

**Consumers
Power
Company**

General Offices: 212 West Michigan Avenue, Jackson, MI 49201 • (517) 788-0550

October 22, 1981



Director, Nuclear Reactor Regulation
Att Mr Dennis M Crutchfield, Chief
Operating Reactors Branch No 5
US Nuclear Regulatory Commission
Washington, DC 20555

DOCKET 50-255 - LICENSE DPR-20 -
PALISADES PLANT - SUBMITTAL OF PROPRIETARY COPY OF THE EXXON NUCLEAR CORP. REPORT
XN-NF-79-61, "SUPPLEMENTARY SAFETY ANALYSIS REPORT, PALISADES GADOLINIA DEMONSTRATION
PROGRAM, CYCLE 4".

Consumers Power Company submittal dated July 21, 1981 referenced Exxon Report
XN-NF-79-61. As attachment 1 to this letter, the proprietary version of Exxon
Report XN-NF-79-61 entitled "Supplementary Safety Analysis Report, Palisades
Gadolinia Demonstration Program, Cycle 4" is enclosed. This report contains
information which is proprietary to Exxon Nuclear Corp. and is exempt from
disclosure under Section 2.790(a)(4) of the NRC Rules of Practice, Part 2,
Title 10, Code of Federal Regulations. It is therefore requested that attachment
1 be withheld from public disclosure.

Brian D. Johnson

Brian D Johnson
Senior Licensing Engineer

CC JGKeppler, USNRC
NRC Resident Inspector-Palisades

Attachment

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A F F I D A V I T

STATE OF Washington)

COUNTY OF Benton) ss.

I, James N. Morgan, being duly sworn, hereby say and depose:

1. I am Manager, Licensing and Safety Engineering, for Exxon Nuclear Company, Inc., ("ENC") and as such I am authorized to execute this Affidavit.

2. I am familiar with ENC's detailed document control system and policies which govern the protection and control of information.

3. I am familiar with the document XN-NF-79-61(P), entitled "Supplementary Safety Analysis Report - Palisades Gadolinia Demonstration Program, Cycle 4," referred to as "Document". Information contained in this Document has been classified by ENC as proprietary in accordance with the control system and policies established by ENC for the control and protection of information.

4. The Document contains information of a proprietary and confidential nature and is of the type customarily held in confidence by ENC and not made available to the public. Based on my experience, I am aware that other companies regard information of the kind contained in the Document as being proprietary and confidential.

5. The Document has been made available to the United States Nuclear Regulatory Commission in confidence, with the request that the information contained in the Document not be disclosed or divulged.

6. The Document contains information which is vital to a competitive advantage of ENC and would be helpful to competitors of ENC when competing with ENC.

7. The information contained in the Document is considered to be proprietary by ENC because it reveals certain distinguishing aspects of fuel properties and operating characteristics which secure competitive economic advantage to ENC for fuel design optimization and improved marketability, and includes information utilized by ENC in its business which affords ENC an opportunity to obtain a competitive advantage over its competitors who do not or may not know or use the information contained in the Document.

8. The disclosure of the proprietary information contained in the Document to a competitor would permit the competitor to reduce its expenditure of money and manpower and to improve its competitive position by giving it extremely valuable insights into fuel properties and operating characteristics, and would result in substantial harm to the competitive position of ENC.

9. The Document contains proprietary information which is held in confidence by ENC and is not available in public sources.

10. In accordance with ENC's policies governing the protection and control of information, proprietary information contained in the Document has been made available, on a limited basis, to others outside ENC only as required and under suitable agreement providing for non-disclosure and limited use of the information.

11. ENC policy requires that proprietary information be kept in a secured file or area and distributed on a need-to-know basis.

12. This Document provides information which reveals fuel properties and operating characteristics developed by ENC over the past several years. ENC has invested hundreds of thousands of dollars and many man-years of effort in obtaining the fuel properties information and developing the methodology for use in designing fuel. Assuming a competitor had available the same background data and incentives as ENC, the competitor might, at a minimum, develop the information for the same expenditure of manpower and money as ENC.

13. Based on my experience in the industry, I do not believe that the background data and incentives of ENC's competitors are sufficiently similar to the corresponding background data and incentives of ENC to reasonably expect such competitors would be in a position to duplicate ENC's proprietary information contained in the Document.

THAT the statements made hereinabove are, to the best of my knowledge, information, and belief, truthful and complete.

FURTHER AFFIANT SAYETH NOT.

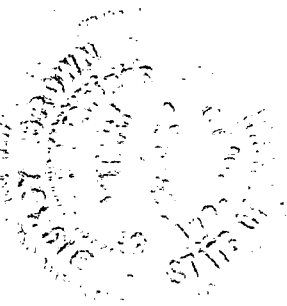
James H Morgan

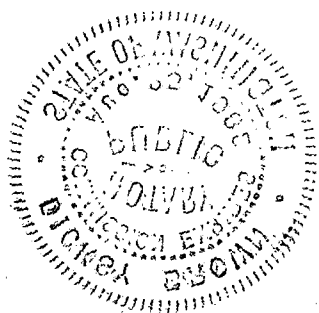
SWORN TO AND SUBSCRIBED

before me this 16th day of

September, 19 81.

Dekey Brown
NOTARY PUBLIC





40