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 FACIL: STN-50-528 Palo Verde Nuclear Station, Unit 1, Arizona Publi 05000528  
 STN-50-529 Palo Verde Nuclear Station, Unit 2, Arizona Publi 05000529  
 AUTH. NAME AUTHOR AFFILIATION  
 HAYNES, J. G. Arizona Nuclear Power Project (formerly Arizona Public Serv  
 RECIP. NAME RECIPIENT AFFILIATION  
 Document Control Branch (Document Control Desk)

SUBJECT: Forwards withheld proprietary slide package of 870422  
 meeting w/NRC, util & C-E. Affidavit delineating reasons for  
 proprietary classification of slide package encl.

DISTRIBUTION CODE: A001D COPIES RECEIVED: LTR 1 ENCL 1 SIZE: 5  
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NOTES: Standardized plant. M. Davis, NRR: 1Cy. 05000528  
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## Arizona Nuclear Power Project

P.O. BOX 52034 • PHOENIX, ARIZONA 85072-2034

June 8, 1987  
161-00265-JGH/LJM

U. S. Nuclear Regulatory Commission  
Attention: Document Control Desk  
Washington, D.C. 20555

Subject: Palo Verde Nuclear Generating Station (PVNGS)  
Units 1 and 2  
Docket Nos. STN 50-528 (License NPF-41)  
STN 50-529 (License NPF-51)  
Proprietary Slide Package of the  
April 22, 1987 Meeting between NRC and  
Arizona Nuclear Power Project (ANPP)  
File: 87-B-056-026; 87-C-056-026

Dear Sir:

Enclosed for your use are 5 copies of the proprietary slide package of the April 22, 1987 meeting between the NRC staff, ANPP and Combustion Engineering. It is requested that the information contained in the slide package be withheld from public disclosure in accordance with the provisions of 10 CFR 2.790. The reasons for the proprietary classification of the slide package are delineated in the attached affidavit.

If there are any questions, please contact Mr. W. F. Quinn at (602) 371-4087.

Very truly yours,

J. G. Haynes  
Vice President  
Nuclear Production

JGH/LJM/1s

cc: O. M. De Michele  
E. E. Van Brunt, Jr.  
G. W. Knighton (w/a)  
J. B. Martin  
E. A. Licitra  
R. P. Zimmerman

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AFFIDAVIT PURSUANT

TO 10 CFR 2.790

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

I, P.L. McGill, depose and say that I am the Vice-President, Nuclear Systems, 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 conjunction with the application of Arizona Public Service Company for withholding this information.

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

CEN-344 (V)-P Supplement 1-P "Status Update of PVNGS Unit 1, Cycle 2 Reload"  
April 22, 1987 Presentation to the NRC

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 methodology improvements to the Core Protection Calculators and statistical combination of uncertainties methods, 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 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 are 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 tens of thousands 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 development of similar Core Protection Calculator and statistical combination of uncertainties methodology improvements.

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 methodology improvements to the Core Protection Calculators and statistical combination of uncertainties methods, 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.

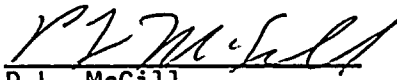
f. In pricing Combustion Engineering's products and services, significant research, development, engineering, analytical, manufacturing, licensing, quality assurance and other costs and expenses must be included. The ability of Combustion Engineering's competitors to utilize such



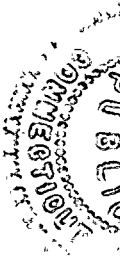
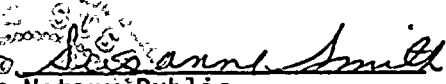
information without similar expenditure of resources may enable them to sell at prices reflecting significantly lower costs.

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.

  
P.L. McGill  
Vice-President  
Nuclear Systems

Sworn to before me  
this 21<sup>st</sup> day of April, 1987.

  
  
Notary Public  
SUSANNE SMITH, NOTARY PUBLIC  
State of Connecticut No. 74148  
Commission Expires March 31, 1990

100

