



2750 Monroe Blvd
Audubon, PA 19403

January 13, 2022

To: Cost Development Subcommittee

Re: Maintenance Adder Escalation Index Numbers / Escalation Indexes

Dear Members:

PJM has completed the annual update of Maintenance Adder Escalation Index Numbers. The annual escalation factors are derived from the July Handy-Whitman Index, Table E-1 "Cost Trends of Electric Utility Construction; North Atlantic Region", line 6, "Total Steam Production Plant." The year 2021 now reflects the actual index of 861. The year 2022 has been updated with an estimated index of 888, which represents an inflation factor of 3.19% compared to 2021. This inflation factor was calculated by taking the average of the inflation factors over the last 10 years. New escalation factors were then derived for the past 20 years based on the estimated 2022 index. These values are shown in the attached table.

These escalation indexes should be used in the calculation of generating unit Maintenance Adders, in accordance with the Variable Maintenance Cost, Section 2.6 in the Cost Development Guidelines, Manual 15.

Sincerely,

Nicole Scott
Chairman, Cost Development Subcommittee

NS
Attachment

Chronology of Maintenance Adder Escalation Index Numbers

YEAR	INDEX	ESCALATION FACTOR
2003	441	2.015
2004	465	1.911
2005	493	1.802
2006	515	1.725
2007	546	1.627
2008	596	1.491
2009	578	1.537
2010	604	1.471
2011	631	1.408
2012	645	1.348
2013	653	1.361
2014	672	1.322
2015	700	1.269
2016	714	1.244
2017	711	1.250
2018	745	1.193
2019	760	1.169
2020	779	1.141
2021	861	1.032
2022	888	1.000