



South Texas Project Electric Generating Station P.O. Box 289 Wadsworth, Texas 77483

Withhold Enclosure 1 from Public Disclosure in Accordance with  
10 CFR 2.390.

July 15, 2020  
NOC-AE-20003749  
10 CFR 50.55a  
10 CFR 2.390  
File No. D43.01

U.S. Nuclear Regulatory Commission  
ATTN: Document Control Desk  
Washington, DC 20555-0001

South Texas Project Unit 1 & 2  
Docket No. STN 50-498 and STN 50-499  
Request for Additional Information for Proposed Alternative to ASME Section XI Requirements  
for the Repair/Replacement of Essential Cooling Water System Class 3 Buried Piping  
(Relief Request RR-ENG-3-24) (EPID: L 2019-LLR-0096)

References:

1. Letter; R. Dunn to U.S. NRC Document Control Desk; "Proposed Alternative to ASME Boiler & Pressure Vessel Code Section XI Requirements for Repair/Replacement of Essential Cooling Water (ECW) System Class 3 Buried Piping in accordance with 10 CFR 50.55a(z)(a) (Relief Request RR-ENG-3-24)"; September 26, 2019; (NOC-AE-19003684) (ML19274C393).
2. Letter; D. Galvin to G. T. Powell; "South Texas Project Units 1 and 2 – Supplemental Information needed for acceptance of requested licensing action RE: Proposed alternative to ASME code requirements for the repair of essential cooling water system class 3 buried piping (EPID: L 2019-LLR-0096)"; November 13, 2019; (AE-NOC-19003235) (ML19312A096).
3. Letter; R. Dunn to U.S. NRC Document Control Desk; "Supplemental Information for Proposed Alternative to ASME Code Requirements for the Repair/Replacement of Essential Cooling Water System Class 3 Buried Piping (Relief Request RR-ENG-3-24)(EPID: L 2019-LLR-0096)"; November 26, 2019; (NOC-AE-19003696) (ML19331A202).
4. E-mail; D. Galvin to A. M. Richards; "South Texas Project - Request for Additional Information - Proposed Alternative to ASME Section XI Requirements for the Repair of Essential Cooling Water System Class 3 Buried Piping (EPID: L 2019-LLR-0096)"; February 4, 2020; (AE-NOC-200003246) (ML20036F586).
5. Letter; R. Dunn to U.S. NRC Document Control Desk; "Request for Additional Information for Proposed Alternative to ASME Section XI Requirements for the Repair/Replacement of Essential Cooling Water System Class 3 Buried Piping (Relief Request RR-ENG-3-24)(EPID: L 2019-LLR-0096)"; March 9, 2020; (NOC-AE-20003716) (ML20069L499).
6. E-mail; D. Galvin to A. M. Richards; "South Texas Project - Request for Additional Information - Proposed Alternative to ASME Section XI Requirements for the Repair of Essential Cooling Water System Class 3 Buried Piping (EPID: L 2019-LLR-0096)"; June 16, 2020 (ML20169A570).

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STI: 35041269

By Reference 1, as supplemented by References 3 and 5, STP Nuclear Operating Company (STPNOC) submitted a proposed alternative to the requirements of the American Society of Mechanical Engineers Boiler and Pressure Vessel Code (ASME Code) at South Texas Project Units 1 and 2. The proposed alternative to ASME Code, Section XI, IWA-4000, applies a carbon fiber reinforced polymer system for the internal repair of buried essential cooling water piping. By Reference 6, the NRC staff requested additional information that would be needed to complete its review. The STPNOC response providing this additional information is in Enclosure 1 to this letter.

The information provided in Enclosure 1 was prepared by Structural Group, Inc. and Simpson Gumpertz & Heger, Inc., and includes information proprietary to these two companies. The affidavits set forth the bases by which the information may be withheld from public disclosure by the Commission and addresses with specificity the considerations listed in paragraph (b)(4) of 10 CFR 2.390. Accordingly, it is respectfully requested that the information, which is proprietary to Structural Group, Inc., and Simpson Gumpertz & Heger, Inc., be withheld from public disclosure in accordance with 10 CFR 2.390. The affidavits are included in Enclosure 2.

There are no commitments in this letter.

If there are any questions or if additional information is needed, please contact Nic Boehmisch at (361) 972-8172 or me at (361) 972-7806.



Christopher Georgeson  
General Manager, Engineering

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Enclosures:

1. Response to Request for Additional Information **[Proprietary]**
2. Applications for Withholding Proprietary Information from Public Disclosure

cc:

Regional Administrator, Region IV  
U.S. Nuclear Regulatory Commission  
1600 E. Lamar Boulevard  
Arlington, TX 76011-4511

**Enclosure 2**

Applications for Withholding Proprietary Information from Public Disclosure

July 9, 2020

U.S. Nuclear Regulatory  
Commission Document  
Control Desk  
11555 Rockville Pike  
Rockville, MD 20852

Subject: Application for Withholding Proprietary Information from Public

References:

1. STPNOC Letter to Nuclear Regulatory Commission (NRC), *Proposed Alternative to ASME Section XI Requirements for Repair/Replacement of Circulating and Service Water Class 3 Buried Piping in Accordance with 10 CFR 50.55a(z)(1)*, September 26, 2019, NOC-AE-19003684, ML 19274C393, Docket Nos. 50-498/499
2. NRC letter to STPNOC, *South Texas Project Units 1 and 2, Supplemental Information Needed for Acceptance of Request Licensing Action, (EPID: L2019-LLR-0096)*, November 13, 2019; AE-NOC-19003235, ML 19312A096, Docket Nos. 50-498/499
3. Email from NRC (Dennis Galvin, [Dennis.Galvin@nrc.gov](mailto:Dennis.Galvin@nrc.gov)) to STP (Drew Richards, [amrichards@STPEGS.com](mailto:amrichards@STPEGS.com)), Tuesday, February 4, 2020 at 4:25 PM, subject *South Texas Project-Request for Additional Information*, NOC-AE-20003246, STI: 34981524, Docket Nos. 50-498/499
4. STPNOC Letter to Nuclear Regulatory Commission, *Response to Request for Additional Information for Proposed Alternative to ASME Code Requirements for the Repair/Replacement of Essential Cooling Water System Class 3 Buried Piping (Relief Request RR-ENG-3-24) (EPID: L 2019-LLR-0096)*, March 9, 2020, STI: 34993227, NOC-AE-20003716, Docket Nos. 50-498/499
5. STPNOC Letter to Nuclear Regulatory Commission, *Response to Request for Additional Information for Proposed Alternative to ASME Code Requirements for the Repair/Replacement of Essential Cooling Water System Class 3 Buried Piping (Relief Request RR-ENG-3-24) (EPID: L 2019-LLR-0096)*, NOC-AE-20003749, Docket Nos. 50-498/499
6. 10 CFR 2.390, *Public Inspections, Exemptions, Requests for Withholding*

Ladies and Gentlemen:

Structural Group, Inc., (SGI) has provided certain proprietary information to STP Nuclear Operating Company (STPNOC) in connection with a response by STPNOC for RAI from the U.S. Nuclear Regulatory Commission (NRC) to use an alternative to the requirements of 10 CFR 50.55a(z)(1). This application requests that proprietary information of SGI provided in reference 5 be protected from public disclosure.

The proprietary information for which withholding is being requested identified in the attached affidavit signed by the owner of the proprietary information, SGI, on behalf of itself and any wholly-owned subsidiaries or affiliated companies. An affidavit accompanies this letter, setting forth the basis on which the information may be withheld from public disclosure by the NRC and addressing with specificity the considerations listed in paragraph (b)(4) of 10 CFR 2.390 of the NRC's regulations.

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Accordingly, this letter authorizes the utilization of the accompanying Affidavit by STPNOC.

Correspondence with respect to the proprietary aspects of the Application or the Affidavit should reference this letter and be addressed to Scott Greenhaus, Executive Vice President, Structural Group, Inc., 10150 Old Columbia Road, Columbia, MD 21046.

Sincerely;

A handwritten signature in black ink, appearing to read "Scott Greenhaus", with a long horizontal flourish extending to the right.

Scott Greenhaus  
Executive Vice President  
O (410) 859-6458, M (410) 340-3205  
[SGreenhaus@structuralgroup.com](mailto:SGreenhaus@structuralgroup.com)



## AFFIDAVIT

I, Scott Greenhaus, am Executive Vice President of Structural Group, Inc. (SGI). In my capacity as Executive Vice President I have been specifically delegated the function of reviewing the proprietary information sought to be withheld from public disclosure in conjunction with nuclear plant licensing and rulemaking proceedings and am authorized to apply for its withholding on behalf of SGI and its affiliates.

I am making this Affidavit in conformance with the provisions of 10 CFR 2.390 of the U.S. Nuclear Regulatory Commission (NRC) regulations and in conjunction with SGI's Application for Withholding Proprietary Information from Public Disclosure accompanying this Affidavit.

I have personal knowledge of the criteria and procedures utilized by SGI in designating information as a trade secret, privileged or as confidential commercial or financial information.

Pursuant to the provisions of paragraph (b) (4) of 10 CFR 2.390 of the NRC's regulations, the following is furnished for consideration by the NRC in determining whether the information sought to be withheld from public disclosure should be withheld.

The information sought to be withheld from public disclosure is owned by and has been held in confidence by SGI. Specific portions of the response to the NRC's "Request for Additional Information" (RAI) EMIB/NPHP ROUND 2-RAI-1 which includes SGI proprietary information which is of a type customarily held in confidence by SGI and not disclosed to the public. SGI has a rational basis for determining the types of information customarily held in confidence by it and utilizes a system to determine when and whether to hold certain types of information in confidence. The application of that system and the substance of that system provides a rational basis for maintaining confidentiality and justifies the NRC withholding the information from public disclosure.

Under SGI's system, information is held in confidence if it falls in one or more of several types, the release of which might result in the loss of an existing or potential competitive advantage, as follows:

- 1) The information reveals the distinguishing aspects of a process (or component, structure, tool, method, etc.) where prevention of its use by a competitor of SGI without license constitutes a competitive advantage over other companies.
- 2) It consists of supporting data, including test data, relative to a process (or component, structure, tool, method, etc.), the application of which data secures a competitive economic advantage, e.g., by optimization or improved marketability.
- 3) Its use by a competitor would reduce their expenditure of resources or improve their competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing a similar product.
- 4) It reveals cost or price information, production capacities, budget levels, or commercial strategies of SGI, their customers or suppliers.
- 5) It reveals aspects of past, present, or future development plans funded by SGI or its customer, and programs of potential commercial value to SGI.
- 6) It contains patentable ideas, for which patent protection may be desirable.

There are sound policy reasons behind the SGI system which include the following;

- 1) The use of such information by SGI gives it a competitive advantage over competitors. It is, therefore, withheld from disclosure to protect SGI's competitive



position.

- 2) It is information that is marketable in many ways. The extent to which such information is available to competitors diminishes SGI's ability to sell products and services involving the use of the information.
- 3) Use by a competitor would put SGI at a competitive disadvantage by reducing the competitor's expenditure of resources and capital.
- 4) Each component of proprietary information pertinent to a particular competitive advantage is potentially as valuable as the total competitive advantage. If competitors acquire components of proprietary information, any one component may be the key to the entire process, thereby depriving SGI of its competitive advantage.
- 5) Unrestricted disclosure would jeopardize the position of prominence of SGI in the world marketplace, and thereby give a market advantage to competitor in those countries in which SGI operates.
- 6) SGI's capacity to invest corporate assets in research and development depends upon the success in obtaining and maintaining a competitive advantage.

The information is being transmitted to the NRC in confidence and, under the provisions of 10 CFR 2.390, it is to be received in confidence by the NRC. The information sought to be protected is not available in public sources and, to the best of our knowledge and belief, available information has not been previously employed in the same original manner or method.

The proprietary information sought to be withheld in this submittal is that which is appropriately marked in STPNOC RAI responses to the NRC being transmitted by STPNOC letter and reflected in SGI's Application for Withholding Proprietary Information from Public Disclosure dated March 5, 2020 addressed to the NRC Document Control Desk. The proprietary information as submitted by SGI is that associated with the *Proposed Alternative to ASME Section XI Requirements for Repair/Replacement of Circulating and Service Water Class 3 Buried Piping in Accordance with 10 CFR 50.55a(z)(1)* for STP Units 1 and 2 and may be used only for that purpose.

This information is part of that which will enable SGI to:

- 1) Provide input to STPNOC to provide to the NRC for review of the STP Unit 1 and 2, 10 CFR 50.46 submittal; and
- 2) Provide licensing support for the STPNOC submittal.

SGI owns or is permitted to use the proprietary information referenced in this Affidavit under agreements that include SGI's maintaining the confidentiality of such information, as contemplated in this Affidavit.

Further this information has substantial commercial value as follows;

- 1) The SGI plan to sell the use of this information to their customers for the purpose of installing Carbon Fiber Reinforced Polymer (CFRP) in safety related piping.
- 2) That SGI can sell support and defense of the technology to their customers in the licensing process.
- 3) The information requested to be withheld reveals the distinguishing aspects of a methodology which was developed by SGI.
- 4) Public disclosure of this proprietary information is likely to cause substantial harm to the competitive position of SGI because it would enhance the ability of competitors to

provide similar licensing services for commercial power reactors without commensurate expenses.

- 5) Public disclosure of the information would enable others to use the information to meet NRC requirements for licensing documentation without purchasing the right to use the information.
- 6) The development of the technology described in part by the proprietary information is the result of applying the results of many years of experience in an intensive effort by SGI and the expenditure of a considerable sum of money and resources. In order for competitors to duplicate this information, similar technical programs would have to be performed including a significant expenditure money and resources.

Further the deponent sayeth not.



struc'tural  
group  
AFFIDAVIT

State of Maryland )

County of Howard )

Before me, the undersigned authority, personally appeared Scott Greenhaus, who, being by me duly sworn according to law, deposes and says that he is authorized to execute this Affidavit on behalf of Structural Group, Inc. and that the averments of fact set forth in this Affidavit are true and correct to the best of his knowledge, information, and belief.



Scott Greenhaus  
Executive Vice President

Sworn to and subscribed before me this 9<sup>th</sup> day of July 2020



Notary Public

Stacy L Kvarda  
Harford County, Maryland  
Expires 6/11/2024





10 July 2020

U.S. Nuclear Regulatory Commission  
Document Control Desk  
11555 Rockville Pike  
Rockville, MD 20852

**Subject:** Withholding of Certain Proprietary Information Pursuant to 10 CFR 2.390

**Reference:** (1) Letter from STP Nuclear Operating Company to US NRC, "*Proposed Alternative to ASME Boiler & Pressure Vessel Code Section XI Requirements for Repair/Replacement of Essential Cooling Water System Class 3 Buried Piping in Accordance with 10 CFR 50.55a(z)(1)*," September 26, 2019, Docket Nos. 50-498 and 50-499, Document No. NOC-AE-19003684, ML 19274C393.

(2) STPNOC Letter to Nuclear Regulatory Commission, "*Response to Request for Additional Information for Proposed Alternative to ASME Code Requirements for the Repair/Replacement of Essential Cooling Water System Class 3 Buried Piping*," Relief Request RR-ENG-3-24, EPID: L 2019-LLR-0096, Document No. NOC-AE-20003749, Docket Nos. 50-498/4999 July 2020.

**Document No.:** 190801-SGH-L-003

In Reference (2), the STP Nuclear Operating Company will provide a submittal to the U.S. Nuclear Regulatory Commission (NRC) that contains certain proprietary information owned by Simpson Gumpertz & Heger Inc. (SGH). SGH provided the information to STP Nuclear Operating Company or a STP Nuclear Operating Company affiliate to support the request made in Reference (2), and STP Nuclear Operating Company is authorized to use this information. As explained in the attached affidavit, SGH's proprietary information contained in Reference (2) qualifies for withholding under the exemption from disclosure set forth in the Freedom of Information Act ("FOIA"), 5 U.S.C. Section 552(b)(4), the Trade Secrets Act, 18 U.S.C. Section 1905, and NRC regulations 10 CFR 9.17(a)(4) and 2.390(a)(4) for trade secrets and commercial information. SGH respectfully requests that the NRC withhold this information from public disclosure. An affidavit supporting this request is attached.

Structural Group, Inc., a consultant to STP Nuclear Operating Company, has also made a similar withholding request for certain other information contained in Reference (2).

Please contact me by phone at 781.907.9231 or email at [RPOjdrovic@sgh.com](mailto:RPOjdrovic@sgh.com) if you have any questions concerning this request.

Sincerely yours,

Rasko P. Ojdrovic  
Vice President and Senior Principal  
Simpson Gumpertz & Heger Inc.

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Attachment: 10 CFR 2.390 Affidavit

## **10 CFR 2.390 Affidavit**



**SIMPSON GUMPERTZ & HEGER INC.**  
**10 CFR 2.390 AFFIDAVIT OF RASKO P. OJDROVIC**

**AFFIDAVIT**

I, Rasko P. Ojdrovic, hereby state as follows:

- (1) I am a Vice President and Senior Principal of Simpson Gumpertz & Heger Inc. (SGH), and I have been authorized to execute this affidavit on behalf of SGH.
- (2) STP Nuclear Operating Company will submit a transmittal to the US NRC entitled "Response to Request for Additional Information for Proposed Alternative to ASME Code Requirements for the Repair/Replacement of Essential Cooling Water System Class 3 Buried Piping," Relief Request RR-ENG-3-24, EPID: L 2019-LLR-0096, Document No. NOC-AE-20003749, Docket Nos. 50-498/4999 July 2020. Certain portions of that transmittal contain proprietary information that is owned by SGH and should be held in confidence and withheld from public disclosure by the NRC. Specifically, the SGH proprietary information that SGH requests be withheld is contained in the EMIB/NPHP ROUND 2-RAI-1 section of the RAI submitted in the STP Nuclear Operating Company's transmittal.
- (3) In making this application for withholding of proprietary information of which it is the owner, SGH believes that the information qualifies for withholding under the exemption from disclosure set forth in the Freedom of Information Act ("FOIA"), 5 U.S.C. Section 552(b)(4), the Trade Secrets Act, 18 U.S.C. Section 1905, and NRC regulations 10 CFR 9.17(a)(4) and 2.390(a)(4) for trade secrets and commercial information because:
  - i. This information is and has been held in confidence by SGH.
  - ii. This information is of a type that is customarily held in confidence by SGH, and there is a rational basis for doing so because the information includes proprietary information that was developed and compiled by SGH at a significant cost to SGH. This information is classified as proprietary because it contains information relevant to analytical approaches and methodologies not available elsewhere.
  - iii. The information is being transmitted to the NRC voluntarily and in confidence.
  - iv. This information is not available in public sources and could not be gathered readily from other publicly available information.
  - v. A substantial effort has been expended by SGH to develop and evaluate this information. Public release of this information could lead to additional significant cost to SGH and is likely to cause substantial harm to SGH's competitive position and foreclose or reduce the availability of profit-making opportunities. The value of this information to SGH would be lost or devalued if the information were disclosed to the public.
  - vi. Public disclosure of the information sought to be withheld would provide other parties, including competitors, with valuable information. SGH's competitive advantage would be lost if its competitors are able to use the results of SGH's

activities to aid their own commercial activities. For example, SGH's competitive advantage would be lost if its competitors are able to use the results of SGH's analyses 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. 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 SGH of the opportunity to exercise its competitive advantage to seek an adequate return on its large investment.

- vii. The commercial value of the information extends beyond the original development cost and includes development of the expertise to determine and apply the appropriate evaluation process to the information. The research, development, engineering, and analytical costs that went into generating this information comprise a substantial investment of time and money by SGH. The precise value of this information is difficult to quantify, but clearly is substantial.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on 10 July 2020.

  
Rasko P. Ojdrovic