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Director of Nuclear Reactor Regulation
Attention: Mr. Victor Stello, Director
Division of Operating Reactors
U. S. Nuclear Regulatory Commission
Washington, D. C. 20555

Dear Mr. Stello:

Re: St. Lucie Unit 1
Docket No. 50-335
CEA Guide Tube Wear



Our letter of February 7, 1978 (L-78-43) advised you that our NSSS vendor had prepared a report justifying continued operation of St. Lucie Unit 1 considering the potential for guide tube wear. In that letter we stated that we expected to receive the report within a few days and would forward a copy to your office.

The purpose of this letter is to confirm that ten copies of the report "Reactor Operation with Guide Tube Wear" (Copy Nos. 00001 through 00010) have been delivered by the NSSS vendor directly to the NRC for use on the St. Lucie Unit 1 Docket. Please note that the report number cited in our February 7 letter is incorrect and that the correct number is CEN-79-P.

Due to the proprietary nature of the material contained in the report, we request that CEN-79-P be withheld from public disclosure in accordance with 10 CFR 2.790 and that this material be safeguarded. The reasons for the classification of this material as proprietary are delineated in the attached affidavit.

Very truly yours,

ANSSON

Robert E. Uhrig Vice President

REU/MAS/bab

Attachment

cc: Mr. James P. O'Reilly, Region II

Harold F. Reis, Esquire

Mr. Peter Erickson

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AFFIDAVIT PURSUANT

TO 10 CFR 2.790

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

I, P. L. McGill depose and say that I am the Vice President, Commercial 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 Florida Power & Light Company for withholding this information.

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

CEN-79-P, "Reactor Operation with Guide Tube Wear."

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.

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1. The information sought to be withheld from public disclosure is detailed results of fuel inspection programs, descriptions of inspection techniques and the results of analyses 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 a 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 documents 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:

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

- b. Development of this information by C-E required thousands of man-hours 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 conducting extensive fuel inspections, developing fuel inspection techniques and conducting analyses.
- 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 results of fuel inspection programs, descriptions of inspection techniques and the results of analyses 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:

P. L. McGill

Vice President, Commercial

Sworn to before me

this 6th day of Like, 1978

Notary Public

ETHELYN H. COLPITTS, NOTARY PUBLIC State of Connecticut No. 33976 Commission Expires March 31, 1978 5 , al). D Þ