

VIRGINIA ELECTRIC AND POWER COMPANY  
RICHMOND, VIRGINIA 23261

May 30, 1979

Mr. Victor Stello, Director  
Division of Operating Reactors  
Office of Nuclear Reactor Regulation  
U. S. Nuclear Regulatory Commission  
Washington, DC 20555

Serial No. 434  
LQA/JEE:esh

Docket Nos. 50-280  
50-281  
License Nos. DPR-32  
DPR-37

Attention Mr. Edward Shomaker  
Operations and Administration Division

Dear Mr. Stello:

In response to your letter of April 2, 1979, to Mr. W. L. Proffitt, we submit herewith (a) one copy of Verification of NUPIPE-II for Analysis of Nuclear Piping Systems N5C, (b) two copies of Quadrex-NUPIPE Response Spectrum Analysis Methods and Computer Listing, (c) one copy of an affidavit of Sherman Naymark, and (d) one copy of a letter from G. M. Leonard to Michael Maupin, Esquire, dated May 8, 1979.

Veeco hereby applies for withholding of item (b) (Quadrex-NUPIPE Response Spectrum Analysis Methods and Computer Listing) from public disclosure pursuant to 10 CFR § 2.790(b)(1) on the ground that it contains trade secrets and privileged and confidential commercial information. Item (c), the affidavit of Sherman Naymark of Quadrex Corporation, the owner of the privileged information, is enclosed in support of this application.

Very truly yours,



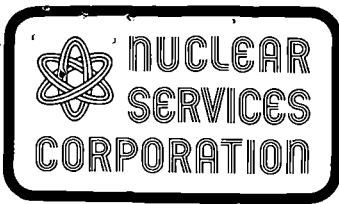
C. M. Stallings  
Vice President-Power Supply  
and Production Operations

Attachments: As Indicated

REGULATORY DOCKET FILE COPY

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FOO1  
S/11  
ADD:  
DELD w/AFF  
H SMITH w/AFF  
ALL ENCLOSURES  
ADVANCED  
DIRECTLY TO  
M HARTZMAN



1700 DELL AVENUE CAMPBELL, CALIFORNIA 95008 TELEPHONE (408) 446-2500 TWX 910-590-2438



May 8, 1979

GL-79-097

Michael Maupin, Esquire  
Hunton & Williams  
Attorneys at Law  
707 E. Main Street  
Richmond, VA 23219

Subject: VEPCO submittal of Computer Program Listings to the  
NRC.

Re: (1) Letter from Mr. Victor Stello (NRC) to Mr. W. L.  
Proffitt (VEPCO) dated April 2, 1979.

(2) Telecon between J. Christian and G. M. Leonard  
(NSC) on May 3, 1979.

Dear Mr. Maupin:

In accordance with the request set forth in reference (1) and the agreement reached during the reference (2) conversation Nuclear Services Corporation submits herewith the following documents:

1. Computer Program Listings for the relevant portions of the NUPIPE computer code requested by the NRC; and
2. An affidavit signed by an authorized representative of the company requesting that the NUPIPE listings be withheld from public disclosure by the NRC.

It is the desire of NSC that any protective order resulting from the submission of such a request will limit the availability of the program listings to the NRC staff. Specifically, NSC is not willing to allow the listings to be available to any consultants of the NRC staff.

NUCLEAR SERVICES CORPORATION

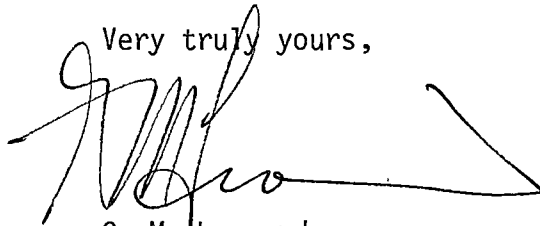


Michael Maupin, Esquire  
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Each page of the listing is marked Proprietary and it is expected that it will be handled as such by your office.

If there are any questions or comments please feel free to contact the undersigned.

Very truly yours,



G. M. Leonard  
Manager of Contracts  
and Procurement

GML:bp

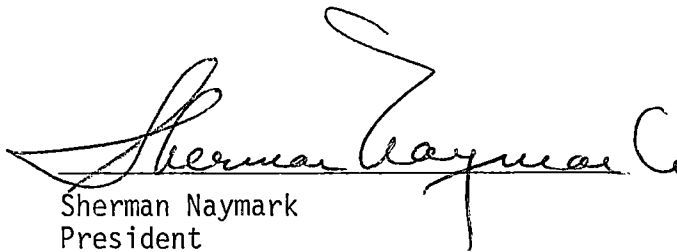
Enclosures

AFFIDAVIT

STATE OF CALIFORNIA

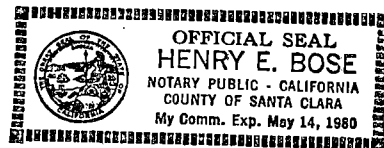
COUNTY OF SANTA CLARA                      ss

Before me, the undersigned authority, personally appeared Sherman Naymark, who, being by me duly sworn according to law, deposes and says that he is authorized to execute this Affidavit on behalf of Quadrex Corporation ("Quadrex") and that the averments of fact set forth in this Affidavit are true and correct to the best of his knowledge, information and belief.

  
Sherman Naymark  
President

Sworn to and subscribed before  
me on this 3<sup>rd</sup> day of May, 1979.

  
\_\_\_\_\_  
Notary Public



- (1) I am President, in Nuclear Services Corporation, a Division, of Quadrex Corporation and as such, I have been specifically delegated the function of reviewing the proprietary information sought to be withheld from public disclosure in connection with the seismic analysis of piping systems, and am authorized to apply for its withholding on behalf of the Quadrex Corporation.
- (2) I am making this Affidavit in conformance with the provisions of 10 CFR Section 2.790 of the Commission's regulations and in conjunction with the Stone & Webster's application for withholding accompanying this Affidavit.
- (3) I have personal knowledge of the criteria and procedures utilized by Quadrex, Nuclear Services Corporation in designating information as a trade secret, privileged or as confidential commercial or financial information.
- (4) 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 should be withheld.
  - (i) The information sought to be withheld from public disclosure is owned and has been held in confidence by Quadrex.
  - (ii) The information is of a type customarily held in confidence by Quadrex and not customarily disclosed to the public. Quadrex has a rational basis for determining the types of information customarily held in confidence by it.

On this basis, information is held in confidence if it falls in one or more of several types, the release of which might result in the loss of an existing or potential competitive

advantage, as follows:

- (a) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where prevention of its use by any of Quadrex competitors without license from Quadrex constitutes a competitive economic advantage over other companies.
- (b) It consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), the application of which data secures a competitive economic advantage, e.g., by optimization or improved marketability.
- (c) Its use by a competitor would reduce his expenditure of resources or improve his competitive position in the design, programing, utilization, assurance of quality, delivery of associated services, or licensing a similar product.
- (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Quadrex, its customers or suppliers.

There are sound policy reasons behind the Quadrex basis for such designs which include the following:

- (a) The use of such information by Quadrex gives Quadrex a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Quadrex competitive position.
- (b) It is information which is marketable in many ways. The extent to which such information is available to competitors diminishes the Quadrex ability to sell products and services involving the use of the information.

- (c) Use by our competitor would put Quadrex at a competitive disadvantage by reducing his expenditures of resources at our expense.
- (d) Each component of proprietary information pertinent to a particular competitive advantage is potentially as valuable as the total competitive advantage. If competitors acquire components of proprietary information, any one component may be the key to the entire puzzle, thereby depriving Quadrex of a competitive advantage.
- (e) Unrestricted disclosure would jeopardize the position of prominence of Quadrex in the world market, and thereby give a market advantage to the competition in those countries.
- (f) The Quadrex capacity to invest corporate assets in research and development depends upon the success in obtaining and maintaining a competitive advantage.
- (iii) The information is being transmitted to the Commission in confidence and, under the provisions of 10 CFR Section 2, 790, it is to be received in confidence by the Commission.
- (iv) The information is not available in public sources to the best of our knowledge and belief.
- (v) The proprietary information sought to be withheld in this submittal is the dynamic response analysis portions of the computer program listing of the NUPIPE computer program used in the analysis of Surrey Units 1 & 2. This listing is submitted in accordance with Enclosure 3, Requirement 1, of the NRC letter from Victor Stello to Mr. W. L. Profitt of Virginia Electric and Power Company, dated April 2, 1979.

This information enables Quadrex to:

- (a) Justify the design basis for piping systems
- (b) Assist its customers to obtain licenses

Further, this information has substantial commercial value as follows:

- (a) Quadrex sells the use of the information to its customers for purposes of meeting NRC requirements for licensing documentation.
- (b) Quadrex uses the information to perform and justify analyses which are sold to customers.
- (c) Quadrex uses the information to sell piping analyses and related services to its customers.

Public disclosure of this information is likely to cause substantial harm to the competitive position of Quadrex in selling piping analysis computer programs.

This information is a product of Quadrex computer software and piping analysis expertise. As such, it is broadly applicable to the analysis and licensing of piping systems in light water reactors. The development of this information is the result of many years of Quadrex effort and the expenditure of a considerable sum of money. While the analysis for this specific application was not unique, in order for competitors of Quadrex to duplicate this information would require the investment of substantially the same amount of effort and expertise that Quadrex possesses and which was acquired over a period of more than five years and by considerable investment of resources. Over the years, this has included the development of heat transfer codes, nuclear analysis codes, transient analysis codes, and an experimental data base to support them.

Further, the deponent sayeth not.