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J. T. Beckham, Jr.
Vice President - Nuclear
Hatch Project



March 4, 1996

Docket No. 50-321

HL-5119

TAC No. M91091

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

Edwin I. Hatch Nuclear Plant - Unit 1
Resolution of Issue of Conformance Relative to
Core Shroud Stabilizer Design

Gentlemen:

By letters dated January 19, 1995; April 18, 1995; and June 6, 1995, the Nuclear Regulatory Commission (NRC) requested Georgia Power Company (GPC) to provide additional information regarding the estimated size of small gaps that might potentially develop at the lower shroud welds during normal operation. By letters to the NRC dated February 20, 1995; May 18, 1995; and June 21, 1995, GPC provided the requested information. By letter dated August 10, 1995, the NRC issued a Supplemental Safety Evaluation Report (SER) which concluded that the postulated existence of a calculated gap has no adverse impact on plant safety.

By letter dated February 20, 1996, GPC notified the NRC that the issue of conformance with industry repair criteria would be resolved by increasing the shroud stabilizer tie rod mechanical preload and applying additional torque to the tie rod nut. The increase in mechanical preload will be implemented during the Spring 1996 Unit 1 refueling outage.

During a subsequent discussion, the NRC requested GPC to provide the appropriate calculations regarding the additional mechanical preload. Attachment 1 provides the revised supplement to the shroud and shroud repair hardware stress analysis. Please be advised that the attachment contains information considered proprietary by the General Electric Company. In accordance with the provisions of 10 CFR 2.790, GPC requests that the proprietary information be withheld from public disclosure. The proprietary information has been so designated and the required affidavit is provided as Attachment 2.

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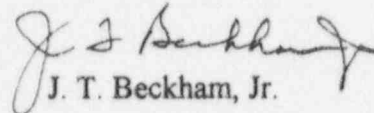
U.S. Nuclear Regulatory Commission

Page 2

March 4, 1996

Should you have any questions or concern regarding this matter, please contact this office.

Sincerely,


J. T. Beckham, Jr.

JKB/eb

Attachments:

1. GENE-771-39-0794, Revision 1 of Supplement B, "Shroud and Shroud Repair Hardware Stress Analysis"
2. Affidavit

cc: Georgia Power Company

Mr. H. L. Sumner, Jr., Nuclear Plant General Manager
NORMS

U. S. Nuclear Regulatory Commission, Washington, D. C.

Mr. K. Jabbour, Licensing Project Manager - Hatch

U. S. Nuclear Regulatory Commission, Region II

Mr. S. D. Ebnetter, Regional Administrator

Mr. B. L. Holbrook, Senior Resident Inspector - Hatch

Attachment 1

**GENE-771-39-0794, Revision 1 of Supplement B
Shroud and Shroud Repair Hardware
Stress Analysis**

Attachment 2

General Electric Affidavit

General Electric Company

AFFIDAVIT

I, **David J. Robare**, being duly sworn, depose and state as follows:

- (1) I am Project Manager, Technical Services, General Electric Company ("GE") and have been delegated the function of reviewing the information described in paragraph (2) which is sought to be withheld, and have been authorized to apply for its withholding.
- (2) The information sought to be withheld is contained in the GE proprietary report GENE-771-39-0794, *Supplement B to Shroud and Shroud Repair Hardware Stress Analysis for Hatch Unit 1*, Revision 1, dated February 1996, Class III (The GE proprietary information is delineated by bars marked in the margin adjacent to the specific material).
- (3) In making this application for withholding of proprietary information of which it is the owner, GE relies upon the exemption from disclosure set forth in the Freedom of Information Act ("FOIA"), 5 USC Sec. 552(b)(4), and the Trade Secrets Act, 18 USC Sec. 1905, and NRC regulations 10 CFR 9.17(a)(4), 2.790(a)(4), and 2.790(d)(1) for "trade secrets and commercial or financial information obtained from a person and privileged or confidential" (Exemption 4). The material for which exemption from disclosure is here sought is all "confidential commercial information", and some portions also qualify under the narrower definition of "trade secret", within the meanings assigned to those terms for purposes of FOIA Exemption 4 in, respectively, Critical Mass Energy Project v. Nuclear Regulatory Commission, 975F2d871 (DC Cir. 1992), and Public Citizen Health Research Group v. FDA, 704F2d1280 (DC Cir. 1983).
- (4) Some examples of categories of information which fit into the definition of proprietary information are:
 - a. Information that discloses a process, method, or apparatus, including supporting data and analyses, where prevention of its use by General Electric's competitors without license from General Electric constitutes a competitive economic advantage over other companies;
 - b. Information which, if used by a competitor, would reduce his expenditure of resources or improve his competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing of a similar product;

- c. Information which reveals cost or price information, production capacities, budget levels, or commercial strategies of General Electric, its customers, or its suppliers;
- d. Information which reveals aspects of past, present, or future General Electric customer-funded development plans and programs, of potential commercial value to General Electric;
- e. Information which discloses patentable subject matter for which it may be desirable to obtain patent protection.

The information sought to be withheld is considered to be proprietary for the reasons set forth in both paragraphs (4)a., (4)b. and (4)e., above.

- (5) The information sought to be withheld is being submitted to NRC in confidence. The information is of a sort customarily held in confidence by GE, and is in fact so held. The information sought to be withheld has, to the best of my knowledge and belief, consistently been held in confidence by GE, no public disclosure has been made, and it is not available in public sources. All disclosures to third parties including any required transmittals to NRC, have been made, or must be made, pursuant to regulatory provisions or proprietary agreements which provide for maintenance of the information in confidence. Its initial designation as proprietary information, and the subsequent steps taken to prevent its unauthorized disclosure, are as set forth in paragraphs (6) and (7) following.
- (6) Initial approval of proprietary treatment of a document is made by the manager of the originating component, the person most likely to be acquainted with the value and sensitivity of the information in relation to industry knowledge. Access to such documents within GE is limited on a "need to know" basis.
- (7) The procedure for approval of external release of such a document typically requires review by the staff manager, project manager, principal scientist or other equivalent authority, by the manager of the cognizant marketing function (or his delegate), and by the Legal Operation, for technical content, competitive effect, and determination of the accuracy of the proprietary designation. Disclosures outside GE are limited to regulatory bodies, customers, and potential customers, and their agents, suppliers, and licensees, and others with a legitimate need for the information, and then only in accordance with appropriate regulatory provisions or proprietary agreements.
- (8) The information identified in paragraph (2), above, is classified as proprietary because it contains detailed results of a hardware design modification (stabilizers for the shroud horizontal welds) intended to be installed in a reactor to resolve the reactor pressure vessel core shroud weld cracking concern. The development and approval of this design modification utilized system, component, and models and

computer codes that were developed at a significant cost to GE, on the order of several hundred thousand dollars.

The development of the supporting processes was at a significant additional cost to GE, in excess of a million dollars, over and above the large cost of developing the underlying proprietary report information.

- (9) Public disclosure of the information sought to be withheld is likely to cause substantial harm to GE's competitive position and foreclose or reduce the availability of profit-making opportunities. The information is part of GE's comprehensive BWR safety and technology base, and its commercial value extends beyond the original development cost. The value of the technology base goes beyond the extensive physical database and analytical methodology and includes development of the expertise to determine and apply the appropriate evaluation process. In addition, the technology base includes the value derived from providing analyses done with NRC-approved methods.

The research, development, engineering, analytical and NRC review costs comprise a substantial investment of time and money by GE.

The precise value of the expertise to devise an evaluation process and apply the correct analytical methodology is difficult to quantify, but it clearly is substantial.

GE's competitive advantage will be lost if its competitors are able to use the results of the GE experience to normalize or verify their own process or if they are able to claim an equivalent understanding by demonstrating that they can arrive at the same or similar conclusions.

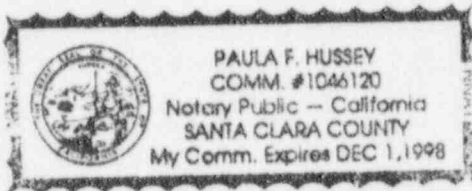
The value of this information to GE would be lost if the information were disclosed to the public. Making such information available to competitors without their having been required to undertake a similar expenditure of resources would unfairly provide competitors with a windfall, and deprive GE of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment in developing these very valuable analytical tools.

STATE OF CALIFORNIA)
) ss:
COUNTY OF SANTA CLARA)

David J. Robare, being duly sworn, deposes and says:

That he has read the foregoing affidavit and the matters stated therein are true and correct to the best of his knowledge, information, and belief.

Executed at San Jose, California, this 22ND day of FEBRUARY 1996.



David J. Robare

David J. Robare
General Electric Company

Subscribed and sworn before me this 22nd day of February 1996.

Paula F. Hussey

Notary Public, State of California