

UNITED STATES NUCLEAR REGULATORY COMMISSION

WASHINGTON, D.C. 20555-0001 August 19, 1996



Mr. Gary R. Hedrick Vice President Finance and Treasurer El Paso Electric Company P. O. Box 982 El Paso, Texas 79960

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE

Dear Mr. Hedrick:

By letter dated July 17, 1996, Arizona Public Service Company submitted, for itself and on behalf of the Palo Verde Nuclear Generating Station participants, the projected 1996 cash flow statements, and requested that the projected cash flow statement for the El Paso Electric Company be withheld from public disclosure pursuant to 10 CFR 2.790.

Your affidavit dated June 21, 1995, states that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- "4. This information can not be constructed from any other source.
- 5. Disclosure of this information may cause substantial harm to the Company's competitive position and would give parties who have access to this information inside knowledge of projected operations that is not available to the general public."

We have reviewed your submittal and the material in accordance with the requirements of 10 CFR 2.790 and, on the basis of El Paso Electric Company's statements, have determined that the submitted information sought to be withheld contains trade secrets or proprietary commercial information.

Therefore, we have determined that the document entitled "Pro Forma Cashflow Statement for 1996," marked as confidential 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.

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.

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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, for example, if the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC needs additional information from you or makes a determination adverse to the above, you will be notified in advance of any public disclosure.

Sincerely,

Original Signed By

James W. Clifford, Senior Project Manager Project Directorate IV-2 Division of Reactor Projects III/IV Office of Nuclear Reactor Regulation

cc: See next page

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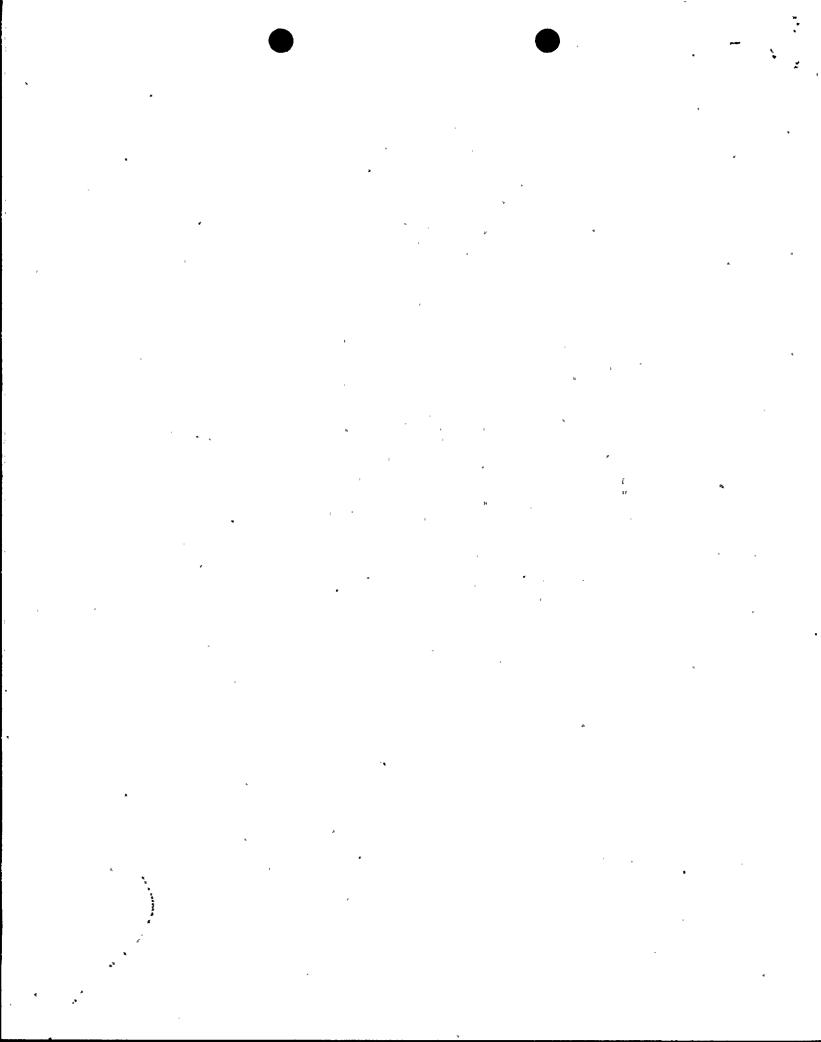
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cc: Mr. Steve Olea Arizona Corporation Commission 1200 W. Washington Street Phoenix, Arizona 85007

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Chairman, Board of Supervisors ATTN: Chairman 301 W. Jefferson, 10th Floor Phoenix, Arizona 85003

Mr. Aubrey V. Godwin, Director Arizona Radiation Regulatory Agency 4814 South 40 Street Phoenix, Arizona 85040

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Mr. John C. Horne, Vice President Power Supply Palo Verde Services 2025 N. Third Street, Suite 220 Phoenix, Arizona 85004 Mr. William L. Stewart Executive Vice President, Nuclear Arizona Public Service Company Post Office Box 53999 Phoenix, Arizona 85072-3999

