

August 22, 2003

Ms. Lynne Postlethwaite
Director, Business Operations
Electric Power Research Institute
3412 Hillview Avenue
Palo Alto, CA 94304-1395

SUBJECT: ELECTRIC POWER RESEARCH INSTITUTE (EPRI), REQUEST FOR
WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE FOR EPRI
(TAC NO. MA4567)

Dear Ms. Postlethwaite:

By letter dated June 19, 2003, Electric Power Research Institute (EPRI) submitted an affidavit dated June 19, 2003, executed by Lynne Postlethwaite, requesting that information contained in the following document be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 2.790:

"PWR Primary Water Chemistry Guidelines, Volumes 1 and 2, Revision 5"

A nonproprietary copy of this document has been placed in the Nuclear Regulatory Commission's (NRC's) Public Document Room and added to the Agencywide Documents Access and Management System Public Electronic Reading Room.

The affidavit stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- (i) The Report has been held in confidence by EPRI, its owner. All those accepting copies of the Report must agree to preserve the confidentiality of the Report.
- (ii) The Report is a type customarily held in confidence by EPRI and there is a rational basis therefore. The Report is a type, which EPRI considers as a trade secret(s) and is held in confidence by EPRI because to disclose it would prevent EPRI from licensing the Report at fees, which would allow EPRI to recover its investment. If consultants and/or other businesses providing services in the electric/nuclear power industry were able to publicly obtain the Report, they would be able to use it commercially for profit and avoid spending the large amount of money that EPRI was required to spend in preparation of the Report. The rational basis that EPRI has for classifying this/these Report(s) as a trade secrets is justified by the Uniform Trade Secrets Act, which California adopted in 1984 and which has been adopted by over twenty states. The Uniform Trade Secrets Act defines a "trade secret" as follows:

"Trade secret" means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

(1) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and

(2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

(iii) The Report will be transmitted to the NRC in confidence.

(iv) The Report is not available in public sources. EPRI developed the Report only after making a determination that the Report was not available from public sources. It required a large expenditure of dollars for EPRI to develop the Report. In addition, EPRI was required to use a large amount of time of EPRI employees. The money spent, plus the value of EPRI's staff time in preparing the Report, show that the Report is highly valuable to EPRI. Finally, the Report was developed only after a long period of effort of at least several months.

(v) A public disclosure of the Report would be highly likely to cause substantial harm to EPRI's competitive position and the ability of EPRI to license the Report both domestically and internationally. The Report can only be acquired and/or duplicated by others using an equivalent investment of time and effort.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.790 and, on the basis of your statements, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure. Therefore, the versions 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 also should understand that the NRC may have cause to review

L. Postlethwaite

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this determination in the future, for example, 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.

If you have any questions regarding this matter, I may be reached at 301-415-3764.

Sincerely,

/RA/

Brian J. Benney, Project Manager, Section 2
Project Directorate IV
Division of Licensing Project Management
Office of Nuclear Reactor Regulation

Docket No.: 669

cc: See next page

L. Postlethwaite

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