

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

REDACTED

In re: Nuclear Cost Recovery
Clause

Docket No. 150009-EI
Submitted for Filing: June 19, 2015

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DUKE ENERGY FLORIDA, INC.'S FIFTH REQUEST FOR CONFIDENTIAL CLASSIFICATION REGARDING PORTIONS OF THE REVIEW OF DUKE ENERGY FLORIDA, INC.'S PROJECT MANAGEMENT INTERNAL CONTROLS FOR NUCLEAR PLANT UPRATE AND CONSTRUCTION PROJECTS AUDIT REPORT NO. PA-15-01-001

Duke Energy Florida, Inc. ("DEF" or the "Company"), pursuant to Section 366.093, Florida Statutes, and Rule 25-22.006(3), Florida Administrative Code, requests confidential classification of portions of the final audit report of the Florida Public Service Commission Staff ("Staff") Auditors – the Review of Duke Energy Florida, Inc.'s Project Management Internal Controls for Nuclear Plant Uprate and Construction Project Audit Report No. PA-15-01-001 (the "Audit Report"). The Audit Report contains confidential contractual information, the disclosure of which would impair DEF's competitive business interests and violate DEF's confidentiality agreements with third parties, and other financial and competitively sensitive information the disclosure of which would impair the Company's competitive business interests, including its asset disposition process. Accordingly these portions of the Audit Report meet the definition of proprietary confidential business information per section 366.093(3), Florida Statutes. An unredacted copy of the Audit Report is being filed under seal with the Commission on a confidential basis to keep the competitive business information in those documents confidential.

- COM _____
- AFD _____
- APA _____
- ECO _____
- ENG _____
- GCL _____
- IDM _____
- TEL _____
- CLK _____

2x Redacted

BASIS FOR CONFIDENTIAL CLASSIFICATION

Section 366.093(1), Florida Statutes, provides that “any records received by the Commission which are shown and found by the Commission to be proprietary confidential business information shall be kept confidential and shall be exempt from [the Public Records Act].” Proprietary confidential business information means information that is (i) intended to be and is treated as private confidential information by the Company, (ii) because disclosure of the information would cause harm, (iii) either to the Company’s ratepayers or the Company’s business operation, and (iv) the information has not been voluntarily disclosed to the public. § 366.093(3), Fla. Stat. Specifically, “information concerning bids or other contractual data, the disclosure of which would impair the efforts of the public utility or its affiliates to contract for goods or services on favorable terms” is defined as proprietary confidential business information. § 366.093(3)(d), Fla. Stat. Additionally, that statute defines “information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information,” as proprietary confidential business information. § 366.093(3)(e), Fla. Stat.

Portions of the Audit Report should be afforded confidential classification for the reasons set forth in the Affidavits of Mr. Christopher Fallon and Mr. Mark Teague filed in support of DEF’s Request, and for the following reasons.

Levy Nuclear Project

Specifically, the sections of the Audit Report covering the Levy Nuclear Project (“LNP”) contain confidential contractual data, including original cost amounts under DEF’s Engineering, Procurement and Construction (“EPC”) Agreement, long lead equipment disposition and settlement terms, and confidential and competitively sensitive contractual information. See Fallon Affidavit, ¶¶ 3-4. Portions of the Audit Report reflect

the Company's internal strategies and decisions points for evaluating long lead equipment disposition options. Id. at ¶ 5. The public disclosure of such information would impair DEF's competitive business interests, and would further be a violation of the confidentiality provisions in the EPC Agreement. Id. at ¶¶ 5-6.

If such information was disclosed to DEF's competitors or to other potential suppliers and vendors, DEF's efforts to disposition items currently or to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers in the future could be compromised by these third parties changing their offers or negotiating strategies. Id. at ¶¶ 6-7. Without DEF's measures to maintain the confidentiality of sensitive terms in contracts between DEF and these nuclear contractors, the Company's efforts to obtain competitive contracts for the LNP would be undermined. Id.

EPU Project

With respect to the EPU project sections of the Audit Report, specifically, it contains confidential original price and sales cost numbers regarding EPU assets, the disclosure of which would impair DEF's competitive business interests and violate DEF's confidentiality agreements with third parties and vendors. See Teague Affidavit, ¶¶ 3-4. The Audit Report also contains summaries of ongoing disposition strategy and negotiations that would impair DEF's competitive business interests if publicly disclosed. See Teague Affidavit, ¶¶ 3-5. If such information was disclosed to DEF's competitors or to other potential suppliers and vendors, DEF's efforts to disposition items currently or to obtain competitive nuclear equipment and service options that provide economic value to both the Company and its customers in the future could be compromised by these third parties changing their offers or negotiating strategies. Id. at ¶ 4. Without the Company's

measures to maintain the confidentiality of sensitive terms in contracts or negotiated sales with third parties, the Company's efforts to obtain competitive contracts in the future and current asset disposition negotiations could be undermined to the detriment of DEF and its ratepayers. Id. at ¶ 5.

CONCLUSION

DEF has kept confidential and has not publicly disclosed the information at issue here. See Teague Affidavit, ¶ 6; Fallon Affidavit, ¶ 8. Upon receipt of this confidential information, strict procedures are established and followed to maintain the confidentiality of the information provided, including restricting access to those persons who need the information to assist the Company. Id. At no time since receiving the information in question has the Company publicly disclosed that information. Id. The Company has treated and continues to treat the information at issue as confidential. Id.

The competitive, confidential information at issue in this Request fits the statutory definition of proprietary confidential business information under Section 366.093, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, and that information should be afforded confidential classification. In support of this Request, DEF has enclosed the following:


(1) A separate, sealed envelope containing one copy of the confidential Appendix A to DEF's Request for Confidential Classification for which DEF has requested confidential classification with the appropriate section, pages, or lines containing the confidential information highlighted. **This information should be accorded confidential treatment pending a decision on DEF's Request by the Florida Public Service Commission;**

(2) Two copies of the document with the information for which DEF has requested confidential classification redacted by section, page or lines, where appropriate, as Appendix B; and,

(3) A justification matrix supporting DEF's Request for Confidential Classification of the highlighted information contained in confidential Appendix A, as Appendix C.

WHEREFORE, DEF respectfully requests that the redacted portions of the Audit Report No. PA-15-01-001 be classified as confidential for the reasons set forth above.

Respectfully submitted,

/s/ 

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing has been furnished to counsel and parties of record as indicated below via electronic and U.S. Mail this 19th day of June, 2015.

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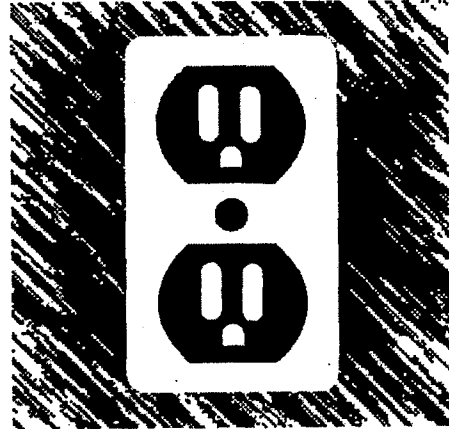
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DUKE ENERGY FLORIDA
In re: Nuclear Cost Recovery Clause
Docket 150009-EI
Fifth Request for Confidential Classification

Exhibit B

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**Review of
Duke Energy Florida Inc.'s
Project Management
Internal Controls for
Nuclear Plant Uprate and
Construction Projects**

June 2015

BY AUTHORITY OF
The Florida Public Service Commission
Office of Auditing and Performance Analysis

REDACTED

**Review of
Duke Energy Florida's
Project Management
Internal Controls
for
Nuclear Plant Uprate and
Construction Projects**

**William "Tripp" Coston
Public Utility Analyst IV
Project Manager**

June 2015

**By Authority of
The State of Florida
Public Service Commission
Office of Auditing and Performance Analysis**

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PA-15-01-001

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investment recovery guidance procedures. After considering all internal transfers, the company's disposition approach evolved, starting with a listed bid approach and shifting to a public auction. Under the listed bid process, the company listed assets for a designated timeframe, allowing bids to be submitted, considered, and accepted. After evaluation, management made the decision in second quarter 2014 to shift to a public auction approach. The public auction approach allowed the company to divest the majority of remaining assets through a one time, publicized event. Factors considered for this decision included the time, resources, and costs needed to continue with the list bid approach.

The company states that both approaches yielded the same result—the ability to disposition EPU-related assets at the current market value. The company believes that it received the appropriate market value for each asset sold. An overriding consideration is the understanding that, while many nuclear plants contain similar components, the equipment in question is often designed to specification for the intended generating unit. As such, many of the high-valued assets were only marketable at salvage-value.

The company does not believe that either approach lent itself to a more advantageous outcome. Given the differences in various assets, Commission audit staff notes that it is difficult to assess whether one approach was more successful in terms of maximizing the sale price. For both approaches, marketing the assets to the appropriate buyers was a key focus. Commission audit staff believes that DEF made appropriate efforts to identify and market its assets to a wide range of potential buyers under each approach. Commission audit staff believes both approaches were reasonable and allowable under the company's written procedures.

The company is still working to disposition components of the high and low pressure turbines purchased for the EPU. The company anticipates completing the negotiations for possible sale [REDACTED] by the end of summer. Audit staff notes that the company continues to incur administrative and maintenance costs for this equipment adding to a need for swift action.

2.2 Asset Disposition

The company developed a disposition plan for handling the LLE initiated through the EPC contract. The plan focuses on minimizing the costs and other risks to the company. The Levy management team considered two options when looking at the status of this equipment: disposal or storage. After review and evaluation, management made the decision to dispose of all LLE items under the EPC contract. The approved plan required the team to consider the following options when handling the LLE:

- ◆ Reuse the equipment at another Duke Energy plant
- ◆ Sell equipment for salvage/scrap value
- ◆ Sell equipment to another AP1000 owner group
- ◆ Sell equipment to a Westinghouse sub-contractor.

Exhibit 2 shows the company's decision for the LLE contracts.

Duke Energy Florida Levy Nuclear Project Long Lead Equipment Disposition					
Contractor/ Equipment	Disposition Date	Original Cost	Paid	Settled Cost	Disposition Decision
Mangiarotti- various equipment components in grouping	11/7/2013				
Tioga-Cooling Loop Piping	1/09/2014				
Doosan-Steam Generators	11/18/2014				
Doosan-Reactor Vessel	11/18/2014				
Toshiba- Turbine/Generator	N/A				
Siemens-Variable Frequency Drives	Pending				
SPX-Squib Valves	12/10/2014				
EMD-reactor coolant pumps	11/18/2014				
Total					

Exhibit 2

Source: Data Request 1.22

Considering these options, during 2014, the company worked with Westinghouse to negotiate the disposition of remaining long-lead items initiated under the EPC contract. At the time of

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cancelation, much of this equipment was in various stages of fabrication. Some equipment was fully constructed and maintained in controlled storage facilities. For these key items in storage—the Variable Frequency Drives (VFDs) and the steam generator tubing--the company was paying fees for maintenance and upkeep.

The company notes it has fulfilled its required milestone payments for the LLE since the initial contract inception. In some cases, the company had met all financial obligations for the equipment and this equipment was maintained in storage facilities until future installation. The company did make the decision to take possession of the VFDs, and is in the process of making a decision for long-term resolution of the equipment.

DEF's approach required the company to consider selling or transferring the LLE assets to other nuclear plant owners or other Duke Energy plants. The company considered the possibility of offering these assets for open auction. It determined that there was neither outside demand nor need among Duke Energy Affiliates for this equipment. All future AP1000 owners were contacted. The company evaluated these options from late 2013 through April 2014.

The EPC contract contains provisions that, if exercised, allow DEF to assume and possession of individual LLE contracts. In June 2014, the company requested that Westinghouse provide all vendor/manufacture contract terms so DEF could consider the option of assuming and taking possession of the remaining LLE equipment. Assuming the subcontract and taking possession of the equipment would allow DEF the opportunity to make the determination on how to disposition an asset directly with the sub-vendor. If DEF management agreed to take over the vendor contracts, the company would also assume all remaining liability and costs. DEF considered each item individually and determined which items to offer to buy out without taking possession, purchase directly and take possession, or leave to be resolved through the legal resolution of the contract. These options were evaluated for all remaining LLE contracts. A settlement was reached on the following contracts:

- ◆ Mangiarotti equipment (Accumulator tank, PRHR heat exchanger, pressurizer, core makeup tank)
- ◆ Tioga-reactor coolant loop piping
- ◆ SPX-squib valves

After discussions with DEF, [REDACTED]

[REDACTED] To address these concerns, DEF management states that the company adjusted its plan to offer the equipment under an initial general interest listed-bid event in June 2014. This event

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was designed to share limited information about each specific asset to potential buyers to give DEF an indication of interest in the equipment.

[REDACTED]
[REDACTED] The items were listed in a way to let potential bidders know that a follow-up event would occur with more specific details on the equipment for the interested parties. In the end, [REDACTED], eliminating the opportunity to complete the auction process.

The company resolved the disposition of the Mangiarotti Equipment and Tioga-reactor cooling looping piping prior to EPC cancelation through settlement arrangements with Westinghouse and the sub-vendors. For these items, DEF management determined it was best to discontinue the manufacturing process, and agreed upon an amount to be paid for already-incurred time and material costs. In total, the company paid approximately [REDACTED] to resolve these items. After review of company documents, Commission audit staff determined that, given the highly specialized nature of this equipment, the company's approach and decisions were reasonable.

Management made the decision under the EPC contract to assume the SPX-Squib valves. According to DEF, Westinghouse expressed an interest in purchasing this equipment, but the companies could not agree on a contract price. DEF states that in September of 2014,

[REDACTED]
[REDACTED] No sale was accomplished and company management decided to take possession of the equipment. At this point, DEF had paid approximately [REDACTED] in milestone payments for this equipment. In the end, the company settled with the manufacturer, allowing DEF to recover approximately [REDACTED]. The company believes that the selling back to the manufacturer was the appropriate decision given the limited number of potential buyers.

2.3 NRC Licensing

Under the Commission-approved settlement in Docket No. 130208-EI, DEF agreed to continue its efforts to obtain the Levy Combined Operating License. Though related costs are not included within the NCRC docket, the ability for the project to be completed at a future point in time is contingent upon the issuance of the COL.

Currently, at the NRC, the Levy COL application is the lead for in-process AP1000 COL applications. The NRC is using the Levy application for documenting all pending engineering modifications. The NRC has several open engineering design issues for the AP1000, and the Levy final approval schedule is contingent upon the resolution of these open items. The ongoing condensate return issue is the most impactful open design issue. A follow-up meeting with the NRC on the condensate return issue is scheduled for September 2015.

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2. 4 Levy Construction Close-Out Costs

In 2014, the company states it incurred an estimated [REDACTED] in wind-down costs for the company's effort to terminate the EPC contract with Westinghouse. The company notes that these costs were required for the following efforts:

- ◆ Tioga long-lead equipment resolution
- ◆ Final payments for the Stone & Webster work completed under the EPC
- ◆ Storage, insurance, and monitoring of the LLE (complete and in current production)
- ◆ DEF labor involved with LLE disposition
- ◆ Westinghouse support necessary to negotiate LLE resolution
- ◆ Regulatory and administrative costs

These actions are required to finalize the termination of the EPC contract. Audit staff reviewed these costs and believes the actions supporting the request were reasonable to minimize total costs and comply with contractual obligations.

3.2 Listed Bid Event Approach for Disposition

In the spring of 2014, the IRP team conducted a series of specialized listed bid events for certain EPU assets. The events were online offerings that advertised equipment to targeted potential electric industry buyers. These included resources such as industry websites and industry publications. Offers were handled through a closed bid process. The items and events were offered throughout the industry via targeted marketing and industry-focused websites. Marketing included print advertisements in trade publications, and on industry websites.

The IRP team managed these events with coordination from Duke Energy Corporate Procurement. Concurrently, the IRP group hosted similar bid events for non-EPU CR3 assets. As shown on Exhibit 4, the company hosted 11 EPU-related bid events yielding sales revenues of \$1,032,418. For the EPU assets, the company finalized four bid events during March 2014, four during April 2014, and three during May 2014. Lot groupings included EPU-related items such as storage equipment, cooling tower components, construction tools, and motors.

Company Initiated Listed Bid Events CR3 EPU Assets 2014			
Asset	Cost	Sale Amount	Month Sold
Tent, Lighting, Structural Members	██████████	██████████	March 2014
3500 HP Motors—(3) Lube Oil Skids—(2)	██████████	██████████	March 2014
Tent with tools and materials	██████████	██████████	March 2014
Fire Cabinets—(8)	██████████	██████████	March 2014
Gantry Crane	██████████	██████████	April 2014
Cooling Tower (all)	██████████	██████████	April 2014
Sealand-(1)	██████████	██████████	April 2014
Sealand-(4)	██████████	██████████	April 2014
Relief Valves	██████████	██████████	May 2014
Relief Valves	██████████	██████████	May 2014
AKPD 5 stage Pumps—(34)	██████████	██████████	May 2014
Total	\$15,341,111	\$1,032,418	11 Bid Events

Exhibit 4

Source: Data Request 1.5

IRP management states that leading up to these bid events, the team organized and grouped items for maximum bid interest and value. Management stated that when determining the order of items to list, the company considered the logistics of how and where the assets were housed on the site. This approach allowed the company to move larger items off-site first and free-up space on the site.

One large asset sold through this process was the Cooling Tower equipment. The company received several bids for this equipment, and accepted the highest bid for the entire lot. This equipment was one of the largest assets sold, and a portion of the proceeds were credited back through the NCRC.

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Prior to initiating the listed bid events, the IRP team provided a listing of assets for internal distribution within Duke Energy. The IRP team was able to transfer four assets within the company using this process. The sale and proceeds comported with the requirement to transfer the assets at book value, as shown in Exhibit 5 which details these transactions.

Transfers to Duke Energy Affiliates CR3 EPU Assets 2014			
Asset	Cost	Sale Amount	Month Sold
Blade Vibration Sensor and Sensor Adapter	██████████	██████████	February 2014
Sealand—two	██████████	██████████	April 2014
Gang Boxes—(2) Fire Safe Chest Carts—(5) Various tools	██████████	██████████	April 2014
Gang Boxes—(4) Carts—(4) Various tools	██████████	██████████	April 2014
Total	\$36,336	\$35,972	4 Events

Exhibit 5

Source: Data Request 1.5

3.3 Public Auction Approach for Disposition

In mid-2014, the company made the decision to shift its approach from a listed bid event process to a public auction for the remaining EPU and non-EPU assets. Management states its rationale for this decision was the challenge and cost of working the high volume of equipment through the bid event process. Management states that substantial additional resources would be needed to fully process all the equipment through the listed bid event approach. The company believed that the additional costs for hiring resources for this disposal method would negatively impact any additional revenue obtained through this approach.

In March 2014, Southern California Edison conducted a public auction of its non-nuclear assets from its San Onofre Nuclear Generating Station. DEF sent representatives to this event to assess its success and determine whether this approach would be a viable option for its remaining CR3 assets. After reviewing the process and discussions with Southern California Edison, DEF believed this approach was viable, and that the event garnered enough public interest to support the effort. The IRP team made a proposal that the company use the one-time, public auction approach for the remaining assets. This recommendation was presented and approved by senior management. Commission audit staff believes the decision to shift from a listed bid event approach to a public auction was reasonable.

The company issued a Request for Proposals to twelve large and small auction groups. Proposals were received from five auction companies and two finalists were brought in for on-site presentations. Management states the company chose to limit the number of potential vendors due to the specialized nature of conducting a large-scale industrial auction. DEF states that these

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auction companies had experience in large-industrial based auctions, and demonstrated successful marketing to buyers interested in industrial equipment. The contract executed with the selected vendor specified the auction approach and the budget. According to DEF, compensation for expenses and commissions were in keeping with standard investment recovery practices.

A factor in selecting the chosen vendor was its global marketing presence. One asset—the EPU-related Low Pressure turbines—was potentially the highest value sale opportunity, and DEF believed that there was potential for a sale to an overseas company. The selected vendor proposed and used a mix of printed advertising in both industry publications and flyers at industry conferences, targeted calls to potential buyers, social media to industry groups, and general advertising to the public and non-industry bidders such as salvage dealers. DEF believes that this marketing effort reached a global 100,000 potential bidders. Commission audit staff believes the company's justifications for selecting this vendor were reasonable.

The auction was held September 24 through 26, 2014, with bids accepted via the Internet and phone. The auction was a sell-all event with no price reserves on lots. DEF reserved the right to reject the final bid only if the company believed that the sale price was below the cost of removal from the unit or site.

In total, the auction included 100 bidders, and the company sold 50 lots/groupings of EPU-assets. The total collected for these items was approximately \$90,500. The original cost for these assets was approximately \$5,229,212, not including the original cost for the NUS Rapid Cool Down System equipment which was not broken out separately in its contract.

Several large installed items offered did not sell through the closed-bid or public auction process. For this equipment, the company made the decision in January 2015 to discontinue sales efforts and to abandon in-place during decommissioning. This equipment is highly-specialized with limited marketability and the salvage value would not support the cost for removal. These assets and their original value are shown in Exhibit 6.

Major Installed EPU-Assets to be Abandoned In Place	
Equipment	Value
Stator Core and Rewound Generator Rotor	██████████
Feedwater Heat Exchangers	██████████
Belly Drain Heat Exchangers	██████████
Isophase Bus Duct Cooling Skid	██████████
Moisture Separator Reheaters	██████████

Exhibit 6

Source: Data Request 3.1

3.4 EPU Siemens Components Disposition

Certain Siemens components did not sell during the auction. These are one-of-a-kind specialized components with limited marketability. In one case, ██████████ ██████████ ██████████. The details of

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this were discussed in the Commission audit report in the Docket No. 120009-EI. [REDACTED]
[REDACTED] DEF made the decision to list the equipment in the auction, in hopes of selling the entire component set.

[REDACTED]
[REDACTED]
[REDACTED] The equipment and components [REDACTED] are shown in Exhibit 7 and are currently installed or housed in the CR3 unit.

Remaining EPU-Equipment Considered for Disposition	
High Pressure Turbine and Equipment (uninstalled)	[REDACTED]
Turbine Lubricating Oil Cooler Tube Bundles	[REDACTED]
Siemens Exciter (installed)	[REDACTED]
Siemens Hydrogen Cooler (installed) ¹	[REDACTED]
Siemens Low Pressure Turbine Rotors, Blades, Cylinders, and parts (uninstalled)	[REDACTED]

Exhibit 7

Source: Data Request 3.2

[REDACTED]
[REDACTED]
[REDACTED]
The company is in the process of closing out its Investment Recovery Program for CR3. The company will continue to maintain the remaining Siemens equipment [REDACTED]. The company will continue to maintain monthly maintenance and administrative costs for the EPU project. The company believes the project will be closed in fall 2015, with costs continuing through that time.

¹ The cost provided for the Hydrogen Cooler is a subset of the overall Generator work. The company estimated the amount attributed for this equipment.

DUKE ENERGY FLORIDA DOCKET 150009-EI
Sixth Request for Confidential Classification
Confidentiality Justification Matrix
ATTACHMENT C

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
<p>Review of Duke Energy Florida's Project Management Internal Controls for Nuclear Plant Uprate and Construction Projects, PA-15-01-001, June 2015</p>	<p>Page 4, last paragraph, 2nd line, last word, 3rd line, first three words; Page 6, Table, all information in 3rd through 6th columns; Page 7, 3rd paragraph in its entirety, last paragraph, 1st line, all words except first four, 2nd and 3rd lines in their entirety, 4th line, first word; Page 8, 2nd paragraph, 1st line in its entirety, 2nd line, first three words, 4th line, all words except first two, 5th line, 1st through fifth words, 3rd paragraph, 5th line, ninth and tenth words, 4th paragraph, last two lines in their entirety, 5th paragraph, 1st line in its entirety, 2nd line, first ten words, 4th line, second and third words, 5th line, last five words, 6th line, first word; Page 10, 1st line, tenth and eleventh words; Page 12, Table, all information in columns 2 and 3 exclusive of last line; Page 13, Table, all information in 2nd and 3rd columns exclusive of last line; Page 14, Table, all information in 2nd column, last paragraph on page, 2nd line, last five words, last line, all information except last three words; Page 15, 1st paragraph, 1st line, last two words, 2nd line in its</p>	<p>§366.093(3)(d), Fla. Stat. The document in question contains confidential contractual information, the disclosure of which would impair PEF's efforts to contract for goods or services on favorable terms.</p> <p>§366.093(3)(e), Fla. Stat. The document portions in question contain confidential information relating to competitive business interests, the disclosure of which would impair the competitive business of the provider/owner of the information.</p>

DUKE ENERGY FLORIDA DOCKET 150009-EI
Sixth Request for Confidential Classification
Confidentiality Justification Matrix
ATTACHMENT C

DOCUMENT	PAGE/LINE/ COLUMN	JUSTIFICATION
	entirety, 3 rd line, first seven words, 2 nd paragraph, all information on first three lines, 4 th line, first five and last two words, last line, first word, Table, all information in 2 nd column, 3 rd paragraph in its entirety, last paragraph, 2 nd line, last four words, 3 rd line, first three words	