

September 18, 1985

PDR 016

Docket Nos. 50-282
and 50-306

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Mr. D. M. Musolf
Nuclear Support Services Department
Northern States Power Company
414 Nicollet Mall - 8th Floor
Minneapolis, Minnesota 55401

Dear Mr. Musolf:

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE

By your letter dated June 4, 1985 and Combustion Engineering (CE) Company's affidavit dated January 16, 1985, you submitted document CEN-294-P, entitled "Prairie Island Steam Generator Tube Repair Using Leak Tight Sleeves" January 15, 1985. You requested that this document be withheld from public disclosure pursuant to 10 CFR 2.790.

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

1. A similar product is manufactured and sold by major pressurized water reactor competitors of Combustion Engineering.
2. Development of this information by C-E required hundreds of thousands of dollars and tens of thousands of man-hours of effort. To the best of my knowledge and belief a competitor would have to undergo similar expense in generating equivalent information.
3. In order to acquire such information, a competitor would also require considerable time and inconvenience in developing the design of a leak tight steam generator sleeve.
4. 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.
5. The information consists of design and development work on leak tight steam generator sleeves, 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.

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6. 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.
7. 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.

We have reviewed your letter and the material based on the requirements and criteria of 10 CFR 2.790 and, on the basis of your statements, we have determined that the submitted information sought to be withheld contains trade secrets or proprietary commercial information.

We have determined that the Combustion Engineering, Inc. document CEN-294-P, marked as proprietary, should 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.

We, therefore approve your request for withholding pursuant to 10 CFR 2.790 and are withholding document CEN-294-P, from public inspection as proprietary.

Withholding from public inspection shall not affect the right, if any, of persons properly and directly concerned to inspect the document. If the need arises, we may send copies of this information to our consultants working in this area. We will, of course, insure that the consultants have signed the appropriate agreements for handling proprietary information.

If the basis for withholding this document 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 should also understand that the NRC may have cause to review this determination in the future, such as if the scope of a Freedom of Information Act request includes your information. In all review situations, if the NRC needs additional information from you or makes a determination adverse to the above, you will be notified in advance of any public disclosure.

Sincerely,

Edward J. Butcher, Acting Chief
Operating Reactors Branch No. 3
Division of Licensing

cc: See next page

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