



UNITED STATES
NUCLEAR REGULATORY COMMISSION
WASHINGTON, D. C. 20555

February 3, 1991

Docket No. 50-336

Mr. Edward J. Mrocza
Senior Vice President
Nuclear Engineering and Operations
Connecticut Yankee Atomic Power Company
Northeast Nuclear Energy Company
P. O. Box 270
Hartford, Connecticut 06141-0270

Dear Mr. Mrocza:

SUBJECT: MILLSTONE, UNIT NO. 2 - REQUEST FOR WITHHOLDING INFORMATION FROM
PUBLIC DISCLOSURE (TAC 77062)

By letter dated October 24, 1990, you submitted certain information relating to materials for Control Element Assemblies for Millstone, Unit No. 2. The information is the property of Combustion Engineering and you requested it be withheld from public disclosure pursuant to 10 CFR 2.790. You provided an affidavit by Combustion Engineering, Inc., that set forth the following reasons for considering the information exempt from mandatory public disclosure:

- (a) The information sought to be withheld from public disclosure are the changes made in yield strength, tubing processing, heat treatment and impurity content to the cladding material specification as a result of the axial cracks discovered at the Calvert Cliffs units during the 1986 and 1987 inspections, which is owned and has been held in confidence by Combustion Engineering.
- (b) 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.
- (c) 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 is proprietary.
- (d) The information 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.
- (e) Public disclosure of the information is likely to cause substantial harm to the competitive position of Combustion Engineering because:

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1. A similar product is manufactured and sold by major pressurized water reactor competitors of Combustion Engineering.
2. Development of this information by C-E required hundreds of manhours and tens of thousands of dollars. To the best of C-E's knowledge and belief a competitor would have to undergo similar expense in generating equivalent information.
3. In order to acquire such information, a competitor would also require considerable time and inconvenience to determine the specific changes made in yield strength, tubing processing, heat treatment and impurity content to the cladding material specification as a result of the axial cracks discovered at the Calvert Cliffs units during the 1986 and 1987 inspections.
4. 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. Avoidance of this expense would decrease a competitor's cost in applying the information and marketing the product to which the information is applicable.
5. The information consists of the details of the specific changes made in yield strength, tubing processing, heat treatment and impurity content to the cladding material specification as a result of the axial cracks discovered at the Calvert Cliffs units during the 1986 and 1987 inspections, 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.
6. 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.
7. 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.

We have reviewed your letter and the material provided by Combustion Engineering, Inc., based on the requirements and criteria of 10 CFR 2.790 and, on the basis of Combustion Engineering's affidavit have determined that the submitted information sought to be withheld contains trade secrets or proprietary commercial information.

Therefore, the version of the submitted information marked as proprietary 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.

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

Sincerely,

/s/

Guy S. Vissing, Senior Project Manager
Project Directorate I-4
Division of Reactor Projects - I/II
Office of Nuclear Reactor Regulation

cc: See next page

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Mr. Edward J. Mrocza
Northeast Nuclear Energy Company

Millstone Nuclear Power Station
Unit No. 2

cc:

Gerald Garfield, Esquire
Day, Berry and Howard
Counselors at Law
City Place
Hartford, Connecticut 06103-3499

R. M. Kacich, Manager
Generation Facilities Licensing
Northeast Utilities Service Company
Post Office Box 270
Hartford, Connecticut 06141-0270

W. D. Romberg, Vice President
Nuclear Operations
Northeast Utilities Service Company
Post Office Box 270
Hartford, Connecticut 06141-0270

D. O. Nordquist
Director of Quality Services
Northeast Utilities Service Company
Post Office Box 270
Hartford, Connecticut 06141-0270

Kevin McCarthy, Director
Radiation Control Unit
Department of Environmental Protection
State Office Building
Hartford, Connecticut 06106

Regional Administrator
Region I
U. S. Nuclear Regulatory Commission
475 Allendale Road
King of Prussia, Pennsylvania 19406

Bradford S. Chase, Under Secretary
Energy Division
Office of Policy and Management
80 Washington Street
Hartford, Connecticut 06106

First Selectmen
Town of Waterford
Hall of Records
200 Boston Post Road
Waterford, Connecticut 06385

S. E. Scace, Nuclear Station Director
Millstone Nuclear Power Station
Northeast Nuclear Energy Company
Post Office Box 128
Waterford, Connecticut 06385

W. J. Raymond, Resident Inspector
Millstone Nuclear Power Station
c/o U. S. Nuclear Regulatory Commission
Post Office Box 811
Niantic, Connecticut 06357

J. S. Keenan, Nuclear Unit Director
Millstone Unit No. 2
Northeast Nuclear Energy Company
Post Office Box 128
Waterford, Connecticut 06385

Charles Brinkman, Manager
Washington Nuclear Operations
C-E Power Systems
Combustion Engineering, Inc.
12300 Twinbrook Pkwy
Suite 330
Rockville, Maryland 20852