TRANSMITS PROPRIETARY INFORMATION

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September 2, 1986

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QA

Mr. George W. Knighton, Director
PWR Project Directorate No. 7
Division of PWR Licensing-B
Office of Nuclear Reactor Regulation

SUBJECT: Waterford SES Unit 3
Docket No. 50-382
Shoulder Gap Report

Dear Mr. Knighton:

Pursuant to License Condition 2.C.7 and SSER 5, Section 4.2, provided herewith are three proprietary and three nonproprietary copies of the Waterford 3 Cycle 2 Shoulder Gap Evaluation report. The report is based on an empirical evaluation of ANO and SONGS-2 data, and the evaluation demonstrates that the shoulder gaps in all the fuel are acceptable through Cycle 2.

The evaluation is based on the limiting fuel rod growth rate observed on 16x16 ANO-2 Batch C fuel, conservative guide tube growth prediction based on SONGS-2 fuel, coupled with other conservative assumptions, such as taking no credit for guide tube growth expected as a result of approximately 16% additional irradiation through the end of Cycle 2.

Please be advised that the subject report contains information which is proprietary to Combustion Engineering. Pursuant to Section 2.790 10CFR part 2, you are requested to withhold this information from public disclosure. An affidavit attesting the proprietary nature of the material is provided as Enclosure (1). In accordance with 10CFR Section 2.790 (b), we recognize that withholding this information from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the information.

If you should have any questions concerning the proprietary nature of the material transmitted herewith, please address these questions directly to:

Mr. D.R. Earles
Project Manager, Nuclear Fuel
Combustion Engineering
1000 Prospect Hill Road
Windsor, Connecticut 06095-0500

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1 Non Prop

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We also ask that you provide a copy of any questions concerning the proprietary nature of this submittal to Louisiana Power & Light Company.

Please contact me or Robert J. Murillo should you have any questions.

Very truly yours,

K W Cook

K.W. Cook
Nuclear Support & Licensing Manager

KWC/RJM/plm

cc: B.W. Churchill, W.M. Stevenson, R.D. Martin, J.H. Wilson,
NRC Resident Inspector's Office (W3)

ENCLOSURE 1

AFFIDAVIT PURSUANT

TO 10 CFR 2.790

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

I, A. E. Scherer, depose and say that I am the Director, Nuclear Licensing, 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 Louisiana Power and Light Company for withholding this information.

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

CEN-335(C)-P, Waterford Unit 3, Cycle 2, Shoulder Gap Evaluation, July 1986. 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.

1. The information sought to be withheld from public disclosure are the evaluations of radiation - induced dimensional changes in shoulder gaps and guide tube lengths, 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 document herein is 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:

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

b. Development of this information by C-E required hundreds of man-hours of effort 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 the evaluation of irradiated fuel assemblies to determine acceptable values of shoulder gap and associated limiting fuel assembly growth rates.

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 irradiation - induced dimensional changes in shoulder gaps and guide tube lengths, 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

wi' out 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.

A. E. Scherer
Director
Nuclear Licensing

Sworn to before me
this 31st day of July 1986.

Brigid K. Marks
Notary Public

BRIGID K. MARKS, NOTARY PUBLIC
State of Connecticut No. 73187
Commission Expires March 31, 1990