

Exhibit No. ____ (CTM-3)
Dockets UE-120436 et al.
Witness: Christopher T. Mickelson

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION, d/b/a
AVISTA UTILITIES,**

Respondent.

**DOCKETS UE-120436/UG-120437
(consolidated)**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION d/b/a AVISTA
UTILITIES,**

Respondent.

**DOCKETS UE-110876/UG-110877
(consolidated)**

EXHIBIT TO TESTIMONY OF

CHRISTOPHER T. MICKELSON

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Electric Revenue Allocation and Rate Design

September 19, 2012

**AVISTA UTILITIES
WASHINGTON ELECTRIC
PROPOSED INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2011
(000s of Dollars)**

No.	Type of Service (a)	Schedule Number (b)	Base Tariff Revenue Under Present Rates(1) (c)	Proposed General Increase (d)	Base Tariff Revenue Under Proposed Rates(1) (e)	Base Tariff Percent Increase (f)	Total Billed Revenue at Present Rates (2) (g)	Total General Increase (h)	Sch. 93 ERM Decrease (i)	Net General & Sch. 93 Increase (k)	Percent Increase on Billed Revenue (l)	Percent Increase on Billed Revenue (l)
1	Residential	1	\$198,459	\$1,748	\$200,207	0.88%	\$198,913	\$1,748	\$0	\$1,748	0.88%	0.88%
2	General Service	11/12	\$55,514	(\$1,058)	\$54,456	(1.91%)	\$58,177	(\$1,058)	\$0	(\$1,058)	-1.82%	-1.82%
3	Large General Service	21/22	\$126,921	(\$2,789)	\$124,132	(2.20%)	\$132,863	(\$2,789)	\$0	(\$2,788)	-2.10%	-2.10%
4	Extra Large General Service	25	\$58,190	\$691	\$58,882	1.19%	\$60,966	\$691	\$0	\$691	1.13%	1.13%
5	Pumping Service	30/31/32	\$9,439	\$141	\$9,580	1.50%	\$9,880	\$141	\$0	\$141	1.43%	1.43%
6	Street & Area Lights	41-48	\$6,582	(\$64)	\$6,518	(0.98%)	\$6,899	(\$64)	\$0	(\$64)	-0.93%	-0.93%
7	Total		\$455,105	(\$1,331)	\$453,775	(0.29%)	\$467,697	(\$1,331)	\$0	(\$1,331)	-0.28%	-0.28%

(1) Excludes all present rate adjustments: Schedule 59 (BPA Residential Exchange), and Schedule 91 (Public Purpose Rider Adjustment).

(2) Includes all present rate adjustments: Schedule 59 (BPA Residential Exchange), and Schedule 91 (Public Purpose Rider Adjustment).

**AVISTA UTILITIES
WASHINGTON ELECTRIC
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE**

Type of Service (a)	Base Tariff Sch. Rate (b)	Present Other Adj.(1) (c)	Present Billing Rate (d)	General Rate Increase (e)	Proposed Billing Rate (f)	Proposed Base Tariff Rate (g)	Sch. 93 ERM Decrease (h)	Proposed Billing Rate With ERM Decrease (2) (i)
<u>Residential Service - Schedule 1</u>								
Basic Charge	\$6.00		\$6.00	\$1.34	\$7.34	\$7.34		\$7.34
Energy Charge:								
First 600 kWhs	\$0.06914	\$0.00019	\$0.06933	\$0.00120	\$0.07053	\$0.07034	\$0.00000	\$0.07053
600 - 1,300 kWhs	\$0.08044	\$0.00019	\$0.08063	\$0.00140	\$0.08203	\$0.08184	\$0.00000	\$0.08203
All over 1,300 kWhs	\$0.09429	\$0.00019	\$0.09448	\$0.00165	\$0.09613	\$0.09594	\$0.00000	\$0.09613
<u>General Services - Schedule 11</u>								
Basic Charge	\$12.00		\$12.00	\$0.00	\$12.00	\$12.00		\$12.00
Energy Charge:								
First 3,650 kWhs	\$0.10891	\$0.00544	\$0.11435	(\$0.00230)	\$0.11205	\$0.10661	\$0.00000	\$0.11205
All over 3,650 kWhs	\$0.08002	\$0.00544	\$0.08546	(\$0.00169)	\$0.08377	\$0.07833	\$0.00000	\$0.08377
Demand Charge:								
20 kW or less	no charge		no charge	no charge		no charge		no charge
Over 20 kW	\$5.75/kW		\$5.75/kW		\$5.75/kW	\$5.75/kW		\$5.75/kW
<u>Large General Service - Schedule 21</u>								
Energy Charge:								
First 250,000 kWhs	\$0.06819	\$0.00401	\$0.07220	(\$0.00281)	\$0.06939	\$0.06538	\$0.00000	\$0.06939
All over 250,000 kWhs	\$0.06097	\$0.00401	\$0.06498	(\$0.00253)	\$0.06245	\$0.05844	\$0.00000	\$0.06245
Demand Charge:								
50 kW or less	\$400.00		\$400.00	\$0.00	\$400.00	\$400.00		\$400.00
Over 50 kW	\$5.25/kW		\$5.25/kW	\$0.50/kW	\$5.75/kW	\$5.75/kW		\$5.75/kW
Primary Voltage Discount	\$0.20/kW		\$0.20/kW		\$0.20/kW	\$0.20/kW		\$0.20/kW
<u>Extra Large General Service - Schedule 25</u>								
Energy Charge:								
First 500,000 kWhs	\$0.05373	\$0.00261	\$0.05634	(\$0.00128)	\$0.05506	\$0.05245	\$0.00000	\$0.05506
500,000 - 6,000,000 kWhs	\$0.04834	\$0.00261	\$0.05095	(\$0.00115)	\$0.04980	\$0.04719	\$0.00000	\$0.04980
All over 6,000,000 kWhs	\$0.04391	\$0.00261	\$0.04652	(\$0.00104)	\$0.04548	\$0.04287	\$0.00000	\$0.04548
Demand Charge:								
3,000 kva or less	\$14,000		\$14,000		\$14,000	\$14,000		\$14,000
Over 3,000 kva	\$4.25/kva		\$4.25/kva	\$1.50/kva	\$5.75/kva	\$5.75/kva		\$5.75/kva
Primary Volt. Discount								
11 - 60 kv	\$0.20/kW		\$0.20/kW		\$0.20/kW	\$0.20/kW		\$0.20/kW
60 - 115 kv	\$1.10/kW		\$1.10/kW		\$1.10/kW	\$1.10/kW		\$1.10/kW
115 or higher kv	\$1.35/kW		\$1.35/kW		\$1.35/kW	\$1.35/kW		\$1.35/kW
Annual Minimum	Present:	\$732,080			\$718,650			\$718,650
<u>Pumping Service - Schedule 31</u>								
Basic Charge	\$10.00		\$10.00	\$3.01	\$13.01	\$13.01		\$13.01
Energy Charge:								
First 165 kW/kWh	\$0.09114	\$0.00355	\$0.09469	\$0.00054	\$0.09523	\$0.09168	\$0.00000	\$0.09523
All additional kWhs	\$0.06511	\$0.00355	\$0.06866	\$0.00039	\$0.06905	\$0.06550	\$0.00000	\$0.06905

(1) Includes all present rate adjustments: Sch. 59 (BPA Residential Exchange) and Sch. 91 (Public Purpose Rider Adjustment).

(2) Includes all present rate adjustments: Sch. 59 (BPA Residential Exchange), Sch. 91 (Public Purpose Rider Adjustment) and the Proposed Sch. 93 (ERM Refund).

**AVISTA UTILITIES
WASHINGTON ELECTRIC
COLLECTION OF REVENUE AND DIFFERENCE IN RATES
12 MONTHS ENDED DECEMBER 31, 2011**

Line No.	A	B	C Rates			E	F	G Revenues Collected by Rate Design (Sch. 1)		H	I
			Current	Proposed	Revised			Current	Proposed		
1											
2											
3	Base	\$ 6.00	\$ 10.00	\$ 7.34			7.21%	11.03%	8.74%		
4	0-600	\$ 0.06933	\$ 0.07276	\$ 0.07053			43.25%	41.67%	53.55%		
5	600-800	\$ 0.08063	\$ 0.08406	\$ 0.07053			50.46%	52.70%	62.29%		
6	800-1300	\$ 0.08063	\$ 0.08406	\$ 0.08203							
7	1300-1500	\$ 0.09448	\$ 0.09791	\$ 0.08203			28.92%	27.68%	21.62%		
8	1500+	\$ 0.09448	\$ 0.09791	\$ 0.09613			20.62%	19.62%	16.09%		
9							49.54%	47.30%	37.71%		
10											
11							100.00%	100.00%	100.00%		
12	Base	\$ 1.34	\$ (2.66)	\$ -							
13	0-600	\$ 0.00120	\$ (0.00223)	\$ -							
14	600-800	\$ (0.01010)	\$ (0.01353)	\$ -							
15	800-1300	\$ 0.00140	\$ (0.00203)	\$ -							
16	1300-1500	\$ (0.01245)	\$ (0.01588)	\$ -							
17	1500+	\$ 0.00165	\$ (0.00178)	\$ -							
18											
19											
20											
21											

	Difference in Revenues		
	Current	Proposed	Revised
Base	1.5%	-2.3%	0.0%
1st Block	10.3%	11.9%	0.0%
2nd Block	-7.3%	-6.1%	0.0%
3rd Block	-4.5%	-3.5%	0.0%
	0.0%	0.0%	0.0%

Line No.

(a)

(b)

(c)

(d)

(e)

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(g)

**Bill Comparison
Schedule 1 - Residential**

	<i>Current</i>	<i>Proposed</i>	<i>Revised</i>
Customer Count	201,448	201,448	201,448
Base	\$6.00	\$10.00	\$7.34
Allowance	0	0	0
Rate 1	\$0.06933	\$0.07276	\$0.07053
Rate 2	\$0.08063	\$0.08406	\$0.08203
Rate 3	\$0.09448	\$0.09791	\$0.09613
Block 1	600	600	800
Block 2	1,300	1,300	1,500
Block 3 (Over)	1,301	1,301	1,501
Usage Per kWh	1	1	1

Usage Per kWh	Current Monthly Bill	Proposed vs. Current	Proposed Monthly Bill	Revised vs. Proposed	Revised Monthly Bill	Revised vs. Current
0	\$6.00	66.7%	\$10.00	-26.6%	\$7.34	22.3%
50	\$9.47	44.1%	\$13.64	-20.3%	\$10.87	14.8%
100	\$12.93	33.6%	\$17.28	-16.7%	\$14.39	11.3%
150	\$16.40	27.5%	\$20.91	-14.3%	\$17.92	9.3%
200	\$19.87	23.6%	\$24.55	-12.7%	\$21.45	8.0%
250	\$23.33	20.8%	\$28.19	-11.4%	\$24.97	7.0%
300	\$26.80	18.8%	\$31.83	-10.5%	\$28.50	6.3%
350	\$30.27	17.2%	\$35.47	-9.7%	\$32.03	5.8%
400	\$33.73	15.9%	\$39.10	-9.1%	\$35.55	5.4%
450	\$37.20	14.9%	\$42.74	-8.6%	\$39.08	5.1%
500	\$40.67	14.1%	\$46.38	-8.1%	\$42.61	4.8%
550	\$44.13	13.3%	\$50.02	-7.8%	\$46.13	4.5%
600	\$47.60	12.7%	\$53.66	-7.5%	\$49.66	4.3%
650	\$51.63	12.1%	\$57.86	-8.1%	\$53.18	3.0%
700	\$55.66	11.5%	\$62.06	-8.6%	\$56.71	1.9%
750	\$59.69	11.0%	\$66.27	-9.1%	\$60.24	0.9%
800	\$63.72	10.6%	\$70.47	-9.5%	\$63.76	0.1%
850	\$67.76	10.2%	\$74.67	-9.1%	\$67.87	0.2%
900	\$71.79	9.9%	\$78.87	-8.8%	\$71.97	0.3%
950	\$75.82	9.6%	\$83.08	-8.4%	\$76.07	0.3%
1,000	\$79.85	9.3%	\$87.28	-8.1%	\$80.17	0.4%
1,100	\$87.91	8.8%	\$95.69	-7.6%	\$88.37	0.5%
1,200	\$95.98	8.5%	\$104.09	-7.2%	\$96.58	0.6%
1,300	\$104.04	8.1%	\$112.50	-6.9%	\$104.78	0.7%
1,400	\$113.49	7.8%	\$122.29	-7.6%	\$112.98	-0.4%
1,500	\$122.94	7.4%	\$132.08	-8.2%	\$121.19	-1.4%
1,600	\$132.38	7.2%	\$141.87	-7.8%	\$130.80	-1.2%
1,700	\$141.83	6.9%	\$151.66	-7.4%	\$140.41	-1.0%
1,800	\$151.28	6.7%	\$161.45	-7.1%	\$150.02	-0.8%
1,900	\$160.73	6.5%	\$171.24	-6.8%	\$159.64	-0.7%
2,000	\$170.18	6.4%	\$181.04	-6.5%	\$169.25	-0.5%
2,100	\$179.62	6.2%	\$190.83	-6.3%	\$178.86	-0.4%
2,200	\$189.07	6.1%	\$200.62	-6.1%	\$188.48	-0.3%
2,300	\$198.52	6.0%	\$210.41	-5.9%	\$198.09	-0.2%
2,600	\$226.86	5.7%	\$239.78	-5.4%	\$226.93	0.0%
2,800	\$245.76	5.5%	\$259.36	-5.1%	\$246.15	0.2%
3,000	\$264.66	5.4%	\$278.95	-4.9%	\$265.38	0.3%
3,200	\$283.55	5.3%	\$298.53	-4.7%	\$284.61	0.4%
3,400	\$302.45	5.2%	\$318.11	-4.5%	\$303.83	0.5%
3,600	\$321.34	5.1%	\$337.69	-4.3%	\$323.06	0.5%
3,800	\$340.24	5.0%	\$357.27	-4.2%	\$342.28	0.6%
4,000	\$359.14	4.9%	\$376.86	-4.1%	\$361.51	0.7%
4,200	\$378.03	4.9%	\$396.44	-4.0%	\$380.74	0.7%
4,400	\$396.93	4.8%	\$416.02	-3.9%	\$399.96	0.8%
4,600	\$415.82	4.8%	\$435.60	-3.8%	\$419.19	0.8%
4,800	\$434.72	4.7%	\$455.18	-3.7%	\$438.41	0.8%

Line No.

(a)

(b)

(c)

(d)

(e)

(f)

(g)

**Bill Comparison
Schedule 1 - Residential**

	<i>Current</i>	<i>Proposed</i>	<i>Revised</i>
Customer Count	201,448	201,448	201,448
Base	\$6.00	\$10.00	\$7.34
Allowance	0	0	0
Rate 1	\$0.06933	\$0.07276	\$0.07053
Rate 2	\$0.08063	\$0.08406	\$0.08203
Rate 3	\$0.09448	\$0.09791	\$0.09613
Block 1	600	600	800
Block 2	1,300	1,300	1,500
Block 3 (Over)	1,301	1,301	1,501
Usage Per kWh	1	1	1

Usage Per kWh	Current Monthly Bill	Proposed vs. Current	Proposed Monthly Bill	Revised vs. Proposed	Revised Monthly Bill	Revised vs. Current
5,300	\$481.96	4.6%	\$504.14	-3.5%	\$486.48	0.9%
5,800	\$529.20	4.5%	\$553.09	-3.4%	\$534.54	1.0%
6,300	\$576.44	4.4%	\$602.05	-3.2%	\$582.61	1.1%
6,800	\$623.68	4.4%	\$651.00	-3.1%	\$630.67	1.1%
7,300	\$670.92	4.3%	\$699.96	-3.0%	\$678.74	1.2%
7,800	\$718.16	4.3%	\$748.91	-3.0%	\$726.80	1.2%
8,300	\$765.40	4.2%	\$797.87	-2.9%	\$774.87	1.2%
8,800	\$812.64	4.2%	\$846.82	-2.8%	\$822.93	1.3%
9,300	\$859.88	4.2%	\$895.78	-2.8%	\$871.00	1.3%
9,800	\$907.12	4.1%	\$944.73	-2.7%	\$919.06	1.3%
10,300	\$954.36	4.1%	\$993.69	-2.7%	\$967.13	1.3%
10,800	\$1,001.60	4.1%	\$1,042.64	-2.6%	\$1,015.19	1.4%
11,300	\$1,048.84	4.1%	\$1,091.60	-2.6%	\$1,063.26	1.4%
11,800	\$1,096.08	4.1%	\$1,140.55	-2.6%	\$1,111.32	1.4%
12,300	\$1,143.32	4.0%	\$1,189.51	-2.5%	\$1,159.39	1.4%
12,800	\$1,190.56	4.0%	\$1,238.46	-2.5%	\$1,207.45	1.4%
13,300	\$1,237.80	4.0%	\$1,287.42	-2.5%	\$1,255.52	1.4%
13,800	\$1,285.04	4.0%	\$1,336.37	-2.5%	\$1,303.58	1.4%
14,300	\$1,332.28	4.0%	\$1,385.33	-2.4%	\$1,351.65	1.5%
14,800	\$1,379.52	4.0%	\$1,434.28	-2.4%	\$1,399.71	1.5%
15,300	\$1,426.76	4.0%	\$1,483.24	-2.4%	\$1,447.78	1.5%
15,800	\$1,474.00	3.9%	\$1,532.19	-2.4%	\$1,495.84	1.5%
16,300	\$1,521.24	3.9%	\$1,581.15	-2.4%	\$1,543.91	1.5%
16,800	\$1,568.48	3.9%	\$1,630.10	-2.3%	\$1,591.97	1.5%
17,300	\$1,615.72	3.9%	\$1,679.06	-2.3%	\$1,640.04	1.5%
17,800	\$1,662.96	3.9%	\$1,728.01	-2.3%	\$1,688.10	1.5%
18,300	\$1,710.20	3.9%	\$1,776.97	-2.3%	\$1,736.17	1.5%
18,800	\$1,757.44	3.9%	\$1,825.92	-2.3%	\$1,784.23	1.5%
19,300	\$1,804.68	3.9%	\$1,874.88	-2.3%	\$1,832.30	1.5%
19,800	\$1,851.92	3.9%	\$1,923.83	-2.3%	\$1,880.36	1.5%
20,800	\$1,946.40	3.9%	\$2,021.74	-2.2%	\$1,976.49	1.5%
21,800	\$2,040.88	3.9%	\$2,119.65	-2.2%	\$2,072.62	1.6%
22,800	\$2,135.36	3.8%	\$2,217.56	-2.2%	\$2,168.75	1.6%
23,800	\$2,229.84	3.8%	\$2,315.47	-2.2%	\$2,264.88	1.6%
24,800	\$2,324.32	3.8%	\$2,413.38	-2.2%	\$2,361.01	1.6%
25,800	\$2,418.80	3.8%	\$2,511.29	-2.2%	\$2,457.14	1.6%
26,800	\$2,513.28	3.8%	\$2,609.20	-2.1%	\$2,553.27	1.6%
27,800	\$2,607.76	3.8%	\$2,707.11	-2.1%	\$2,649.40	1.6%
28,800	\$2,702.24	3.8%	\$2,805.02	-2.1%	\$2,745.53	1.6%
29,800	\$2,796.72	3.8%	\$2,902.93	-2.1%	\$2,841.66	1.6%
30,800	\$2,891.20	3.8%	\$3,000.84	-2.1%	\$2,937.79	1.6%
31,800	\$2,985.68	3.8%	\$3,098.75	-2.1%	\$3,033.92	1.6%
32,800	\$3,080.16	3.8%	\$3,196.66	-2.1%	\$3,130.05	1.6%
33,800	\$3,174.64	3.8%	\$3,294.57	-2.1%	\$3,226.18	1.6%
34,800	\$3,269.12	3.8%	\$3,392.48	-2.1%	\$3,322.31	1.6%
35,800	\$3,363.60	3.8%	\$3,490.39	-2.1%	\$3,418.44	1.6%

Line No.

(a)

(b)

(c)

(d)

(e)

(f)

(g)

**Bill Comparison
Schedule 1 - Residential**

	<i>Current</i>	<i>Proposed</i>	<i>Revised</i>
4 <i>Customer Count</i>	201,448	201,448	201,448
5 <i>Base</i>	\$6.00	\$10.00	\$7.34
6 <i>Allowance</i>	0	0	0
7 <i>Rate 1</i>	\$0.06933	\$0.07276	\$0.07053
8 <i>Rate 2</i>	\$0.08063	\$0.08406	\$0.08203
9 <i>Rate 3</i>	\$0.09448	\$0.09791	\$0.09613
10 <i>Block 1</i>	600	600	800
11 <i>Block 2</i>	1,300	1,300	1,500
12 <i>Block 3 (Over)</i>	1,301	1,301	1,501
13 <i>Usage Per kWh</i>	1	1	1

	<i>Current</i>	<i>Proposed vs.</i>	<i>Proposed</i>	<i>Revised vs.</i>	<i>Revised</i>	<i>Revised vs.</i>
15 <i>Usage Per kWh</i>	<i>Monthly Bill</i>	<i>Current</i>	<i>Monthly Bill</i>	<i>Proposed</i>	<i>Monthly Bill</i>	<i>Current</i>
108 36,800	\$3,458.08	3.8%	\$3,588.30	-2.1%	\$3,514.57	1.6%
109 37,800	\$3,552.56	3.8%	\$3,686.21	-2.0%	\$3,610.70	1.6%
110 38,800	\$3,647.04	3.8%	\$3,784.12	-2.0%	\$3,706.83	1.6%
111 39,800	\$3,741.52	3.8%	\$3,882.03	-2.0%	\$3,802.96	1.6%
112 49,800	\$4,686.32	3.7%	\$4,861.13	-2.0%	\$4,764.26	1.7%
113 59,800	\$5,631.12	3.7%	\$5,840.23	-2.0%	\$5,725.56	1.7%
114 69,800	\$6,575.92	3.7%	\$6,819.33	-1.9%	\$6,686.86	1.7%
115 79,800	\$7,520.72	3.7%	\$7,798.43	-1.9%	\$7,648.16	1.7%
116 89,800	\$8,465.52	3.7%	\$8,777.53	-1.9%	\$8,609.46	1.7%
117 99,800	\$9,410.32	3.7%	\$9,756.63	-1.9%	\$9,570.76	1.7%
118 109,800	\$10,355.12	3.7%	\$10,735.73	-1.9%	\$10,532.06	1.7%
119 119,800	\$11,299.92	3.7%	\$11,714.83	-1.9%	\$11,493.36	1.7%
120 129,800	\$12,244.72	3.7%	\$12,693.93	-1.9%	\$12,454.66	1.7%
121 139,800	\$13,189.52	3.7%	\$13,673.03	-1.9%	\$13,415.96	1.7%
122 149,800	\$14,134.32	3.7%	\$14,652.13	-1.9%	\$14,377.26	1.7%
123 159,800	\$15,079.12	3.7%	\$15,631.23	-1.9%	\$15,338.56	1.7%
124 169,800	\$16,023.92	3.7%	\$16,610.33	-1.9%	\$16,299.86	1.7%
125 179,800	\$16,968.72	3.7%	\$17,589.43	-1.9%	\$17,261.16	1.7%
126 189,800	\$17,913.52	3.7%	\$18,568.53	-1.9%	\$18,222.46	1.7%
127 199,800	\$18,858.32	3.7%	\$19,547.63	-1.9%	\$19,183.76	1.7%
128 209,800	\$19,803.12	3.7%	\$20,526.73	-1.9%	\$20,145.06	1.7%
129 219,800	\$20,747.92	3.7%	\$21,505.83	-1.9%	\$21,106.36	1.7%
130 229,800	\$21,692.72	3.7%	\$22,484.93	-1.9%	\$22,067.66	1.7%
131 239,800	\$22,637.52	3.7%	\$23,464.03	-1.9%	\$23,028.96	1.7%
132 249,800	\$23,582.32	3.7%	\$24,443.13	-1.9%	\$23,990.26	1.7%
133 349,800	\$33,030.32	3.6%	\$34,234.13	-1.8%	\$33,603.26	1.7%