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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

**MICHAEL R. STYLER**  
Executive Director

### Division of Oil, Gas and Mining

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March 7, 2016

TO: General File  
Dana Dean, Associate Director  
Steve Christensen, Permit Supervisor  
Daron Haddock, Permit Supervisor  
Paul Baker, Minerals Program Manager  
Cheryl Parker Coal Program

FROM: Wayne Western, Environmental Scientist

RE: Escalation Factor for 2016 -0.7%

Following are the index numbers and escalation factor from the Means Historical Cost Index for Site Construction, National Average CSI Division Number 015433 0241,3100:

Year	Index	Escalation (5 Year Averages)
2003	119.2	
2004	120.2	1.005
2005	125.0	1.016
2006	131.8	1.032
2007	134.6	1.038
2008	130.0	1.013
2009*	133.8	1.005
2010	136.2	1.017
2011**	140.2	1.012
2012	145.0	1.015
2013	143.1	1.019
2014	141.7	1.012
2015	140.7	1.007

The escalation factor for bonds estimated from this date forward in 2016 will use the 0.7% escalation factor. The escalation factor was calculated from the Historic Cost Index for Site Construction.

\*Starting with January 2009, fuel costs and routine maintenance costs are included in the equipment cost.

\*\* Starting in 2011 the escalation will be based on a five-year prior factors were based on a three-year average.

P:\GROUPS\MINERALS\WP\BondAverageCostPerAcre\2016\EscalationMemo2016.doc

