



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

March 27, 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. MF8076, MF8077, MF8078, MF8079, MF8080, AND MF8081)

Dear Mr. Bement:

By letter dated March 16, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17076A370), Westinghouse Electric Company LLC (Westinghouse) on behalf of Arizona Public Service Company (the licensee) submitted an affidavit dated March 16, 2017 (AW-17-4560), to the U.S. Nuclear Regulatory Commission (NRC), executed by Mr. James A Gresham, Manager, Regulatory Compliance, Westinghouse, requesting that the information contained in the following document (Proprietary Attachment to the letter dated March 16, 2017) be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR), Part 2, Section 2.390:

- 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 Generating Station, Units 1, 2, and 3" (Proprietary).

Please note that the proprietary document in its entirety contains the slides for the following topics:

- 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 Public Service Company Next Generation Fuel License Amendment Request

The March 16, 2017, 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.

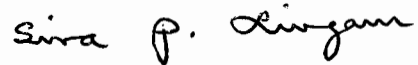
If the basis for withholding this information from public inspection should change in the future such that the information could then be made available for public inspection, you should promptly notify the NRC. You also should understand that the NRC may have cause to review this determination in the 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, Suite 310  
Cranberry Township, PA 16066

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 DATED MARCH 27, 2017

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