BEFORE THE

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 050001-EI

IN RE: FUEL & PURCHASED POWER COST RECOVERY

AND

CAPACITY COST RECOVERY

PROJECTIONS

JANUARY 2006 THROUGH DECEMBER 2006

TESTIMONY AND EXHIBIT

OF

JOANN T. WEHLE

REDACTED

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

PREPARED DIRECT TESTIMONY

OF

JOANN T. WEHLE

Q. Please state your name, address, occupation and employer.

A. My name is Joann T. Wehle. My business address is 702 N. Franklin Street, Tampa, Florida 33602. I am employed by Tampa Electric Company ("Tampa Electric" or "company") as Director, Wholesale Marketing & Fuels.

Q. Please provide a brief outline of your educational background and business experience.

A. I received a Bachelor of Business Administration Degree in Accounting in 1985 from St. Mary's College in Notre Dame, Indiana. I am a CPA in the State of Florida and worked in several accounting positions prior to joining Tampa Electric. I began my career with Tampa Electric in 1990 as an auditor in the Audit Services Department. I became Senior Contracts Administrator, Fuels in 1995. In 1999, I was promoted to Director, Audit Services and subsequently rejoined the Fuels Department as Director in April 2001. I became Director, Wholesale Marketing and

Fuels in August 2002. I am responsible for managing Tampa Electric's wholesale energy marketing and fuel-related activities.

Q. Please state the purpose of your testimony.

A. The purpose of my testimony is to discuss the change in Tampa Electric's fuel mix, the company's natural gas strategies, fuel price forecasts, potential impacts of the high and low fuel forecasts, and natural gas impacts related to Hurricane Katrina. In addition, I will address steps Tampa Electric has taken to manage fuel price and supply volatility and describe projected hedging activities and incremental operations and maintenance ("O&M") costs for these activities, and I sponsor Tampa Electric's 2006 risk management plan, submitted concurrently in this docket.

Q. Have you previously testified before this Commission?

A. Yes. I testified before this Commission in Docket Nos. 030001-EI and 031033-EI, and I have filed testimony in the annual fuel and purchased power cost recovery docket since 2001. My testimony in these dockets described the appropriateness and prudence of Tampa Electric's fuel

procurement activities, fuel supply risk management, fuel price volatility hedging activities, and fuel transportation costs.

Q. Have you prepared an exhibit in support of your testimony?

A. Yes. Exhibit No. ___ (JTW-2), which consists of two documents, was prepared under my direction and supervision. Document No. 1 describes the calculation of the 2004 waterborne transportation costs disallowance, and Document No. 2 describes the calculation of the company's incremental O&M hedging costs.

Coal Transportation Costs

Q. Did Tampa Electric calculate the waterborne transportation costs submitted for cost recovery in accordance with the Commission's Order No. PSC-04-0999-FOF-EI ("Order No. 04-0999"), issued in Docket No. 031033-EI on October 12, 2004?

A. Yes. The waterborne transportation costs that Tampa Electric has and is seeking to recover reflect the adjusted rates per ton for each upriver terminal as well as the adjusted ocean barge transportation rate. The

company calculates the adjusted rates as described in Order No. 04-0999. The river rate is adjusted using the following formula:

$$\frac{\text{(Weighted average rate per ton for all upriver terminals - \$1/ton)}}{\text{Weighted average rate per ton for all upriver terminals}} \times \text{Contract rate for specific upriver terminal}$$

The ocean rate is reduced by $2.41 per ton for shipments from the Davant, Lousiana terminal and $4.08 per ton for petroleum coke shipments from Texas, as prescribed by the Commission order.

For 2004, Tampa Electric's adjustment to its total waterborne transportation costs totaled $13,426,496. The variance from the Commission Staff's projected $15,315,000 disallowance amount was due to variations in river terminal origins, petroleum coke purchases, and total tons shipped, compared to projections. The total 2004 adjustment recorded in Tampa Electric's final true-up filing, submitted in this docket on March 1, 2005, was calculated using the actual tons of coal and petroleum coke shipped in 2004 and the methodology required by Order No. 04-9999. These calculations are shown in Exhibit No. ___ (JTW-2), Document No. 1. Therefore, Tampa Electric's 2004 adjusted coal transportation costs

are appropriate for recovery through the Fuel and Purchased Power Cost Recovery Clause ("fuel clause").

Likewise, the expected 2005 and 2006 waterborne transportation costs have been adjusted using this same methodology according to Order No. 04-0999 and will be revised to reflect the actual tons shipped and associated calculated disallowances as part of the normal true-up process. Accordingly, it is also appropriate for Tampa Electric to recover its allowable 2005 and 2006 projected transportation expenses included in the fuel clause for coal transportation.

2006 Fuel Mix and Procurement Strategies

Q. What fuels will Tampa Electric's generating stations use in 2006?

A. In 2006, Tampa Electric expects its fuel mix to remain stable compared to the previous year. In 2006, natural gas-fired and coal-fired generation are expected to be 39 percent and 60 percent of total generation, respectively.

Q. How does Tampa Electric's natural gas procurement and transportation strategy achieve competitive natural gas purchase prices for long- and short-term deliveries?

A. Tampa Electric uses a portfolio approach to natural gas procurement. The company's portfolio consists of a blend of baseload, intermediate and swing supply types along with spot purchases. The contracts have various time lengths to help secure needed supply at competitive prices and maintain the ability to take advantage of favorable natural gas price movements. Tampa Electric's portfolio consists of many approved counterparties with which the company can trade for physical natural gas supply, which enhances liquidity and diversifies its natural gas supply portfolio. The portfolio also includes natural gas prices based on both monthly and daily price indexes, which represents diversification of its natural gas price portfolio.

Tampa Electric has also improved the reliability of the physical delivery of natural gas to its power plants by diversifying its pipeline transportation assets, diversifying its receipt points on the pipelines, and utilizing pipeline and storage tools to access lower cost supply and improve reliability during hurricanes or other events that constrain natural gas supply. The daily efforts of Tampa Electric to obtain reliable supplies of natural gas at the most favorable prices directly benefit its customers. Finally, Tampa Electric's risk management

activities improve the company's natural gas procurement activities, by reducing natural gas price volatility.

Q. How has Tampa Electric diversified its natural gas transportation arrangements?

A. In 2005, Tampa Electric diversified its transportation assets when it entered into a cost-effective contract for firm natural gas transportation on Gulfstream Natural Gas Pipeline, LLC ("Gulfstream") that provides firm natural gas transportation directly to Tampa Electric's H. L. Culbreath Bayside Station ("Bayside Station") from Manatee County, via a 28-mile lateral pipeline. Tampa Electric anticipates completion of the lateral pipeline's construction in late 2007 or early 2008. The transportation agreement with Gulfstream adds a second pipeline to Tampa Electric's capacity portfolio and improves the company's ability to meet its natural gas hourly and daily demands.

Q. How do Tampa Electric and its customers benefit from the long-term firm natural gas transportation agreement with Gulfstream?

A. The Gulfstream agreement benefits Tampa Electric and its

customers in several ways. First, the Gulfstream pipeline capacity is a cost-effective means of covering Tampa Electric's seasonal, daily and maximum hourly pipeline capacity needs. Secondly, through access to Gulfstream's Park-N-Ride service, the agreement improves Tampa Electric's ability to manage daily natural gas supply load swings and pricing volatility. Perhaps even more importantly, the lateral and agreement enhance Tampa Electric's reliability by providing a second source for natural gas supply transportation to the Bayside Station.

Q. Please describe Gulfstream's Park-N-Ride service.

A. Park-N-Ride is a service that allows Tampa Electric essentially to store natural gas in the Gulfstream pipeline until it is needed. The service also allows Tampa Electric to take natural gas from the pipe one day and repay that natural gas at a later date. For example, Park-N-Ride can be used to park natural gas on Gulfstream during a weekend when electric loads are reduced and then, pull the natural gas out of the pipe during the weekdays when electric loads peak. Another example of Park-N-Ride is to pull natural gas out during a day when the electric load changes significantly due to higher than expected loads or loss of a unit.

Q. What is Tampa Electric's coal procurement strategy?

A. Tampa Electric's two coal-fired plants are Big Bend Station and Polk Station. Big Bend Station is a fully scrubbed plant whose design fuel is high sulfur Illinois Basin coal, and Polk Station is an integrated gasification combined cycle plant that is currently burning a mix of Illinois Basin coal, petroleum coke, and lower sulfur coal. The plants have varying operations and environmental restrictions and require fuel with custom quality characteristics such as sulfur content, Btu/lb, ash fusion temperature and chlorine content. Since coal is not a homogenous product, fuel selection is based on these unique factors and price, availability, and creditworthiness of the supplier.

Tampa Electric maintains a portfolio of bilateral, long-, intermediate-, and short-term contracts for coal supply. Tampa Electric monitors the market to obtain the most favorable prices from sources that meet the needs of the generating stations. The use of daily and weekly publications, independent research analyses from industry experts, discussions with suppliers, and coal solicitations help in market monitoring and in shaping the company's coal procurement strategy to reflect

current market conditions. This allows the company to maintain stable supply sources while providing flexibility to take advantage of favorable spot market opportunities. The company's efforts to obtain the most favorable coal prices directly benefit its customers.

Q. Has Tampa Electric entered into coal and natural gas supply transactions for 2005 and 2006 delivery?

A. Yes, it has. To mitigate price volatility and ensure reliability of supply, Tampa Electric has contracted for a significant portion of its expected coal needs for both years through bilateral agreements with coal suppliers. Two thirds of the company's expected 2006 coal requirements are already under contract. Tampa Electric has also entered into contracts for 40 percent of the company's expected natural gas needs for the winter of 2005 and all of 2006.

Q. Has Tampa Electric reasonably managed its fuel procurement practices for the benefit of its retail customers?

A. Yes. Tampa Electric diligently manages its mix of long-, intermediate-, and short-term purchases of fuel in a

manner designed to reduce overall fuel costs while maintaining electric service reliability. The company monitors and adjusts fuel volumes it takes within contractually allowed maximum and minimum amounts in accordance with the price of fuel available on the spot market to take advantage of the lowest available fuel prices. The company's fuel activities and transactions are reviewed and audited on a recurring basis by the Commission. In addition, the company monitors its rights under contracts with fuel suppliers to detect and prevent any breach of those rights. Tampa Electric continually strives to improve its knowledge of fuel markets and to take advantage of opportunities to minimize the costs of fuel.

Q. Has Tampa Electric detected any suppliers' default of its fuel supply agreements?

A. Yes, in late 2004, No. 1 Contractors failed to deliver coal as specified in its fuel supply agreement with Tampa Electric. Tampa Electric has completed the notification procedures contained in the agreement, and the company has begun pursuing available legal remedies, including litigation.

Q. Is it appropriate for Tampa Electric to recover replacement coal costs prior to the resolution of its claim against No. 1 Contractors?

A. Yes, it is appropriate for Tampa Electric to recover replacement fuel costs prior to resolution of this claim. The company recovers its fuel costs as the fuel is consumed. Therefore, Tampa Electric should continue to recover its coal expenses, including any replacement purchases, as the fuel is consumed. In the event that Tampa Electric is successful in its claim against No. 1 Contractors, monetary damages for the breach of contract will be returned to customers through the fuel clause.

Projected 2006 Fuel Prices

Q. How does Tampa Electric project fuel prices?

A. Tampa Electric reviews fuel price forecasts from sources widely used in the industry, including PIRA Energy Consulting, Hill & Associates, the Energy Information Administration, the New York Mercantile Exchange ("NYMEX") and other energy market information sources. Futures prices for energy commodities, as traded on the NYMEX, are the primary driver of the natural gas and No. 2 oil price forecasts. The commodity price projections

are then adjusted to incorporate expected transportation costs and quality adjustments. The transportation and quality adjustments are specific to the power plants to which the fuel will be delivered and the locations from which it is transported.

Coal prices and coal transportation prices are projected using information from industry-recognized consultants and are specific to the particular quality and location of coal utilized by Tampa Electric's Big Bend Station and Polk Unit 1. Final as-burned prices are derived using expected commodity prices, associated transportation costs, additives used, and analysis performed on coal inventory.

Q. How do the 2006 projected fuel prices compare to the fuel prices projected for 2005?

A. The entire industry, including Tampa Electric, has experienced rising fuel prices since 2004, and projected fuel prices for 2006 are higher for all commodities. The global economy and the increasing industrialization of countries like China have affected the price of natural resources such as natural gas, oil, and coal. The demand for these and other commodities, such as steel, has

continued to exert upward pressure on fuel prices. Crude oil prices have soared recently, as illustrated by the recent price for crude oil of well over $60 per barrel, due to factors such as the turmoil in the Middle East, storage injections and withdrawals, and expected hurricane activity near the U.S. coastline. Likewise, the transportation costs of these commodities are affected by the increase in fuel prices.

Q. What are the market drivers of the expected 2006 increase in the price of natural gas?

A. Of the fuels utilized by Tampa Electric, natural gas has experienced the greatest increase in price over the last several years. In addition to price pressures from crude oil, the market drivers include increased demand from natural-gas fired generation, declining natural gas production in North America, delayed liquefied natural gas projects, concerns about the adequacy of natural gas in storage, and concerns about production losses due to tropical storm activity.

Q. Did Hurricane Katrina affect Tampa Electric's natural gas procurement activities?

A. Yes, since Hurricane Katrina affected the region where much of the nation's natural gas supply originates, the entire industry is now facing production and delivery constraints that affect the price and supply of natural gas. Some natural gas platforms in the Gulf of Mexico remain inoperable following Hurricane Katrina, which has reduced production capacity. In addition, natural gas transportation pipelines pass through the areas affected by Hurricane Katrina. The natural gas transportation pipelines may have been damaged under water, and the damage is still being assessed. Furthermore, following Hurricane Katrina, natural gas supplies in storage are declining due to decreased production. These significant post-hurricane effects have the potential to drive natural gas prices even higher and continue to constrain natural gas supply.

Q. Do Tampa Electric's projected fuel costs include natural gas supply and price impacts related to Hurricane Katrina?

A. Yes, Tampa Electric was able to incorporate $42 million in cost impacts seen at the end of August 2005 in its projected fuel costs submitted for recovery. Due to the recency of Hurricane Katrina, Tampa Electric has

attempted only to quantify the impacts to natural gas prices for the winter of 2005 to 2006. This is appropriate since market indicators suggest that market prices may ease in the summer months as we move farther away in time from the impacts of Hurricane Katrina, which will allow the market to settle down. However, given the uncertainty related to current market pricing, Tampa Electric recognizes the possibility that the company will incur additional costs for natural gas, as well as for other fuels and transportation. Tampa Electric will true up these estimates to reflect actual costs as necessary.

Q. What are the market drivers of the increase in the price of coal?

A. Coal prices correlate with the prices of other fuels since coal mining utilizes petroleum products, steel, and lumber in its production processes; therefore, coal prices have increased in conjunction with increases in the prices of other fuels. Domestic transportation delays experienced by the U.S. railroads have also influenced summer 2005 spikes in coal prices. Furthermore, increased costs of SO_2 allowances contributed to the higher prices for lower sulfur coals and coal in general. For all of these reasons, Tampa Electric

expects higher coal prices to continue through 2006.

Q. Did Hurricane Katrina affect Tampa Electric's coal procurement activities?

A. Yes, Tampa Electric's coal supply logistics were affected by Hurricane Katrina. Prior to the storm, TECO Transport moved ocean barges loaded with Tampa Electric's coal away from the storm path; thus, the ocean barges were able to continue delivering coal to Tampa Electric's Big Bend Station after Hurricane Katrina. Shipments have continued, despite some delays in the area near the mouth of the Mississippi River. Damage at TECO Bulk Terminal is being assessed, and TECO Transport has also begun fleet recovery activities. As with its coal suppliers, Tampa Electric continues to work with TECO Transport to ensure that coal shipments continue. At this time, Tampa Electric is not certain what measures will be required to maintain appropriate coal inventories. Key activities under consideration include the use of rail, the use of third-party barges until TECO Transport's fleet is recovered, as well as seeking alternative terminal services. Both TECO Transport and Tampa Electric are committed to maintaining a reliable supply of coal at Tampa Electric's generating stations.

Q. Do Tampa Electric's projected fuel costs include coal supply and price impacts related to Hurricane Katrina?

A. No. As I stated above, due to the recency of Hurricane Katrina, Tampa Electric is not yet able to quantify impacts to projected coal costs.

Q. Did Tampa Electric consider the impact of higher than expected or lower than expected natural gas prices?

A. Yes. After reviewing the historical volatility in NYMEX pricing and the implied volatility in natural gas options, Tampa Electric has estimated that actual prices in 2006 could be higher or lower than the base forecast by as much as 35 percent. Major fundamental or technical changes, such as abnormal weather, political instability or production shortages, will also dramatically affect price volatility, as demonstrated in the aftermath of Hurricane Katrina.

Hedging Transactions and Related Expenses

Q. Please describe Tampa Electric's risk management activities.

A. Tampa Electric complies with its risk management plan as

developed by the Wholesale Marketing & Fuels Department approved by the company's Risk Authorizing Committee. The plan enables Tampa Electric to utilize system and procedural controls to provide detailed and timely reporting of hedging activities for management review and oversight. The company also uses the services of well-known, respected energy consulting companies to assist with forecasting fuel procurement and energy market conditions. Tampa Electric describes its risk management strategies and activities in detail in its Risk Management Plan filed in this docket on September 9, 2005.

Q. Does Tampa Electric's risk management strategy mitigate natural gas price risk?

A. Yes. To protect customers from price volatility, Tampa Electric may purchase over-the-counter natural gas swaps and collars. A swap is a financial derivative that provides a "fixed for floating" position. The buyer (Tampa Electric) pays a fixed price for the natural gas, which has a floating value until cash settlement at the end of the month. The swaps allowed Tampa Electric to lock in known natural gas prices and avoid upward price volatility. The transaction costs of swaps are embedded

in the price of the commodity.

Collars are combinations of call options (caps) and put options (floors) that collar prices within a certain range. An option is the right, but not the obligation, to buy (call) or sell (put) natural gas at a pre-determined price. With a collar, the company knows that its future prices will remain within the predetermined boundaries established by the call and put options.

Q. Has Tampa Electric entered into financial hedging transactions in 2005 to mitigate the price volatility of natural gas?

A. Yes. Tampa Electric has purchased over-the-counter natural gas swaps to protect customers from natural gas price volatility. The hedging activity position is described in the Risk Management Plan submitted concurrently with this testimony. Tampa Electric will continue to hedge according to its Risk Management Plan approved by the Risk Authorizing Committee.

Q. Has Tampa Electric used financial hedging to mitigate the price volatility of its 2006 natural gas requirements?

A. Yes. Tampa Electric has already hedged a portion of its expected 2006 natural gas supply needs using swaps and will continue to take advantage of available natural gas hedging opportunities that benefit its customers, while complying with the company's approved Risk Management Plan. The 2006 hedging position for natural gas is provided in the Risk Management Plan filed concurrently with this testimony.

Q. Are the company's strategies adequate for mitigating price risk for Tampa Electric's 2004 through 2006 natural gas purchases?

A. Yes, the company's strategies are adequate for mitigating price risk for Tampa Electric's natural gas purchases. Tampa Electric's strategies balance the desires for reduced price volatility and reasonable cost with the uncertainty of natural gas volumes. These strategies are described in detail in Tampa Electric's Risk Management Plan, also submitted in this docket on September 9, 2005.

Q. Have recent increases in the market price of natural gas affected the percentage of Tampa Electric's natural gas requirements that the company has hedged or plans to hedge?

A. No. The volume hedged is driven primarily by expected natural gas consumption levels and the time until that natural gas will be needed. Based on those two parameters, the amount hedged is maintained within a prescribed percentage range. Price is not a component of the current plan since the objective is price volatility reduction, not price speculation.

Q. Does Tampa Electric anticipate incurring incremental O&M expenses related to initiating or maintaining its non-speculative financial hedging program in 2006?

A. Yes. In Order No. PSC-02-1484-FOF-EI the Commission authorized the recovery of prudently-incurred incremental O&M expenses for the purpose of initiating and/or maintaining a new or expanded non-speculative financial and/or physical hedging program designed to mitigate fuel and purchased power price volatility for its retail customers. Tampa Electric expects its 2006 total incremental hedging O&M cost to be $235,798. These incremental costs are itemized in Exhibit No. ___ (JTW-2), Document No. 2.

Q. What is Tampa Electric's appropriate base O&M expense level used to calculate incremental hedging O&M expenses?

A. Tampa Electric's base level of hedging O&M expenses of $169,153 reflects the company's actual 2001 costs prior to its implementation of a prudent financial hedging program in 2002. The base level costs were audited by the Commission Staff in Audit No. 02-340-2-1, in Docket No. 030001-EI. Tampa Electric's expected 2006 incremental hedging O&M expenses are calculated using this audited base level, as shown in Document No. 2 of my exhibit.

Q. Were Tampa Electric's efforts through July 31, 2005 to mitigate price volatility through its non-speculative hedging program prudent?

A. Yes. Tampa Electric has executed hedges according to the risk management plan filed with this Commission, which was approved by the company's Risk Authorizing Committee.

Q. Does this conclude your testimony?

A. Yes, it does.

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EXHIBIT TO THE TESTIMONY OF

JOANN T. WEHLE

DOCUMENT NO. 1

2004 WATERBORNE TRANSPORTATION COST ADJUSTMENT

January - December 2004	(A) Contract $/Ton [1] [3]	(B) Adjusted $/Ton [2]	(C) Disallowance $/Ton	(D) Total Tons	(A*D) Contract Total	(B*D) Adjusted Total	(C*D) Disallowed Total
Inland River Docks							
Pet Coke Refinery (M.P. 140)	[redacted]	[redacted]	$ 0.34	357,817	$ 905,276	$ 783,618	$ 121,658
Overland/Camp			$ 0.95	-	-	-	-
Hamilton			$ 0.94	-	-	-	-
Empire Dock			$ 0.90	-	-	-	-
Cora			$ 0.97	-	-	-	-
Yankeetown			$ 1.00	-	-	-	-
Lone Eagle/Chester			$ 1.15	6,542	55,153	47,629	7,524
Mount Vernon			$ 0.96	61,082	430,019	371,380	58,639
Cook			$ 0.81	254,182	1,520,008	1,314,121	205,887
Mound City			$ 0.81	-	-	-	-
Rigsby & Barnard			$ 0.91	-	-	-	-
Patriot			$ 1.12	-	-	-	-
Owensboro			$ 1.01	-	-	-	-
New Hope			$ 1.02	-	-	-	-
Dekoven			$ 0.92	422,769	2,853,690	2,464,743	388,947
Jefferson			$ 1.11	-	-	-	-
Powhatan			$ 1.45	311,066	3,312,854	2,861,808	451,046
Caseyville			$ 0.92	408,372	2,752,429	2,376,726	375,702
S. Indiana/Evansville			$ 0.98	130,524	941,075	813,162	127,913
Pyramid			$ 1.22	-	-	-	-
Ken Mine			$ 1.22	-	-	-	-
GRT			$ 0.97	-	-	-	-
Kentucky Lakes Dock			$ 0.97	-	-	-	-
Transcontinental (TTI)			$ 1.25	-	-	-	-
Sebree			$ 1.14	-	-	-	-
Green 11			$ 1.09	-	-	-	-
Shawneetown (Arclar)			$ 0.93	907,950	6,183,137	5,338,744	844,393
Total River				2,860,304	$ 18,953,641	$ 16,371,931	$ 2,581,710
Ocean							
Coal	[redacted]	[redacted]	$ 2.41	4,401,418	$ 35,123,318	$ 24,515,900	$ 10,607,418
Petcoke from Texas			$ 4.08	58,707	638,732	399,208	239,525
Total Ocean				4,460,125	$ 35,762,050	$ 24,915,108	$ 10,846,943
						Total [4]	$ 13,428,653

[1] Contract rate per contract signed with TECO Transport.

[2] Adjusted rate based on methodology set forth in Order No. PSC-04-0999-FOF-EI, which takes the weighted average rate for all upriver terminals minus $1 and divides it by the weighted average rate of all upriver terminals multiplied by the contract rate for that specific upriver terminal. Ocean rate based on the aforementioned Order.

[3] Contract rate subject to quarterly escalation provisions in the contract. Therefore, ratio between total contract amount and adjustment will change moving forward.

[4] $2,157 variance between true-up filing of $13,426,496 and total amount of $13,428,653 adjusted in 2005.

EXHIBIT NO. ____
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EXHIBIT TO THE TESTIMONY OF

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DOCUMENT NO. 2

PROJECTED INCREMENTAL O&M HEDGING COSTS

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Tampa Electric Company
2006 Projected Incremental O&M Hedging Costs

O&M Hedging Costs	
Labor and related charges	$ 308,550
Software system fees	65,954
Consulting and subscription fees	30,447
Total O&M Hedging Costs	**$ 404,951**
Less Base Year O&M Hedging Costs	169,153
Incremental O&M Hedging Costs	**$ 235,798**