

Private Fuel Storage, L.L.C.

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John L. Donnell, P.E., Project Director

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, D.C. 20555-0001

November 15, 2000

**PROPRIETARY RESPONSES TO THIRD ROUND EIS
REQUEST FOR ADDITIONAL INFORMATION
DOCKET NO. 72-22/TAC NO. L22462
PRIVATE FUEL STORAGE FACILITY
PRIVATE FUEL STORAGE L.L.C.**

- References:
1. NRC letter, Delligatti to Parkyn, Request for Additional Information for the Environmental Impact Statement, dated October 24, 2000
 2. PFS letter, Donnell to NRC, Responses to Third Round EIS Request for Additional Information, dated November 7, 2000
 3. PFS letter, Donnell to NRC, Responses to Third Round EIS Request for Additional Information, dated November 15, 2000

Reference 1 submitted the NRC's Third Round Environmental Impact Statement (EIS) Request for Additional Information. In Reference 2, Private Fuel Storage L.L.C. (PFS) responded to several of the NRC's Reference 1 questions (nos. 2, 3, 4 and 8), and established a schedule for responding to the remaining questions. Reference 3 provided responses to question nos. 1 and 5. The response to question no. 5 in Reference 3 included a non-proprietary summary of the results of new cost-benefit analyses, which account for changes to the PFS membership and the date when it is anticipated that the Private Fuel Storage Facility (PFSF) will become operational (year 2003). The purpose of this letter is to submit the proprietary electronic file of the cost-benefit analyses which were performed to respond to question no. 5, and the response to question no. 7, which is also proprietary.

Attachment 1 of this letter contains PFS's response to question no. 7 of Reference 1, as clarified in a telecon with the NRC discussed in Reference 2. This response contains financial information which is proprietary to PFS. Attachment 2 is the redacted, non-proprietary portion of the response to question no. 7, which only contains information that PFS considers to be non-proprietary and can be released to the public. Attachment 3

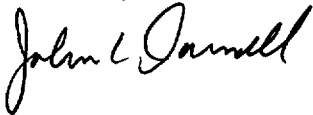
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is the affidavit which provides PFS's reasons for requesting that the NRC treat the financial information in the response to question no. 7 as proprietary in accordance with 10 CFR 2.790.

As stated in Reference 3, the complete electronic file of the recent cost-benefit analyses performed by Energy Resources International, Inc. (ERI) to address question no. 5 of Reference 1 contains information that is proprietary to ERI. The electronic file attached to this letter contains spreadsheet logic and algorithms that are not accessible in the Reference 3 hard-copy response to question no. 5, nor in the electronic files contained in the diskette enclosed with Reference 3. The logic and algorithms were developed by ERI, and are considered proprietary by ERI. Attachment 4 of this letter includes the affidavit which provides ERI's reasons for requesting that the NRC treat the compact disc and electronic file as proprietary in accordance with 10 CFR 2.790, and the CDROM that contains ERI's proprietary electronic file of the cost-benefit analyses.

If you have any questions regarding this response, please contact me at 303-741-7009.

Sincerely



John L. Donnell
Project Director
Private Fuel Storage L.L.C.

Attachments

Copy to (with Attachments):

Scott Flanders (2 copies)
Jay Silberg

Copy to (without Attachments):

Mark Delligatti
John Parkyn
John Paul Kennedy
Sherwin Turk
Greg Zimmerman
Scott Northard
Denise Chancellor
Richard E. Condit
Joro Walker

ATTACHMENT 2

Redacted, Non-Proprietary Portion of the Response to
Question No. 7 of EIS RAI #3

7. a) Discuss in more detail the basis for the assumed "30% discount" price of the storage casks to be used at the PFSF.
- b) Explain what importance this assumed discount has on the results of the previous cost-benefit analysis.
- c) If this price is significant, provide updated cost-benefit data that show the costs and benefits both with and without this discount.
- Original discussion of this discount did not cover these points.

As discussed in a teleconference between Stone & Webster personnel and Mr. Scott Flanders of the NRC that took place on November 6, 2000, provided PFS has a substantive basis to support its assumption of a "30% discount" price of the storage system to be used at the PFSF, then performance of new cost-benefit analyses that show costs and benefits with and without credit for this discount need not be performed. The NRC indicated in this teleconference that PFS should consider in its response to question no. 7 the possibility of utilities purchasing storage systems in bulk quantities in order to obtain discounted prices similar to those considered for the PFSF.

RESPONSE

[REDACTED FINANCIAL INFORMATION, PROPRIETARY TO PFS]

[REDACTED FINANCIAL INFORMATION, PROPRIETARY TO PFS]

It should also be noted that individual plant purchases of storage units in lots of 5 to 10 units (e.g., several cycles of storage) is not only consistent with past plant purchases of storage units but follows the long standing utility practice of purchasing fabricated nuclear fuel several cycles at a time. There is no economic or competitive reason that utilities would adopt a different practice with respect to the purchase of storage units. Even when considering that a utility purchasing storage units for multiple plants, one is only talking about purchases on the order of 10 to 30 storage units for delivery over a 3 to 5 year period. This is a much different market impact than the purchase of 100 units or more annually.

ATTACHMENT 3

PFS Affidavit for Proprietary Financial Portion
of Response to Question No. 7 of EIS RAI #3

**UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION**

In the Matter of

PRIVATE FUEL STORAGE L.L.C.

(Private Fuel Storage Facility)

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Docket No. 72-22 ISFSI

**Declaration of John D. Parkyn
Pursuant to 10 C.F.R. § 2.790**

John D. Parkyn states as follows under penalty of perjury:

1. I am Chairman of the Board of Private Fuel Storage L.L.C. (PFS), a limited liability company organized and existing under the laws of the State of Delaware with its principal office currently located in La Crosse, Wisconsin. In that capacity, I am responsible for the operational and managerial matters of PFS.

2. PFS is filing with the Nuclear Regulatory Commission (NRC) responses to the NRC Staff's Third Round of Environmental Impact Statement (EIS) Requests for Additional Information (RAIs), dated October 24, 2000, regarding the PFS's application for a license to construct and operate an independent spent fuel storage installation on the reservation of the Skull Valley Band of Goshute Indians. The response to RAI No. 7 contains sensitive proprietary commercial and financial information that could cause great harm to PFS if it were made publicly available. Accordingly, PFS requests the NRC to withhold this sensitive information, developed and owned by PFS, from public disclosure pursuant to 10 C.F.R. § 2.790 of its regulations. This declaration supplies the reasons why this information should be withheld from public disclosure as required by the regulation.

3. The complete unredacted version of PFS's response to RAI No. 7 (containing the sensitive, proprietary commercial and financial information that PFS requests the NRC to treat as proprietary and to withhold from public disclosure) is attached as Attachment 1 to the November 15, 2000 letter from John Donnell to the US NRC, entitled "Proprietary Response to Third Round EIS Request for Additional Information." A redacted version of the response is attached as Attachment 2 to this letter. The redacted version can be made publicly available without competitive harm to PFS.

4. I am familiar with the sensitive commercial and financial information contained in the unredacted version of PFS's response to RAI No. 7. The unredacted response contains sensitive proprietary information concerning the costs and terms of supply of major components for the Private Fuel Storage Facility. I am authorized to speak to PFS's practice of maintaining such information proprietary and the great harm that would befall PFS if this information were publicly disclosed.

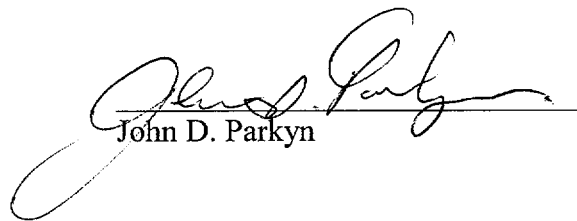
5. The sensitive, proprietary commercial and financial information contained in this response is information of the type customarily held in confidence by PFS, and this information is so held. PFS does not disclose this type of information to the public and it is not available from public sources. The rational basis for not disclosing this type of information is that the information is commercially sensitive to the conduct of PFS's business, i.e., the development and operation of an independent spent fuel storage facility, and its disclosure to competitors and customers could cause PFS substantial competitive harm. If the information contained in the response became available to PFS's competitors or customers (both current and potential), those parties would learn of the sensitive commercial, cost and financial information which could be used against PFS in the competition for customers or negotiation of contracts for services. Such

a result would place PFS at a significant competitive disadvantage in negotiations with potential customers, would provide potential competitors with competitively advantageous information, and cause PFS substantial commercial harm.

6. Accordingly, the undredacted response to RAI No. 7 of the NRC's Third Round of EIS Requests for Additional Information being filed in conjunction with this declaration is being transmitted to the Commission in confidence under the provisions of 10 C.F.R. § 2.790 with the understanding that the response and the information that it contains will be received and held in confidence by the Commission and withheld from public disclosure.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on November 14, 2000


John D. Parkyn

ATTACHMENT 4

Affidavit for Energy Resources International, Inc.'s. (ERI's)
Electronic File of Cost Benefit Analyses Performed to Address
Question No. 5 of EIS RAI #3, and CDROM Containing ERI's
Proprietary Electronic File of Cost Benefit Analyses

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In the Matter of)	
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PRIVATE FUEL STORAGE L.L.C.)	Docket No. 72-22 ISFSI
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(Private Fuel Storage Facility))	
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CITY OF WASHINGTON)
) SS:
DISTRICT OF COLUMBIA)

1. I am a Senior Consultant with Energy Resources International, Inc. (ERI), supporting Private Fuel Storage L.L.C. (“PFS”) on the Private Fuel Storage Facility (“PFSF”) project. As a consultant to PFS on the PFSF, I am responsible for performing projections of utility at-reactor spent fuel storage requirements and associated analyses to be used as input to the PFS cost benefit analysis.

2. PFS is filing with the NRC the results of an updated costs benefit analysis for the proposed PFSF as requested by NRC in Question 5 of its “*Request for Additional Information for the Environmental Impact Statement (TAC No. L22482)*”, dated October 24, 2000.(10/24/00 RAI). The results of the updated analyses are contained in “*Responses to Third Round EIS Request for Additional Information*”, Docket No. 72-22 / TAC No. L22462, Private Fuel Storage Facility, Private Fuel Storage LLC, submitted November 15, 2000 (RAI Response 11/15/00). Some of the information contained in the analyses performed by ERI to support PFSF cost benefit

analysis is sensitive, proprietary, and commercial information that could cause great harm to ERI if it were made publicly available. Accordingly, ERI requests the NRC to withhold this information, developed and owned by ERI, from public disclosure pursuant to 10 C.F.R. 2.790 of its regulations. This affidavit supplies the reasons why this information should be withheld from public disclosure as required by the regulation.

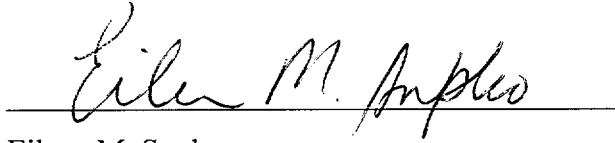
3. ERI's analyses contained in RAI Response 11/15/00 was performed to support PFS' cost benefit analysis. The enclosed CD-ROM contains copies of the electronic spreadsheets used to calculate utility at-reactor storage costs to support ERI's analyses summarized in RAI Response 11/15/00. The electronic spreadsheets on the enclosed CD-ROM contain the sensitive, proprietary, and commercial information which ERI requests the Commission to treat as proprietary and to withhold from public disclosure. The summary of the analysis in response to Question 5 of the 10/24/00 RAI as contained in RAI Response 11/15/00 may be fully disclosed.

4. I am familiar with the sensitive, proprietary, and commercial information contained in ERI's analyses (Attachment to this affidavit). I am authorized to speak to ERI's practice of maintaining such information proprietary and the harm that would befall ERI if it were publicly disclosed.

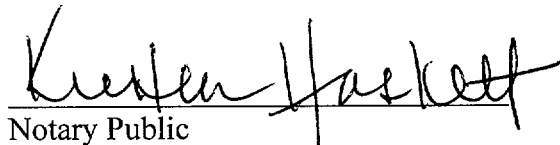
5. ERI requests that the electronic spreadsheets contained on the CD-ROM (Attachment to this affidavit) remain proprietary and confidential due to the investment of time and money by ERI in developing the logic and algorithms contained in the spreadsheets associated with the modeling of system-wide waste management costs that provide ERI with a unique analysis capability that it would like to retain. This information is information of the type customarily held in confidence by ERI, and this information is so held. ERI does not disclose this type of information to the public and it is not available from public sources. The rational basis for not disclosing the electronic files is that the information is commercially sensitive to the conduct of ERI's business, i.e., modeling the costs associated with spent nuclear fuel management in the U.S., and its disclosure to competitors could cause ERI substantial harm. If the electronic files contained in ERI's analyses (Attachment to this affidavit) became available to ERI's competitors, those parties would learn of sensitive information which could be used against

ERI in the competition for customers. Such a result would provide potential competitors with competitively advantageous information, and cause ERI substantial commercial harm.

6. Accordingly, the electronic spreadsheets contained on the CD-ROM included in ERI's analyses (Attachment to this affidavit) is being transmitted to the Commission in confidence under the provisions of 10 C.F.R. 2.790 with the understanding that it will be received and held in confidence by the Commission and withheld from public disclosure.


Eileen M. Supko

Sworn to before me this 14 day of November 2000


Notary Public

My commission expires March 14, 2003