

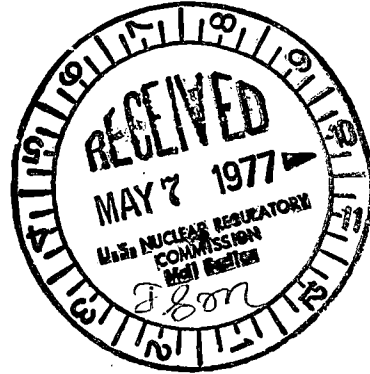


**Consumers
Power
Company**

General Offices: 212 West Michigan Avenue, Jackson, Michigan 49201 • Area Code 517 788-0550

May 4, 1977

Regulatory Docket File



Director of Nuclear Reactor Regulation
Att: Mr Albert Schwencer, Chief
Operating Reactor Branch No 1
US Nuclear Regulatory Commission
Washington, DC 20555

DOCKET 50-255 - LICENSE DPR-20 -
PALISADES PLANT - PROPRIETARY INFORMATION

By letter dated March 30, 1977 we indicated that Exxon Nuclear Company (ENC) was developing the information requested in your March 1, 1977 letter relating to the proprietary nature of certain documents transmitted to the NRC as part of the Palisades docket. ENC has completed its review of this request and concludes that three of the six documents which you identified do not contain proprietary information. Therefore, they may be released for public disclosure. These documents are identified in your letter as:

1. Answers to Reload 2/ECCS Questions (Attachment 1).
2. Answers to Thermal-Hydraulics Questions (Attachment 1).
3. Rod Bow Measurements and Analysis of Effects on DNB (4-1-76).

ENC considers the other three documents to be proprietary and, thus, they should continue to be withheld from public disclosure. Exxon Nuclear has prepared the attached affidavit, pursuant to the requirements of 10 CFR 2.790, to meet your request for additional information regarding the proprietary documents. ENC considers Items 3 and 12 of the attached affidavit to contain proprietary information pursuant to 10 CFR 2.790.

David P. Hoffman

David P Hoffman
Assistant Nuclear Licensing Administrator

CC: JGKepler, USNRC

A F F I D A V I T

STATE OF Washington)
) ss.
COUNTY OF Benton)

I, Roy Nilson, being duly sworn, hereby say and depose:

1. I am Manager, Quality Assurance and Licensing, for Exxon Nuclear Company, Inc. ("ENC") and as such I am authorized to execute this Affidavit.

2. I am familiar with ENC's detailed document control system and policies which govern the protection and control of information.

3. I am familiar with the documents entitled (A) XN-76-3, Palisades Thermal-Hydraulic Design Report for Cycle 2 Core (Batches A, B, C1, D and E Fuels); (B) XN-76-3, Supplement 1, Palisades Thermal-Hydraulic Design Report for Cycle 2 Core; and (C) Answers to Questions on Fuel Preconditioning, collectively referred to as "Documents". Information contained in these Documents has been classified by ENC as proprietary in accordance with the control system and policies established by ENC for the control and protection of information.

4. The Documents contain information of a proprietary and confidential nature and are of the type customarily held in confidence by ENC and not made available to the public. Based on my experience, I am aware that other companies regard information of the kind contained in the Documents as being proprietary and confidential.

5. The Documents have been made available to the United States Nuclear Regulatory Commission in confidence, with the request that the information contained in the Documents not be disclosed or divulged.

6. The Documents contain information which is vital to a competitive advantage of ENC and would be helpful to competitors of ENC when competing with ENC.

7. The information contained in the Documents is considered to be proprietary by ENC because it reveals certain distinguishing aspects of test data and analyses related to fuel design evaluation, reveals and describes analytical methods which secure competitive economic advantage to ENC by design optimization and improved marketability, and includes information utilized by ENC in its business which affords ENC an opportunity to obtain a competitive advantage over its competitors who do not or may not know or use the information contained in the Documents.

8. The disclosure of the proprietary information contained in the Documents to a competitor would permit the competitor to reduce its expenditure of money and manpower and to improve its competitive position by giving it extremely valuable insights into ENC's design, manufacture, and marketing procedures and would result in substantial harm to the competitive position of ENC.

9. The Documents contain proprietary information which is held in confidence by ENC and is not available in public sources.

10. In accordance with ENC's policies governing the protection and control of information, proprietary information contained in the Documents has been made available, on a limited basis, to others outside ENC only as required and under suitable agreement providing for non-disclosure and limited use of the information.

11. ENC policy requires that proprietary information be kept in a secured file or area and distributed on a need-to-know basis. Checks are made routinely to assure the policy procedures are being met.

12. ENC has invested approximately \$1,000,000 and 9 man years of effort in developing the information contained in the Documents lettered (A) and (B), and \$400,000 and 3.5 man years of effort in developing the information contained in the Document lettered (C). Assuming a competitor had available the same background data and incentives as ENC, the competitor might, as a minimum cost, develop the information for the same expenditure of manpower and money as ENC.

13. Based on my experience in the industry, I do not believe that the background data and incentives of ENC's competitors are sufficiently similar to the corresponding background data and incentives of ENC that it is reasonable to expect such competitors would be in a position to duplicate ENC's proprietary information.

THAT the statements made hereinabove are, to the best of my knowledge, information, and belief, truthful and complete.

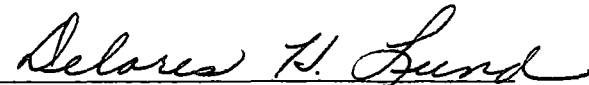
FURTHER AFFIANT SAYETH NOT.



SWORN TO AND SUBSCRIBED

before me this 29th day of

April, 1977.



NOTARY PUBLIC