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DEPARTMENT OF NATURAL RESOURCES

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April 4, 2008

TO: General File
Anthony Gallegos, Environmental Scientist
Paul Baker, Environmental Scientist
Lynn Kunzler, Environmental Scientist
Beth Ericksen, Environmental Scientist
Wayne Western, Environmental Scientist

FROM: Daron R. Haddock, Permit Supervisor
James D. Smith, Permit Supervisor

RE: Escalation Factor for 2008 – 3.8%

DRH
JS

Following are the index numbers and escalation factor from the Means Historical Cost Index for Site Construction, National Average:

Year	Index	Escalation (3 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

The escalation factor for bonds estimated from this date forward in 2008 will use the 3.8% escalation factor. The escalation factor was calculated from the Historic Cost Index for Site Construction.

*The Division modified the method for calculating escalation. The base is 2004 and the escalation factor will be over the period from 2005 to 2007. Before then the Division used a weighted average of the three years.

cc: Daron Haddock
Susan White
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