

Title V Emissions Fee Rate Calculation for Part 70 Sources Calendar Year 2014

1. Emission Fee References

A. Reference Documentation for CPI

CPI - All Urban Consumers (1982-84=100)

CPI Reference Source website <http://www.bls.gov/ro1/9130.htm>

B. Clean Air Act, Part 70 and Reservation Air Code Emission Fee Indexing Citations

Clean Air Act: Title 42 United States Code Chapter 85, Subchapter V, §7661a(b)(3)

Part 70: 40 Code of Federal Regulations §70.9(b)(2)(iv)

Reservation Air Code: RAC 2-119(1)(d)

2. Example Calculations

Step 1 = Retrieve Consumer Price Index (CPI) information from U.S. Department of Labor, Bureau of Labor Statistics. Use All Urban Consumers (CPI-U) 1982-84=100.

Step 2 = Average CPI values from September through August for current and previous year.

$$CPI_{avg} = \Sigma \text{ Monthly CPI values September through August } \div 12$$

Step 3 = Subtract current year monthly average from previous year monthly average.

$$\Delta CPI = \text{Current } CPI_{avg} - \text{Previous } CPI_{avg}$$

Step 4 = Divide difference of current year and previous year monthly averages by current year monthly average. Multiply value by 100 to convert to percentage.

$$ADJ\% = \Delta CPI \div \text{Current } CPI_{avg} \times 100$$

Step 5 = Multiply previous years emission fee in dollars/ton by inflation adjustment percentage.

$$FEE\$_{increase} = FEE\$_{previous} \times ADJ\%$$

Step 6 = Add increase in dollars/ton to previous year's emission fee to obtain current year fee in dollars/ton.

$$FEE\$_{current} = FEE\$_{previous} + FEE\$_{increase}$$

3. Calculate Revised Emissions Fees for Current Year

A. Previous Year Monthly Consumer price Index for (September 2012 through August 2013)

Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13
231.407	231.317	230.221	229.601	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877

Previous Year Monthly Avg: 232.018

B. Current Year Monthly Consumer price Index for (September 2012 through August 2013)

Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14
234.149	233.546	233.069	233.049	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852

Current Year Monthly Avg: 235.685

C. Calculate Difference between CPI Previous and Current Year Monthly Averages

Current Year Monthly Avg:	235.685	<i>Current year's monthly avg. index value change</i>
Prior Year Monthly Avg:	232.018	<i>Previous year's monthly avg. index value change</i>
Difference:	3.6668	<i>Difference between the two Annual Monthly Averages</i>

D. Derive Annual Average Monthly % Adjustment Factor

Avg Monthly %: **1.55580%**
(change in CPI)

E. Adjust Fees to Current Year

Last Year's Emissions Fee:	\$50.83
Inflation Adjustment:	\$0.79

Revised Fee for 2014¹ \$140.00

1. No CPI indexing for CY 2014. Base emission fee was increased on September 24, 2014 by resolution of the Environmental Commission (No. 2014-03)