



January 13, 1988

Westinghouse  
Electric Corporation

Power Systems

Nuclear Technology  
Systems Division

Box 355  
Pittsburgh, Pennsylvania 15230-0355  
CAW-88-009

50-423

Dr. Thomas Murley, Director  
Office of Nuclear Reactor Regulation  
U.S. Nuclear Regulatory Commission  
Washington, D.C. 20555

APPLICATION FOR WITHHOLDING PROPRIETARY  
INFORMATION FROM PUBLIC DISCLOSURE

Subject: Evaluation of the Margin to Steam Generator Overfill for Millstone Unit 3

Dear Dr. Murley:

The proprietary information for which withholding is being requested in the enclosed letter by Northeast Utilities is further identified in an affidavit signed by the owner of the proprietary information, Westinghouse Electric Corporation. The affidavit, which accompanies this letter, sets forth the basis on which the information may be withheld from public disclosure by the Commission and addresses with specificity the considerations listed in paragraph (b)(4) of 10CFR Section 2.790 of the Commission's regulations.

The proprietary material for which withholding is being required is of the same technical type as that proprietary material previously submitted as Affidavit AW-76-031.

Accordingly, this letter authorizes the utilization of the accompanying affidavit by Northeast Utilities.

Correspondence with respect to the proprietary aspects of the application for withholding or the Westinghouse affidavit should reference this letter, CAW-88-009, and should be addressed to the undersigned.

Very truly yours,

*Robert A. Wiesemann*  
Robert A. Wiesemann, Manager  
Regulatory & Legislative Affairs

Enclosures

cc: E. C. Shomaker, Esq.  
Office of the General Counsel, NRC

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PROPRIETARY INFORMATION NOTICE

TRANSMITTED HERewith ARE PROPRIETARY AND/OR NON-PROPRIETARY VERSIONS OF DOCUMENTS FURNISHED TO THE NRC IN CONNECTION WITH REQUESTS FOR GENERIC AND/OR PLANT SPECIFIC REVIEW AND APPROVAL.

IN ORDER TO CONFORM TO THE REQUIREMENTS OF 10CFR2.790 OF THE COMMISSION'S REGULATIONS CONCERNING THE PROTECTION OF PROPRIETARY INFORMATION SO SUBMITTED TO THE NRC, THE INFORMATION WHICH IS PROPRIETARY IN THE PROPRIETARY VERSIONS IS CONTAINED WITHIN BRACKETS AND WHERE THE PROPRIETARY INFORMATION HAS BEEN DELETED IN THE NON-PROPRIETARY VERSIONS ONLY THE BRACKETS REMAIN, THE INFORMATION THAT WAS CONTAINED WITHIN THE BRACKETS IN THE PROPRIETARY VERSIONS HAVING BEEN DELETED. THE JUSTIFICATION FOR CLAIMING THE INFORMATION SO DESIGNATED AS PROPRIETARY IS INDICATED IN BOTH VERSIONS BY MEANS OF LOWER CASE LETTERS (a) THROUGH (g) CONTAINED WITHIN PARENTHESES LOCATED AS A SUPERSCRIPt IMMEDIATELY FOLLOWING THE BRACKETS ENCLOSING EACH ITEM OF INFORMATION BEING IDENTIFIED AS PROPRIETARY OR IN THE MARGIN OPPOSITE SUCH INFORMATION. THESE LOWER CASE LETTERS REFER TO THE TYPES OF INFORMATION WESTINGHOUSE CUSTOMARILY HOLDS IN CONFIDENCE IDENTIFIED IN SECTIONS (4)(11)(a) THROUGH (4)(11)(g) OF THE AFFIDAVIT ACCOMPANYING THIS TRANSMITTAL PURSUANT TO 10CFR2.790(b)(1).



- (1) I am Manager, Licensing Programs, in the Pressurized Water Reactor Systems Division, of Westinghouse Electric 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 nuclear power plant licensing or rule-making proceedings, and am authorized to apply for its withholding on behalf of the Westinghouse Water Reactor Divisions.
- (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 Westinghouse application for withholding accompanying this Affidavit.
- (3) I have personal knowledge of the criteria and procedures utilized by Westinghouse Nuclear Energy Systems 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 Westinghouse.

- (ii) The information is of a type customarily held in confidence by Westinghouse and not customarily disclosed to the public. Westinghouse 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 application of that system and the substance of that system constitutes Westinghouse policy and provides the rational basis required.

Under that system, 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 Westinghouse's competitors without license from Westinghouse 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, manufacture, shipment, installation, assurance of quality, or licensing a similar product.
- (d) It reveals cost or price information, production capacities, budget levels, or commercial strategies of Westinghouse, its customers or suppliers.
- (e) It reveals aspects of past, present, or future Westinghouse or customer funded development plans and programs of potential commercial value to Westinghouse.
- (f) It contains patentable ideas, for which patent protection may be desirable.
- (g) It is not the property of Westinghouse, but must be treated as proprietary by Westinghouse according to agreements with the owner.

There are sound policy reasons behind the Westinghouse system which include the following:

- (a) The use of such information by Westinghouse gives Westinghouse a competitive advantage over its competitors. It is, therefore, withheld from disclosure to protect the Westinghouse competitive position.

- (b) It is information which is marketable in many ways. The extent to which such information is available to competitors diminishes the Westinghouse ability to sell products and services involving the use of the information.
- (c) Use by our competitor would put Westinghouse at a competitive disadvantage by reducing his expenditure 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 Westinghouse of a competitive advantage.
- (e) Unrestricted disclosure would jeopardize the position of prominence of Westinghouse in the world market, and thereby give a market advantage to the competition in those countries.
- (f) The Westinghouse 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 that which is appropriately marked in the attachment to Westinghouse letter No. NS-CE-1142, Eichelinger to Eisenhut dated July 27, 1976 concerning reproductions of view-graphs used in the Westinghouse presentation to the NRC during the meeting on July 27, 1976 on the subject of Westinghouse Reload Safety Evaluation Methodology.

This information enables Westinghouse to:

- (a) Justify the design for the reload core
- (b) Assist its customers to obtain licenses
- (c) Meet contractual requirements
- (d) Provide greater flexibility to customers assuring them of safe and reliable operation.



Further, this information has substantial commercial value as follows:

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

Public disclosure of this information is likely to cause substantial harm to the competitive position of Westinghouse in selling nuclear fuel and related services.

Westinghouse retains a marketing advantage by virtue of the knowledge, experience and competence it has gained through long involvement and considerable investment in all aspects of the nuclear power generation industry. In particular Westinghouse has developed a unique understanding of the factors and parameters which are variable in the process of design of nuclear fuel and which do affect the in service performance of the fuel and its suitability for the purpose for which it was provided.

In all cases that purpose is to generate energy in a safe and efficient manner while enabling the operating nuclear generating station to meet all regulatory requirements affected by the core loading of nuclear fuel. Confidence in being able to accomplish this comes from the exercise of judgement based on experience.

Thus, the essence of the competitive advantage in this field lies in an understanding of which analyses should be performed and in the methods and models used to perform these analyses. A substantial part of this competitive advantage will be lost if the competitors of Westinghouse are able to use the results of the Westinghouse experience to normalize or verify their own process or if they are able to claim an equivalent understanding by demonstrating that they can arrive at the same, or similar conclusions. Its use by a competitor would reduce his expenditure of resources or improve his competitive position in the design and licensing of a similar product.

This information is a product of Westinghouse design technology. As such, it is broadly applicable to the sale and licensing of fuel in pressurized water reactors. The development of this information is the result of many years of Westinghouse effort and the expenditure of a considerable sum of money. In order for competitors of Westinghouse to duplicate this process

would require the investment of substantially the same amount of effort and expertise that Westinghouse possesses and which was acquired over a period of more than fifteen years and by the investment of millions of dollars.

Further the deponent sayeth not.