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HAYNES, J. G. Arizona Nuclear Power Project (formerly Arizona Public Serv
RECIP. NAME RECIPIENT AFFILIATION
Document Control Branch (Document Control Desk)

SUBJECT: Forwards Proprietary Rev 00-P to Topical Rept CEN-356(V)-P, "Modified Statistical Combination of Uncertainties," per schedule agreed upon during 870422 meeting. Rept withheld (ref 10CFR2.790). AE Scherer affidavit also encl.

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May 15, 1987
161-00214-JGH/LJM

U. S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D. C. 20555

Subject: Palo Verde Nuclear Generating (PVNGS)
Units 1, 2 and 3
Docket Nos. STN 50-528 (License NPF-41)
STN 50-529 (License NPF-51)
STN 50-530 (License NPF-65)
Submittal of Modified Statistical
Combination of Uncertainties (SCU) Topical
File: 87-B-056-026

Dear Sir:

Per the schedule agreed upon on April 22, 1987, ANPP is submitting for your review, 5 copies of the topical report, "Modified Statistical Combination of Uncertainties", CEN-356 (V)-P, Revision 00-P, May, 1987. This revision contains no final numerical results. Revision 1, which will contain typical analysis results, will be submitted on July 15, 1987 for your approval.

It is requested that the information contained in the topical be withheld from public disclosure in accordance with the provisions of 10 CFR 2.790. The reasons for the proprietary classification of the topical are delineated in the attached affidavit.

Since the meeting on April 22, 1987, certain information provided to the staff has changed. The staff was informed that the Technical Specifications would be impacted by the modified SCU analysis. Due to further analysis, the only changes caused by the modified SCU will be to the addressable constants in the Core Protection Calculators. The staff was informed that the simulator uncertainty would be stochastically simulated in the modified SCU analysis and that the ex-core noise component of the shape annealing measurement uncertainty would be treated differently. Based upon more extensive analysis results, the benefit of the revised treatment of these two uncertainties is negligible. As a consequence, these uncertainties will be treated according to the current approved SCU methodology.

Pursuant to 10 CFR 170.12(c) the application fee of $150 has been forwarded to the USNRC License Fee Management Coordinator.

If there are any questions, please contact Mr. W. F. Quinn, at (602) 371-4087.

Very truly yours,

JG Haynes

J. G. Haynes
Vice President
Nuclear Production

JGH/LJM/rw

Add: Rich Each 11
4 to Each

PA01
1/5

cc: O. M. De Michele
E. E. Van Brunt, Jr.
G. W. Knighton (w/a)
J. B. Martin
E. A. Licitra
A. C. Gehr
R. P. Zimmerman
R. M. Diggs (with $150 WFD)

AFFIDAVIT PURSUANT

TO 10 CFR 2.790

Combustion Engineering, Inc.)
State of Connecticut)
County of Hartford) SS.:

I, A.E. Scherer, depose and say that I am the Director, Nuclear Licensing, of Combustion Engineering, Inc., duly authorized to make this affidavit, and have reviewed or caused to have reviewed the information which is identified as proprietary and referenced in the paragraph immediately below. I am submitting this affidavit in conformance with the provisions of 10 CFR 2.790 of the Commission's regulations and in conjunction with the application of Arizona Public Service Company, for withholding this information.

The information for which proprietary treatment is sought is contained in the following document:

CEN-356(V)-P, Modified Statistical Combination of Uncertainties, May 1987

This document has been appropriately designated as proprietary.

I have personal knowledge of the criteria and procedures utilized by Combustion Engineering in designating information as a trade secret, privileged or as confidential commercial of financial information.

Pursuant to the provisions of paragraph (b) (4) of Section 2.790 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, included in the above referenced document, should be withheld.

1. The information sought to be withheld from public disclosure are the modified statistical combination of uncertainties for Combustion Engineering's digital monitoring and protection systems, which is owned and has been held in confidence by Combustion Engineering.

2. The information consists of test data or other similar data concerning a process, method or component, the application of which results in substantial competitive advantage to Combustion Engineering.

3. The information is of a type customarily held in confidence by Combustion Engineering and not customarily disclosed to the public. Combustion Engineering 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 details of the aforementioned system were provided to the Nuclear Regulatory Commission via letter DP-537 from F. M. Stern to Frank Schroeder dated December 2, 1974. This system was applied in determining that the subject document herein are proprietary.

4. The information is being transmitted to the Commission in confidence under the provisions of 10 CFR 2.790 with the understanding that it is to be received in confidence by the Commission.

5. The information, to the best of my knowledge and belief, is not available in public sources, and any disclosure to third parties has been made pursuant to regulatory provisions or proprietary agreements which provide for maintenance of the information in confidence.

6. Public disclosure of the information is likely to cause substantial harm to the competitive position of Combustion Engineering because:

a. A similar product is manufactured and sold by major pressurized water reactor competitors of Combustion Engineering.

b. Development of this information by C-E required tens of thousands of manhours of effort and hundreds of thousands of dollars. To the best of my knowledge and belief a competitor would have to undergo similar expense in generating equivalent information.

c. In order to acquire such information, a competitor would also require considerable time and inconvenience related to the development of a new methodology for statistically combining uncertainties for Combustion Engineering's digital monitoring and protection systems.

d. The information required significant effort and expense to obtain the licensing approvals necessary for application of the information. Avoidance of this expense would decrease a competitor's cost in applying the information and marketing the product to which the information is applicable.

e. The information consists of the modified statistical combination of uncertainties for Combustion Engineering's digital monitoring and protection systems, the application of which provides a competitive economic advantage. The availability of such information to competitors would enable them to modify their product to better compete with Combustion Engineering, take marketing or other actions to improve their product's position or impair the position of Combustion Engineering's product, and avoid developing similar data and analyses in support of their processes, methods or apparatus.

f. In pricing Combustion Engineering's products and services, significant research, development, engineering, analytical, manufacturing, licensing, quality assurance and other costs and expenses must be included. The ability of Combustion Engineering's competitors to utilize such

information without similar expenditure of resources may enable them to sell at prices reflecting significantly lower costs.

g. Use of the information by competitors in the international marketplace would increase their ability to market nuclear steam supply systems by reducing the costs associated with their technology development. In addition, disclosure would have an adverse economic impact on Combustion Engineering's potential for obtaining or maintaining foreign licensees.

Further the deponent sayeth not.

A.E. Scherer
Director
Nuclear Licensing

Sworn to before me
this 13th day of May, 1987.

Susanne Smith
Notary Public

SUSANNE SMITH, NOTARY PUBLIC
State of Connecticut No. 74148
Commission Expires March 31, 1990