



UNITED STATES  
NUCLEAR REGULATORY COMMISSION  
WASHINGTON, D.C. 20555-0001

March 17, 2017

Mr. Bryan C. Hanson  
President and Chief Nuclear Officer  
Exelon Nuclear  
4300 Winfield Road  
Warrenville, IL 60555

SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE  
FOR PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3  
(CAC NOS. MF9289 AND MF9290)

Dear Mr. Hanson:

By letter dated February 17, 2017 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML17048A444), Exelon Generation Company, LLC (Exelon) submitted three affidavits (discussed below) requesting that the information contained in the following documents be withheld from public disclosure pursuant to Title 10 of the *Code of Federal Regulations* (10 CFR) Section 2.390:

GE Hitachi Nuclear Energy (GEH) Report NEDC-33873P, Revision 0, "Safety Analysis Report for Peach Bottom Atomic Power Station Units 2 and 3 Thermal Power Optimization" (Attachment 5 to Exelon's letter)

GE Hitachi Nuclear Energy (GEH) Report NEDC-33873P, Revision 0, "Safety Analysis Report for Peach Bottom Atomic Power Station Units 2 and 3 Thermal Power Optimization," Redline Strikeout/Blue Additions Version (Attachment 14 to Exelon's letter)

A non-proprietary copy of the GEH report (Attachment 7 to Exelon's letter) has been placed in the U.S. Nuclear Regulatory Commission's (NRC's) Public Document Room and added to the ADAMS Public Electronic Reading Room.

Both of GEH's affidavits dated February 15, 2017, executed by Mr. James F. Harrison (contained in Attachment 6 to Exelon's letter), stated that the submitted information should be considered exempt from mandatory public disclosure for the following reasons:

- (4)a. Information that discloses a process, method, or apparatus, including supporting data and analyses, where prevention of its use by GEH's competitors without a license from GEH constitutes a competitive economic advantage over other companies; and
- (4)b. Information that, if used by a competitor, would reduce its expenditure of resources or improve its competitive position in the design, manufacture, shipment, installation, assurance of quality, or licensing of a similar product.

The Electric Power Research Institute's (EPRI's) affidavit dated January 10, 2017, executed by Mr. Neil M. Wilmshurst (contained in Attachment 6 to Exelon's letter), stated that the EPRI proprietary information contained in the GEH report should be considered exempt from mandatory public disclosure for the following reasons:

- a. The Proprietary Information is owned by EPRI and has been held in confidence by EPRI. All entities accepting copies of the Proprietary Information do so subject to written agreements imposing an obligation upon the recipient to maintain the confidentiality of the Proprietary Information. The Proprietary Information is disclosed only to parties who agree, in writing, to preserve the confidentiality thereof.
- b. EPRI considers the Proprietary Information contained therein to constitute trade secrets of EPRI. As such, EPRI holds the Information in confidence and disclosure thereof is strictly limited to individuals and entities who have agreed, in writing, to maintain the confidentiality of the Information.
- c. The information sought to be withheld is considered proprietary for the following reasons. EPRI made a substantial economic investment to develop the Proprietary Information and, by prohibiting public disclosure, EPRI derives an economic benefit in the form of licensing royalties and other additional fees from the confidential nature of the Proprietary Information. If the Proprietary Information were publicly available to consultants and/or other businesses providing services in the electric and/or nuclear power industry, they would be able to use the Proprietary Information for their own commercial benefit and profit and without expending the substantial economic resources required of EPRI to develop the Proprietary Information.
- d. EPRI's classification of the Proprietary Information as trade secrets is justified by the Uniform Trade Secrets Act which California adopted in 1984 and a version of which has been adopted by over forty states. The California Uniform Trade Secrets Act, California Civil Code §§3426 - 3426.11, defines a "trade secret" as follows:
  - "Trade secret" means information, including a formula, pattern, compilation, program device, method, technique, or process, that:
    - (1) Derives independent economic value, actual or potential, from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use; and
    - (2) Is the subject of efforts that are reasonable under the circumstances to maintain its secrecy."

- e. The Proprietary Information contained therein are not generally known or available to the public. EPRI developed the Information only after making a determination that the Proprietary Information was not available from public sources. EPRI made a substantial investment of both money and employee hours in the development of the Proprietary Information. EPRI was required to devote these resources and effort to derive the Proprietary Information. As a result of such effort and cost, both in terms of dollars spent and dedicated employee time, the Proprietary Information is highly valuable to EPRI.
- f. A public disclosure of the Proprietary Information would be highly likely to cause substantial harm to EPRI's competitive position and the ability of EPRI to license the Proprietary Information both domestically and internationally. The Proprietary Information can only be acquired and/or duplicated by others using an equivalent investment of time and effort.

We have reviewed your application and the material in accordance with the requirements of 10 CFR 2.390 and, on the basis of the statements in the affidavit, have determined that the submitted information sought to be withheld contains proprietary commercial information and should be withheld from public disclosure. Therefore, the version of the submitted information marked as proprietary will be withheld from public disclosure pursuant to 10 CFR 2.390(b)(5) and Section 103(b) of the Atomic Energy Act of 1954, as amended.

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, ensure that the consultants have signed the appropriate agreements for handling proprietary information.

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

B. Hanson

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If you have any questions regarding this matter, I may be reached at 301-415-1420 or [Rick.Ennis@nrc.gov](mailto:Rick.Ennis@nrc.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'RBE', with a long horizontal flourish extending to the right.

Richard B. Ennis, Senior Project Manager  
Plant Licensing Branch I  
Division of Operating Reactor Licensing  
Office of Nuclear Reactor Regulation

Docket Nos. 50-277 and 50-278

cc: Mr. James F. Harrison  
Vice President, Fuel Licensing  
GE-Hitachi Nuclear Energy Americas, LLC  
3901 Castle Hayne Road  
Wilmington, NC 28401

Mr. Neil M. Wilmshurst  
Vice President and Chief Nuclear Officer  
Electric Power Research Institute, Inc.  
1300 West W.T. Harris Boulevard  
Charlotte, NC 28262

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SUBJECT: REQUEST FOR WITHHOLDING INFORMATION FROM PUBLIC DISCLOSURE FOR PEACH BOTTOM ATOMIC POWER STATION, UNITS 2 AND 3 (CAC NOS. MF9289 AND MF9290) DATED MARCH 17, 2017

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