

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-150204

DOCKET NO. UG-150205

EXH. EMA-22 R

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

**2016 ELECTRIC ATTRITION REVENUE REQUIREMENT**

CBR Line No.	DESCRIPTION	Determine Base Cost and Revenue to Escalate					Escalate Non-Energy Cost		Other Cost & Revenue Adjs.				REMAND		
		12.2014 Commission Basis Report Restated Totals <sup>1</sup>	(less) 12.2014 Normalized Net Power Supply Cost	Deferred Debit/Credit & Reg. Amorts Adjs	Pro Forma Revenue Normalization Adjustment	December 2014 Escalation Base	Escalation Factor	Non-Energy Cost Escalation Amount [E]*[F]=[G]	Trended 2016 Non-Energy Cost [E]+[G]=[H]	(plus) 12.2014 Pro-Formed Net Energy Cost	(plus) Revenue Growth	After Attrition Adj - Colstrip Refund Generation		After Attrition Adj - Project Compass	2016 Revenue and Cost [H]+[I]+[J]+[K] +[L] = [M]
		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]
<b>REVENUES</b>															
1	Total General Business	\$ 488,372		\$ -	\$ 10,688	\$ 499,060	1.31%		\$ 499,060		\$ 6,545			\$ 505,605	
2	Interdepartmental Sales	\$ 922		\$ -	\$ -	\$ 922	1.31%		\$ 922		\$ 12			\$ 934	
3	Sales for Resale	\$ 60,998	\$ (60,998)	\$ -	\$ -	\$ -				\$ 57,325	\$ (2,548)			\$ 54,777	
4	Subtotal: Sales of Electricity	\$ 550,292	\$ (60,998)	\$ -	\$ 10,688	\$ 499,982			\$ 499,982	\$ 57,325	\$ 4,009			\$ 561,316	
5	Other Revenue	\$ 17,163	\$ (13,684)	\$ -	\$ -	\$ 3,479	0.00%		\$ 3,479	\$ 10,529	\$ -			\$ 14,008	
6	Total Electric Revenue	\$ 567,455	\$ (74,682)	\$ -	\$ 10,688	\$ 503,461			\$ 503,461	\$ 67,854	\$ 4,009			\$ 575,324	
<b>EXPENSES</b>															
<b>Production and Transmission</b>															
7	Operating Expenses	\$ 120,307	\$ (69,476)	\$ -	\$ -	\$ 50,831	6.42%	\$ 3,263	\$ 54,094	\$ 79,305	\$ -	\$ 1,089		\$ 134,488	
8	Purchased Power	\$ 116,643	\$ (116,641)	\$ -	\$ -	\$ 2		\$ -	\$ 2	\$ 77,131	\$ 1,927			\$ 79,060	
9	Depreciation/Amortization	\$ 23,715		\$ -	\$ -	\$ 23,715	9.50%	\$ 2,253	\$ 25,968	\$ -				\$ 25,968	
10	Regulatory Amortization	\$ 8,101		\$ (3,409)	\$ -	\$ 4,692	0.00%	\$ -	\$ 4,692	\$ -				\$ 4,692	
11	Taxes	\$ 12,828		\$ -	\$ -	\$ 12,828	10.99%	\$ 1,410	\$ 14,238					\$ 14,238	
12	Transmission	\$ 281,594	\$ (186,117)	\$ (3,409)	\$ -	\$ 92,068		\$ 6,926	\$ 98,994	\$ 156,436	\$ 1,927	\$ 1,089		\$ 258,446	
<b>Distribution</b>															
13	Operating Expenses	\$ 21,299		\$ -	\$ -	\$ 21,299	6.42%	\$ 1,367	\$ 22,666					\$ 22,666	
14	Depreciation/Amortization	\$ 23,794		\$ -	\$ -	\$ 23,794	9.50%	\$ 2,261	\$ 26,055					\$ 26,055	
15	Taxes	\$ 25,575		\$ -	\$ 412	\$ 25,987	10.99%	\$ 2,856	\$ 28,843		\$ 252			\$ 29,095	
16	Subtotal: Distribution	\$ 70,668		\$ -	\$ 412	\$ 71,080		\$ 6,484	\$ 77,564	\$ -	\$ 252	\$ -		\$ 77,816	
17	Customer Accounting	\$ 11,166		\$ -	\$ 57	\$ 11,223	6.42%	\$ 721	\$ 11,944		\$ 35			\$ 11,979	
18	Customer Service & Info	\$ 1,383		\$ -	\$ -	\$ 1,383	6.42%	\$ 89	\$ 1,472					\$ 1,472	
19	Sales Expenses	\$ -		\$ -	\$ -	\$ -	6.42%	\$ -	\$ -					\$ -	
<b>Administrative &amp; General</b>															
20	Operating Expenses	\$ 46,210		\$ -	\$ 21	\$ 46,231	6.42%	\$ 2,968	\$ 49,199		\$ 13			\$ 49,212	
21	Depreciation/Amortization	\$ 16,947		\$ -	\$ -	\$ 16,947	9.50%	\$ 1,610	\$ 18,557			\$ 3,887		\$ 22,444	
22	Taxes	\$ -		\$ -	\$ -	\$ -	10.99%	\$ -	\$ -					\$ -	
23	Subtotal: A&G	\$ 63,157	\$ -	\$ -	\$ 21	\$ 63,178		\$ 4,578	\$ 67,756	\$ -	\$ 13	\$ -		\$ 71,656	
24	Total Electric Expenses	\$ 427,968	\$ (186,117)	\$ (3,409)	\$ 490	\$ 238,932		\$ 18,797	\$ 257,729	\$ 156,436	\$ 2,227	\$ 1,089	\$ 3,887	\$ 421,368	
25	OP INCOME BEFORE FIT	\$ 139,487	\$ 111,435	\$ 3,409	\$ 10,198	\$ 264,529		\$ (18,797)	\$ 245,732	\$ (88,582)	\$ 1,782	\$ (1,089)	\$ (3,887)	\$ 153,956	

<sup>1</sup>Workpapers for 12.2014 Commission Basis Reports provided with Avista's Response to Staff\_DR\_130 Revised.

**2016 ELECTRIC ATTRITION REVENUE REQUIREMENT**

CBR Line No.	\$000s		Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost		Other Cost & Revenue			REMAND		
	12.2014 Commission Basis Report Restated Totals <sup>1</sup>	(less) 12.2014 Normalized Net Power Supply Cost	Deferred Debit/Credit & Reg. Amorts Adj	Pro Forma Revenue Normalization Adjustment	December 2014 Escalation Base	Escalation Factor	Non-Energy Cost Escalation Amount [E]*[F]=[G]	Trended 2016 Non-Energy Cost [E]+[G]=[H]	(plus) 12.2014 Pro-Formed Net Energy Cost	(plus) Revenue Growth	After Attrition Adj - Colstrip Refund Correction	After Attrition Adj - Project Compass	2016 Revenue and Cost [H]+[I]+[J]+[K] + [L] = [M]	
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
	Federal Income Tax													
26	\$ (7,683)	\$ 39,002	\$ 1,193	\$ 3,569	\$ 36,081		\$ (6,579)	\$ 29,502	\$ (31,004)	\$ 624	\$ (381)	\$ (1,360)	\$ (2,620)	
27	\$ (136)	\$ -	\$ 60	\$ -	\$ (76)		\$ (191)	\$ (267)				\$ (395)	\$ (662)	\$ (234)
28	\$ 46,085		\$ -	\$ -	\$ 46,085		\$ -	\$ 46,085					\$ 46,085	
29	\$ (128)		\$ -	\$ -	\$ (128)		\$ -	\$ (128)					\$ (128)	
30														
31	<b>\$ 101,349</b>	<b>\$ 72,433</b>	<b>\$ 2,156</b>	<b>\$ 6,629</b>	<b>\$ 182,567</b>		<b>\$ (12,027)</b>	<b>\$ 170,540</b>	<b>\$ (57,578)</b>	<b>\$ 1,158</b>	<b>\$ (708)</b>	<b>\$ (2,132)</b>	<b>\$ 111,280</b>	<b>\$ 110,852</b>
	RATE BASE													
	Plant in Service													
32	\$ 102,620		\$ -	\$ -	\$ 102,620	8.41%	\$ 8,632	\$ 111,252				\$ 46,004	\$ 157,256	
33	\$ 746,101		\$ -	\$ -	\$ 746,101	8.41%	\$ 62,760	\$ 808,861					\$ 808,861	
34	\$ 371,971		\$ -	\$ -	\$ 371,971	8.41%	\$ 31,289	\$ 403,260					\$ 403,260	
35	\$ 842,795		\$ -	\$ -	\$ 842,795	0.00%	\$ -	\$ 842,795					\$ 842,795	
36	\$ 196,867		\$ -	\$ -	\$ 196,867	8.41%	\$ 16,560	\$ 213,427					\$ 213,427	
37	<b>\$ 2,260,354</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,260,354</b>		<b>\$ 119,241</b>	<b>\$ 2,379,595</b>				<b>\$ 46,004</b>	<b>\$ 2,425,599</b>	
	Accumulated Depreciation and Amortization													
38	\$ (20,242)		\$ -	\$ -	\$ (20,242)	8.41%	\$ (1,703)	\$ (21,945)				\$ (1,943)	\$ (23,888)	
39	\$ (325,531)		\$ -	\$ -	\$ (325,531)	8.41%	\$ (27,383)	\$ (352,914)					\$ (352,914)	
40	\$ (123,869)		\$ -	\$ -	\$ (123,869)	8.41%	\$ (10,419)	\$ (134,288)					\$ (134,288)	
41	\$ (252,722)		\$ -	\$ -	\$ (252,722)	0.00%	\$ -	\$ (252,722)					\$ (252,722)	
42	\$ (65,720)		\$ -	\$ -	\$ (65,720)	8.41%	\$ (5,528)	\$ (71,248)					\$ (71,248)	
	Subtotal: Accumulated Depreciation and Amortization													
43	<b>\$ (788,084)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (788,084)</b>		<b>\$ (45,033)</b>	<b>\$ (833,117)</b>				<b>\$ (1,943)</b>	<b>\$ (835,060)</b>	
44	<b>\$ 1,472,270</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,472,270</b>		<b>\$ 74,208</b>	<b>\$ 1,546,478</b>				<b>\$ -</b>	<b>\$ 1,590,539</b>	
45	(257,766)		\$ -	\$ -	\$ (257,766)	8.41%	\$ (21,683)	\$ (279,449)				\$ (2,003)	\$ (281,452)	
46	<b>\$ 1,214,504</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,214,504</b>	<b>\$ 0</b>	<b>\$ 52,525</b>	<b>\$ 1,267,029</b>					<b>\$ 1,309,087</b>	
47	10,846		<b>\$ (6,250)</b>		\$ 4,596	0.00%	\$ -	\$ 4,596					\$ 4,596	
48	47,807		\$ -		\$ 47,807	0.00%	\$ -	\$ 47,807					\$ 47,807	
49	<b>\$ 1,273,157</b>	<b>\$ -</b>	<b>\$ (6,250)</b>	<b>\$ -</b>	<b>\$ 1,266,907</b>		<b>\$ 52,525</b>	<b>\$ 1,319,432</b>				<b>\$ 42,058</b>	<b>\$ 1,361,490</b>	<b>\$ 1,315,891</b>
	<sup>1</sup> Workpapers for 12.2014 Commission Basis Reports provided with Avista's Response to Staff_DR_130 Revised.											No RB escal.	PF Rate Base	
50	<b>RATE OF RETURN</b>	<b>7.96%</b>											<b>8.17%</b>	<b>8.42%</b>
	ATTRITION ADJUSTED REVENUE REQUIREMENT													
50	Proposed Rate of Return	The grey highlighted areas on pages 4 and 5 represent changes Avista made to Staff Witness Mr. McGuire's Electric Attrition model. For example, corrections to Staff's model were made in columns [C], [L] and [M]. Avista proposed growth escalations were used in column [F] page 4 & 5 (rows 9, 11 and 32) to reflect Staff's linear regression calculation, however, using years 2007-2014 data. These calculations can be seen on page 9-11. Column [F] page 4 (row 7), includes Avista's proposed O&M escalation as calculated on page 12. The Company has removed Staff's After Attrition Adjustment related to Coyote Springs II/Colstrip normalized maintenance, as the Company is proposing to defer the "hours-based" major maintenance projects in 2016 forward, with amortization to occur in the following year. Avista has added column [K] After Attrition Adjustment Colstrip Refund Correction to remove a non-reoccurring item. Lastly, in column [L], the Company has included total Project Compass costs, rather than the discounted balances											<b>7.29%</b>	<b>7.29%</b>
51	Return on Plant in Service at Proposed Rate												\$ 99,253	\$ 95,928
52	Operating Income Deficiency												\$ (12,027)	\$ (14,924)
53	Revenue Conversion Factor												0.62018	0.62018
54	Revenue Requirement												\$ (19,394)	\$ (24,064)
55	Revenue Growth Factor												1.013115	1.013115
56	Attrition Adjusted Revenue Requirement												<b>\$ (19,142)</b>	<b>\$ (23,752)</b>

2016 NATURAL GAS ATTRITION REVENUE REQUIREMENT

S000s		Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost			Other Cost & Revenue Adjustments				REMAND		
CBR Line	DESCRIPTION	12.2014 Commission Basis Report Restated Totals <sup>1</sup>	Regulatory Amorts Adj	Pro Forma Revenue Normalization Adjustment	Exclude Normalized Gas Costs and Revenue	December 2014 Escalation Base	Escalation Factor	Escalation Amount [E]*[F]=[G]	Trended 2016 Non-Energy Cost [E]+[G]=[H]	(plus) 12.2014 Pro-Formed Gas Cost/Revenue	(plus) Revenue Growth	After Attrition Adj - Project Compass	After Attrition Adj - Atmos Testing	2016 Revenue and Cost [H]+[I]+[J]+[K]+[L] = [M]	[N]
No.		[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	
REVENUES															
1	Total General Business	\$ 154,546	\$ -	\$ 12,185	\$ (92,072)	\$ 74,659	1.19%		74,659	\$ 92,072	\$ 1,983			\$ 168,714	
2	Total Transportation	\$ 3,960	\$ -	\$ 223	\$ -	\$ 4,183	-0.14%		4,183		\$ (6)			4,177	
3	Other Revenues	\$ 332	\$ -	\$ -	\$ -	\$ 332	0.00%		332		\$ -			332	
4	Total Gas Revenues	\$ 158,838	\$ -	\$ 12,408	\$ (92,072)	\$ 79,174		\$ -	\$ 79,174	\$ 92,072	\$ 1,977			\$ 173,223	
EXPENSES															
Production Expenses															
5	City Gate Purchases	\$ 84,187	\$ -	\$ 3,680	\$ (87,867)	\$ -			-	\$ 87,867	950			88,817	
6	Purchased Gas Expense	\$ 779	\$ -	\$ 3	\$ -	\$ 782	4.84%	38	820					820	
7	Net Nat Gas Storage Trans	\$ -	\$ -	\$ -	\$ -	\$ -			-					-	
8	Total Production	\$ 84,966	\$ -	\$ 3,683	\$ (87,867)	\$ 782		\$ 38	\$ 820	\$ 87,867	\$ 950			\$ 89,637	
Underground Storage															
9	Operating Expenses	\$ 893	\$ -	\$ -	\$ -	\$ 893	4.84%	43	936					936	
10	Depreciation/Amortization	\$ 402	\$ -	\$ -	\$ -	\$ 402	25.86%	104	506					506	
11	Taxes	\$ 184	\$ -	\$ -	\$ -	\$ 184	21.00%	39	223					223	
12	Total Underground Storage	\$ 1,479	\$ -	\$ -	\$ -	\$ 1,479		\$ 186	\$ 1,665	\$ -	\$ -			\$ 1,665	
Distribution															
13	Operating Expenses	\$ 10,704	\$ -	\$ -	\$ -	\$ 10,704	4.84%	518	11,222				707	11,929	
14	Depreciation/Amortization	\$ 8,513	\$ -	\$ -	\$ -	\$ 8,513	25.86%	2,201	10,714					10,714	
15	Taxes	\$ 8,719	\$ -	\$ 475	\$ (3,528)	\$ 5,666	21.00%	1,190	6,856	\$ 3,528	\$ 76			10,460	
16	Total Distribution	\$ 27,936	\$ -	\$ 475	\$ (3,528)	\$ 24,883		\$ 3,909	\$ 28,792	\$ 3,528	\$ 76		\$ 707	\$ 33,103	
17	Customer Accounting	\$ 6,108	\$ -	\$ 66	\$ (493)	\$ 5,681	4.84%	275	5,956	\$ 493	\$ 11			6,460	
18	Customer Service & Information	\$ 865	\$ -	\$ -	\$ -	\$ 865	4.84%	42	907					907	
19	Sales Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	4.84%	-	-					-	
Administrative & General															
20	Operating Expenses	\$ 12,777	\$ -	\$ 25	\$ (184)	\$ 12,618	4.84%	611	13,229	\$ 184	\$ 4			13,417	
21	Depreciation/Amortization	\$ 4,389	\$ -	\$ -	\$ -	\$ 4,389	25.86%	1,135	5,524			1,119		6,643	
22	Regulatory Amortizations	\$ (91)	\$ 1,143	\$ 91	\$ -	\$ 1,143	0.00%	-	1,143					1,143	
23	Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	21.00%	-	-					-	
24	Total Admin. & General	\$ 17,075	\$ 1,143	\$ 116	\$ (184)	\$ 18,150		\$ 1,746	\$ 19,895	\$ 184	\$ 4	\$ 1,119	\$ -	\$ 21,202	
25	Total Gas Expense	\$ 138,429	\$ 1,143	\$ 4,341	\$ (92,072)	\$ 51,841		\$ 6,195	\$ 58,036	\$ 92,072	\$ 1,041	\$ 1,119	\$ 707	\$ 152,975	
26	OP INCOME BEFORE FIT	\$ 20,409	\$ (1,143)	\$ 8,067	\$ -	\$ 27,333		\$ (6,195)	\$ 21,138	\$ -	\$ 936	\$ (1,119)	\$ (707)	\$ 20,248	

<sup>1</sup>Workpapers for 12.2014 Commission Basis Reports provided with Avista's Response to Staff\_DR\_130.

2016 NATURAL GAS ATTRITION REVENUE REQUIREMENT

\$000s		Determine Base Cost and Revenue to Escalate				Escalate Non-Energy Cost			Other Cost & Revenue Adjustments				REMAND	
CBR Line	No.	12.2014 Commission Basis Report Restated Totals <sup>1</sup>	Regulatory Amorts Adj	Pro Forma Revenue Normalization Adjustment	Exclude Normalized Gas Costs and Revenue	December 2014 Escalation Base	Escalation Factor	Escalation Amount [E]	Trended 2016 Non-Energy Cost [F]=[G]	(plus) 2014 Pro-Formed Gas Cost/Revenue	(plus) Revenue Growth	After Attrition Adj - Project Compass	After Attrition Adj - Atmos Testing	2016 Revenue and Cost [H]+[I]+[J]+[K]+[L] = [M]
	DESCRIPTION	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]
	FEDERAL INCOME TAX													
27	Current Accrual	\$ (6,945)	\$ (400)	2,824	-	\$ (4,521)		(2,168)	(6,690)	-	327	(392)	(247)	(7,001)
28	Debt Interest	\$ (137)	\$ -	\$ -	\$ -	\$ (137)		(298)	(435)			(114)		(548)
29	Deferred FIT	\$ 13,105	\$ -	\$ -	\$ -	\$ 13,105			13,105					13,105
30	Amort ITC	\$ (20)	\$ -	\$ -	\$ -	\$ (20)			(20)					(20)
31	NET OPERATING INCOME	\$ 14,406	\$ (743)	\$ 5,244	\$ -	\$ 18,907		\$ (3,729)	\$ 15,178	\$ -	\$ 608	\$ (614)	\$ (460)	\$ 14,713
	NET OPERATING INCOME													\$ 14,367
	RATE BASE													
	PLANT IN SERVICE													
32	Underground Storage	\$ 25,235	\$ -	\$ -	\$ -	\$ 25,235	16.86%	\$ 4,255	29,490					\$ 29,490
33	Distribution Plant	\$ 337,894	\$ -	\$ -	\$ -	\$ 337,894	16.86%	56,969	394,863					394,863
34	General Plant	\$ 59,169	\$ -	\$ -	\$ -	\$ 59,169	16.86%	9,976	69,145			13,239		82,384
35	Total Plant in Service	\$ 422,298	\$ -	\$ -	\$ -	\$ 422,298		71,199	493,497			13,239		506,736
	ACCUMULATED DEPR/AMORT													
36	Underground Storage	\$ (9,521)	\$ -	\$ -	\$ -	\$ (9,521)	16.86%	(1,605)	(11,126)					(11,126)
37	Distribution Plant	\$ (114,795)	\$ -	\$ -	\$ -	\$ (114,795)	16.86%	(19,354)	(134,149)					(134,149)
38	General Plant	\$ (17,429)	\$ -	\$ -	\$ -	\$ (17,429)	16.86%	(2,939)	(20,368)			(559)		(20,927)
39	Total Accumulated Depr/Amort	\$ (141,745)	\$ -	\$ -	\$ -	\$ (141,745)		(23,898)	(165,643)			(559)		(166,202)
40	NET PLANT	\$ 280,553	\$ -	\$ -	\$ -	\$ 280,553		\$ 47,301	\$ 327,854			\$ 12,680		340,534
41	DEFERRED TAXES	\$ (54,652)	\$ -	\$ -	\$ -	\$ (54,652)	16.86%	(9,214)	(63,866)			(577)		(64,443)
42	Net Plant After DFIT	\$ 225,901	\$ -	\$ -	\$ -	\$ 225,901		38,087	263,988			12,103		276,091
43	GAS INVENTORY	\$ 14,762	\$ -	\$ -	\$ -	\$ 14,762	0.00%	-	14,762					14,762
44	GAIN ON SALE OF BUILDING	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	-	-					-
45	OTHER	\$ (479)	\$ -	\$ -	\$ -	\$ (479)	0.00%	-	(479)					(479)
46	WORKING CAPITAL	\$ 10,073	\$ -	\$ -	\$ -	\$ 10,073	0.00%	-	10,073					10,073
47	TOTAL RATE BASE	\$ 250,257	\$ -	\$ -	\$ -	\$ 250,257		\$ 38,087	\$ 288,344			\$ 12,103		\$ 300,447
	TOTAL RATE BASE													\$ 263,655
48	RATE OF RETURN		5.76%											4.90%
														5.45%

<sup>1</sup>Workpapers for 12.2014 Commission Basis Reports provided with Avista's Response to Staff\_DR\_130.

ATTRITION ADJUSTED REVENUE REQUIREMENT				
49	Proposed Rate of Return	7.29%		7.29%
50	Net Operating Income Requirement	\$ 18,244		\$ 19,220
51	Net Operating Income per Above	14,406		14,713
52	Net Operating Income Deficiency	\$ 3,838		\$ 4,513
53	Conversion Factor	0.62032		0.62032
54	Revenue Requirement	\$ 6,187		\$ 7,823
55	Revenue Growth Factor			1.011566
56	Attrition Adjusted Revenue Requirement			\$ 11,459
				\$ 7,735

\*Note: Adjustment in Column [B] includes the Regulatory Amortization associated with the deferral of the Natural Gas portion of the Project Compass Customer Information System (CIS) project as this amount is not included in the 12.2014 Commission Basis. This amount is not escalated as shown in column [F].