

February 7, 2003

TO: Steven Demczak, Reclamation Bond Estimator
Pete Hess, Reclamation Bond Estimator
Doug Jensen, Reclamation Bond Estimator
Wayne H. Western, Reclamation Bond Estimator

FROM: Pamela Grubaugh-Littig, Permit Supervisor

RE: Means Historical Cost Index - 2003 – 2.89%, General File

Following are the index numbers and escalation factor from the Means Historical Cost Index for Utah:

| YEAR | INDEX | ESCALATION (Actual) |
|-------------|--------------|----------------------------|
| 2000 | 106.5 | 2.44% |
| 2001 | 109.1 | 4.21% |
| 2002 | 113.7 | 2.02% |
| 2003 | 116.0 | 2.89% (ave.) |

The future escalation factor for 2003 bond estimating is 2.89%, the average of the three previous years.

cc: Mary Ann Wright
Wayne Hedberg
Daron Haddock
Susan White

P:\GROUPS\COAL\WP\BOND\MEANS2003.DOC