

"Read Me" File for EPA Report:

Escalation Indexes for Air Pollution Control Costs

This report documents the work accomplished during the February 1993-94 "Bernard J. Steigerwald Opportunity for Independent Study". Retitled *Escalation Indexes for Air Pollution Control Costs*, this report discusses why and how these indexes were developed and presents index values for several quarters. These indexes are used to adjust ("escalate") air pollution control equipment costs and total annual costs from one period to another. In all, 16 indexes were developed and are presented herein, one Equipment Cost Index (ECI) and one Total Annual Cost Index (TACI) for each of eight control device categories. These indexes—collectively known as the Vataavuk Air Pollution Control Cost Indexes—can be used to escalate costs from the initial (base) period (first quarter 1994) to any quarter thereafter.

In this report, final ECI and TACI have been calculated for the second, third, and fourth quarters of 1994; and preliminary indexes, for first quarter 1995. The ECI (though not the TACI) will be computed for subsequent quarters as soon as the required input data become available. The updated ECI will be provided as addenda to this report and will be accessible via the Technology Transfer Network (TTN).

This report contains six sections and an appendix. Section I is an introduction, while Section II describes how the eight equipment cost indexes were developed and compares them to other published indexes.

Section III presents the total annual cost indexes, which supplement the corresponding ECI. Also presented is a mini-course in total annual cost estimating and a detailed illustration of the TACI. Lotus™ spreadsheet programs for calculating control device total annual costs are described in Section IV.

Sections V and VI discuss, respectively, strategies for disseminating the indexes and future work needed to update, refine, and expand them. With the latter are estimates of resources needed for index maintenance and improvement. Finally, Appendix A tabulates the control equipment component price factors that were used in developing the ECI. This is followed by a list of references cited in the report.

The entire report is in WordPerfect version 5.1 format. However, because the cover and all but one of the figures are graphic files, the report can be printed out only via a printer configured in Postscript™.

For more information about this report, contact: **William M. Vatavuk, ISEG/AQSSD/OAQPS, at (919)-541-5309.**