



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

JUL 22 1986

Docket Nos.: 50-528
and 50-529

Mr. A. E. Scherer, Director
Nuclear Licensing
Combustion Engineering, Inc.
1000 Prospect Hill Road
Windsor, Connecticut 06095

Dear Mr. Scherer:

Subject: Request for Withholding Information from Public Disclosure
(Palo Verde Nuclear Generating Station, Units 1 and 2)

By letters dated December 3, 1984 and March 24, 1986, Arizona Public Service Company submitted your affidavit, an affidavit from your Mr. P. L. McGill, and the following documents and requested that the documents be withheld from public disclosure pursuant to 10 CFR 2.790:

1. PVNGS-1 Cycle 1 CPC and CEAC Data Base Listing, CEN-251(V) P, Rev. 01, September 1984
2. PVNGS-1 CPC/CEAC System Phase II Software Verification Test Report, CEN-219(V)-P, Rev. 02, September 1984
3. PVNGS-1 CPC/CEAC System Phase I Software Verification Test Report, CEN-217(V)-P, Rev. 02, September 1984
4. A Comprehensive Vibration Assessment Program for Palo Verde Nuclear Generating Station Unit 2 (System 80 Non Prototype-Category 1) Evaluation of Pre-Core Hot Functional Inspection Program - Preliminary Report, CEN 321(V)-P, December 1985

Both affidavits stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons: The information is of a type customarily held in confidence by CE, is not available in public sources, its disclosure would likely cause substantial harm to the competitive position of CE, and its development is the result of substantial effort and considerable sum of money.

We have reviewed your application and the material based on the requirements and criteria of 10 CFR 2.790 and, on the basis of your statements and Mr. Gill's statements, have determined that the submitted information sought to be withheld contains trade secrets or proprietary commercial information.

Therefore, the versions of the submitted information marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.790(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

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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 should also understand that the NRC may have cause to review this determination in the future, such as, 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.

Sincerely,

ORIGINAL SIGNED BY

E. A. Licitra, Project Manager
PWR Project Directorate No. 7
Division of PWR Licensing-B

cc: See next page

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is essential for ensuring the integrity of the financial statements and for providing a clear audit trail. The text also mentions that proper record-keeping is necessary for compliance with various regulatory requirements.

2. The second part of the document focuses on the role of internal controls in preventing fraud and errors. It highlights that a strong internal control system is crucial for protecting the organization's assets and ensuring the reliability of its financial reporting. The text suggests that regular reviews and updates of these controls are necessary to adapt to changing risks.

3. The third part of the document addresses the need for transparency and communication with stakeholders. It states that providing timely and accurate information is key to building trust and maintaining a positive reputation. The text also notes that clear communication is essential for ensuring that all employees understand their roles and responsibilities in maintaining the organization's financial health.

Mr. E. E. Van Brunt, Jr.
Arizona Nuclear Power Project

Palo Verde

cc:

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