

# Formula for the Escalation and De-escalation of Crude Oil and Natural Gas Prices

TAX YEAR **2024**

Previous Calendar Year **2023**

X (oil) = **212.745** for Crude petroleum (domestic production) - WPU0561

X (gas) = **93.18** for Natural gas - WPU0531

Y = **2023** - **1982** = **41**

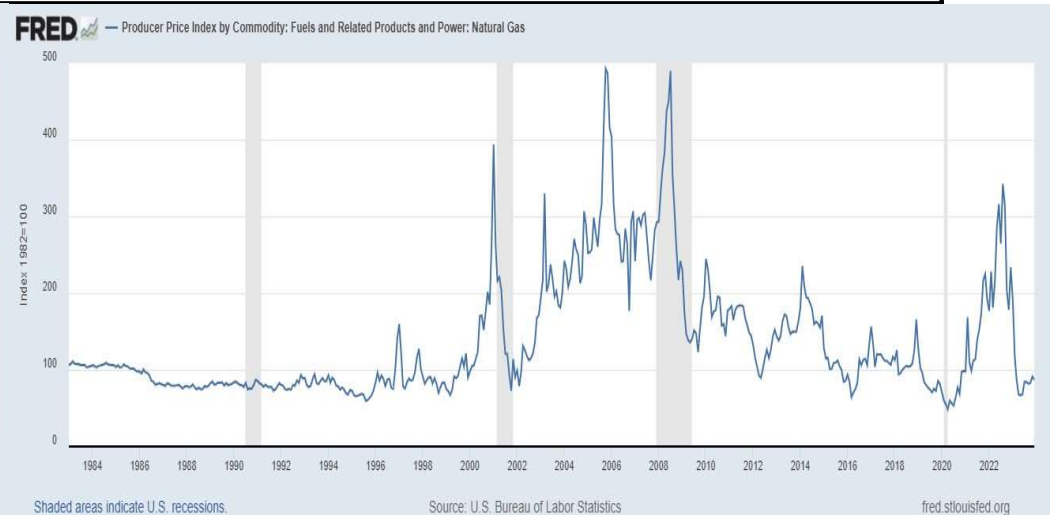
1/Y = **0.024390**

**Escalation Factor for Crude petroleum (domestic production)**

$$(( X (\text{oil}) / 100 ) ^ ( 1/Y ) - 1 ) * 100 = \boxed{1.01858}$$

**Escalation Factor for Natural gas**

$$(( X (\text{gas}) / 100 ) ^ ( 1/Y ) - 1 ) * 100 = \boxed{0.99828}$$



[Producer Price Index by Commodity: Fuels and Related Products and Power: Crude Petroleum \(Domestic Production\) \(WPU0561\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)

[Producer Price Index by Commodity: Fuels and Related Products and Power: Natural Gas \(WPU0531\) | FRED | St. Louis Fed \(stlouisfed.org\)](#)