, Regulatory Compliance, Westinghouse Electric Company, 1000 Westinghouse Drive, Building 3 Suite 310, Cranberry Township, Pennsylvania 16066.

A handwritten signature in black ink, appearing to read 'J. Gresham', written in a cursive style.

James A. Gresham, Manager
Regulatory Compliance

Enclosures

cc: Siva P. Lingam (NRR)

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AW-17-4560
March 16, 2017

APPLICATION FOR WITHHOLDING PROPRIETARY
INFORMATION FROM PUBLIC DISCLOSURE

Subject: LTR-NRC-17-24, P-Attachment, "Proprietary Westinghouse Information Presented at the Regulatory Audit held on March 8, 2017, at Excel Facility in Rockville, Maryland, for the Next Generation Fuel License Amendment Request and Exemption for Palo Verde Nuclear Generation Station, Units 1, 2, and 3" (Proprietary)

Reference: Letter from James A. Gresham to the Document Control Desk, LTR-NRC-17-24, dated March 16, 2017.

The Application for Withholding Proprietary Information from Public Disclosure is submitted by Westinghouse Electric Company LLC ("Westinghouse"), pursuant to the provisions of paragraph (b)(1) of Section 2.390 of the Nuclear Regulatory Commission's ("Commission's") regulations. It contains commercial strategic information proprietary to Westinghouse and customarily held in confidence.

The proprietary information for which withholding is being requested in the above-referenced report is further identified in Affidavit AW-17-4560 signed by the owner of the proprietary information, Westinghouse. The Affidavit, which accompanies this letter, sets forth the basis on which the information may be withheld from public disclosure by the Commission and addresses with specificity the considerations listed in paragraph (b)(4) of 10 CFR Section 2.390 of the Commission's regulations.

The subject document was prepared and classified as Westinghouse Proprietary Class 2. Westinghouse requests that the document be considered proprietary in its entirety. As such, a non-proprietary version will not be issued.

Correspondence with respect to the proprietary aspects of the Application for Withholding or the accompanying Affidavit should reference AW-17-4560, and should be addressed to James A. Gresham, Manager, Regulatory Compliance, Westinghouse Electric Company, 1000 Westinghouse Drive, Building 3 Suite 310, Cranberry Township, Pennsylvania 16066.


James A. Gresham, Manager
Regulatory Compliance

AFFIDAVIT

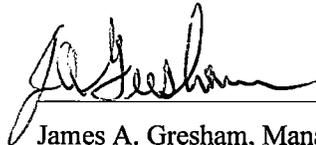
COMMONWEALTH OF PENNSYLVANIA:

SS

COUNTY OF BUTLER:

I, James A. Gresham, am authorized to execute this Affidavit on behalf of Westinghouse Electric Company LLC ("Westinghouse") and declare that the averments of fact set forth in this Affidavit are true and correct to the best of my knowledge, information, and belief.

Executed on: 3/10/17


James A. Gresham, Manager
Regulatory Compliance

- (1) I am Manager, Regulatory Compliance, Westinghouse Electric Company LLC (“Westinghouse”), and as such, I have been specifically delegated the function of reviewing the proprietary information sought to be withheld from public disclosure in connection with nuclear power plant licensing and rule making proceedings, and am authorized to apply for its withholding on behalf of Westinghouse.
- (2) I am making this Affidavit in conformance with the provisions of 10 CFR Section 2.390 of the Nuclear Regulatory Commission’s (“Commission’s”) regulations and in conjunction with the Westinghouse Application for Withholding Proprietary Information from Public Disclosure accompanying this Affidavit.
- (3) I have personal knowledge of the criteria and procedures utilized by Westinghouse in designating information as a trade secret, privileged or as confidential commercial or financial information.
- (4) Pursuant to the provisions of paragraph (b)(4) of Section 2.390 of the Commission’s regulations, the following is furnished for consideration by the Commission in determining whether the information sought to be withheld from public disclosure should be withheld.
 - (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 constitute Westinghouse policy and provide 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.
 - (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.
- (iii) 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 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.
- (iv) The information is being transmitted to the Commission in confidence and, under the provisions of 10 CFR Section 2.390, is to be received in confidence by the Commission.
 - (v) 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.
 - (vi) The proprietary information sought to be withheld in this submittal is that which is contained in LTR-NRC-17-24, P-Attachment, "Proprietary Westinghouse Information Presented at the Regulatory Audit held on March 8, 2017, at Excel Facility in Rockville, Maryland, for the Next Generation Fuel License Amendment Request and Exemption for Palo Verde Nuclear Generation Station, Units 1, 2, and 3," (Proprietary) for submittal to the Commission, being transmitted by Westinghouse letter LTR-NRC-17-24. The proprietary information as submitted by Westinghouse is that associated with the Regulatory Audit held on March 8, 2017, at Excel Facility in Rockville, Maryland, for the Next Generation Fuel License Amendment Request and Exemption for Palo Verde Nuclear Generation Station, Units 1, 2, and 3, and may be used only for that purpose.

- (a) This information is part of that which will enable Westinghouse to support the Next Generation Fuel License Amendment Request and Exemption for Palo Verde Nuclear Generation Station, Units 1, 2, and 3

- (b) Further, this information has substantial commercial value as follows:
 - (i) Westinghouse plans to sell the use of similar information to its customers for the purposes of transitioning to Westinghouse Next Generation Fuel.

 - (ii) Westinghouse can sell support and defense of industry guidelines and acceptance criteria for plant-specific applications.

 - (iii) The information requested to be withheld reveals the distinguishing aspects of a methodology which was developed by Westinghouse.

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 technical evaluation justifications 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.

Further the deponent sayeth not.

PROPRIETARY INFORMATION NOTICE

Transmitted herewith is the proprietary version of a document, furnished to the NRC associated with the Regulatory Audit held on March 8, 2017, at Excel Facility in Rockville, Maryland, for the Next Generation Fuel License Amendment Request and Exemption for Palo Verde Nuclear Generation Station, Units 1, 2, and 3, and may be used only for that purpose. The document is to be considered proprietary in its entirety.

COPYRIGHT NOTICE

The report transmitted herewith bears a Westinghouse copyright notice. The NRC is permitted to make the number of copies of the information contained in this report which is necessary for its internal use in connection with generic and plant-specific reviews and approvals as well as the issuance, denial, amendment, transfer, renewal, modification, suspension, revocation, or violation of a license, permit, order, or regulation subject to the requirements of 10 CFR 2.390 regarding restrictions on public disclosure to the extent such information has been identified as proprietary by Westinghouse, copyright protection notwithstanding. Copies made by the NRC must include the copyright notice in all instances and the proprietary notice if the original was identified as proprietary.