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SUBJECT: Forwards proprietary & nonproprietary of CEN-390(V), "Palo Verde Nuclear Generating Station Unit 1 End-of-Cycle 2...."

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WILLIAM F. CONWAY
EXECUTIVE VICE PRESIDENT
NUCLEAR

161-02602-WFC/RAB/KLMC
November 8, 1989

Docket No. STN 50-528

Document Control Desk
U. S. Nuclear Regulatory Commission
Mail Station P1-37
Washington, D. C. 20555

References: 1) Letter from T. L. Chan, NRC, to D. B. Karner, APS, dated February 16, 1989; Subject: Fuel Surveillance Commitments (TAC NO. 56662)
2) Letter to U. S. NRC from D. B. Karner, APS, dated October 19, 1988; Subject: PVNGS Fuel Surveillance Commitments (161-01404)
3) Letter to U. S. NRC from E. E. Van Brunt, Jr., APS, dated January 8, 1988; Subject: Fuel Surveillance Test Results (161-00730)

Dear Sirs:

Subject: Palo Verde Nuclear Generating Station (PVNGS)
Unit 1
Fuel Surveillance Test Results - Unit 1, End-of-Cycle 2
File: 89-056-026

As discussed in the PVNGS SER, Supplement 8, and requested in Reference 1, APS is providing the "Palo Verde Nuclear Generating Station - Unit 1 End-of-Cycle 2 Fuel Examination Report", CEN-390(V)-P. This report contains the results of the required fuel assembly shoulder gap measurements. Reference 2 stated that APS would discontinue providing a report after every inspection and committed to submitting one shoulder gap inspection report when APS is ready to close out this issue or in the event inadequate clearances are discovered. This position was found to be acceptable by the NRC, as documented in Reference 1. Therefore, no additional fuel surveillance reports will be submitted until APS is ready to close the shoulder gap issue or in the event inadequate clearances are discovered.

The results of the fuel examination indicate that adequate margin for shoulder gap reduction exists in all fuel assemblies which are designated for Unit 1, Cycle 3 operation.

Please note that this report is considered proprietary to Combustion Engineering and is being submitted with an affidavit pursuant to the provisions of 10 CFR 2.790(b)(4) for withholding of such information from public disclosure.

APOI 1/1 Prop 1/1 Non Prop

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PDR 1 1 NP
LPDR 1 1 NP

Also attached is one copy of CEN-390(V)-NP, which is the non-proprietary version of this report.

If you should have any questions concerning this matter, contact Mr. R. A. Bernier at (602) 371-4295.

Sincerely,

J. J. Bailey for WFC

WFC/RAB/KLMC

Attachments

cc: T. L. Chan (all w/CEN-390(V)-NP)
M. J. Davis
J. B. Martin
T. J. Polich

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 for withholding this information.

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

CEN-390(V)-P, Palo Verde Nuclear Generating Station - Unit 1 End-of-Cycle 2 Fuel Examination Report, October, 1989.

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 or 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 fuel rod and fuel assembly irradiation growth data, and design modeling methodology for System 80 assemblies, 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 is 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 thousands of manhours 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 to develop fuel rod and fuel assembly irradiation growth data, and design modeling methodology for System 80 assemblies.

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 fuel rod and fuel assembly irradiation growth data, and design modeling methodology for System 80 assemblies, 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 10th day of October , 1989

Janet Boukal
Notary Public

MY COMMISSION EXPIRES: 3-31-94