

Application of San Diego Gas & Electric Company (U902M) for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2012.

A.10-12-005  
(Filed December 15, 2010)

Application of Southern California Gas Company (U904G) for authority to update its gas revenue requirement and base rates effective on January 1, 2012.

A.10-12-006  
(Filed December 15, 2010)

Application: A.10-12-006  
Exhibit No.: SDGE-246/SCG-239

**PREPARED REBUTTAL TESTIMONY OF  
HERBERT S. EMMRICH  
ON BEHALF OF SOUTHERN CALIFORNIA GAS COMPANY  
AND SAN DIEGO GAS & ELECTRIC COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**OCTOBER 2011**



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ATTACHMENTS A and B



1 providing safe and reliable service to their customers. DRA, SCGC, UCAN and FEA  
2 propose an unbalanced and asymmetrical Earnings Sharing Mechanism and reject the  
3 SCG/SDG&E proposed Productivity Sharing Mechanisms. SCG and SDG&E have  
4 proposed Shareholder Earnings and Productivity Sharing Mechanisms that are symmetrical  
5 and balanced that provide shareholders the incentive to innovate, increase productivity and  
6 prudently manage costs thereby providing shared benefits to both customers and  
7 shareholders that transcend the General Rate Case (“GRC”) cycle.

8 Specifically, my testimony rebuts the following points:

- 9 • DRA, SCGC, UCAN and FEA recommend a PTY ratemaking mechanism that is  
10 based on the U.S. national Consumer Price Index-Urban (CPI-U), for utility O&M  
11 and Capital costs, which yields revenue increases of 1.9% in 2013, 2.0% in 2014 and  
12 2.0% in 2015 instead of the SCG and SDG&E proposal to annually update escalation  
13 based on the more appropriate Global Insight utility cost indexes.
- 14 • DRA recommends that if OpEx savings exceed \$5 million in a given year, the net  
15 OpEx savings above \$5 million should be credited to ratepayers, rather than applying  
16 OpEx savings as an offset to meet the Utilities’ productivity gains necessary for the  
17 utilities to potentially earn their authorized Return On Equity (“ROE”).
- 18 • DRA, SCGC, UCAN and FEA oppose a separate Smart Grid revenue requirement  
19 increase for SDG&E and proposes exorbitant 2012 Test Year reductions to  
20 SDG&E’s proposed Smart Grid investments that are necessary for SDG&E to  
21 manage its electrical grid to accommodate distributed generation, the State-mandated  
22 33 percent renewables target, provide customers with better and more timely energy  
23 usage information, and enhance grid security and reliability.

- 1 • DRA recommends the use of the IHS Global Insight Cost Planner “Health Care  
2 Benefits, Group Health Insurance” index as a medical cost escalation factor, with the  
3 knowledge that Global Insight’s forecast understates actual medical costs escalation  
4 by a wide margin and that the SCG/SDG&E proposed Towers Watson forecast is  
5 more in line with expected PTY medical costs. Witness Ms. Debbie Robinson rebuts  
6 the DRA and intervenors on this issue.
- 7 • With the exception of the proposed New Environmental Regulation Balancing  
8 Account (NERBA), DRA does not oppose the Utilities’ proposed base margin  
9 exclusions, except for the NERBA, although the NERBA is necessary to account for  
10 new environmental regulations. This issue is rebutted by witness Ms. Deana Haines.
- 11 • DRA supports and proposes a four-year GRC term (3 post test years) for SCG and  
12 SDG&E while SCGC and FEA propose a two-year PTY period.
- 13 • Regarding the Utilities’ earnings sharing mechanism proposal, DRA, SCGC, UCAN  
14 and FEA recommend that there be no earnings adjustment below the authorized Rate  
15 of Return (ROR). Furthermore, the sharing bands should be reduced so that there are  
16 four sharing bands, with greater revenue sharing going to ratepayers. Here DRA,  
17 SCGC, UCAN and FEA propose a non-symmetrical sharing mechanism that reduces  
18 shareholder incentives to innovate and manage costs for the benefit of customers and  
19 shareholders.
- 20 • DRA, SCGC, UCAN and FEA oppose the Utilities’ proposed 2015/2016  
21 productivity sharing mechanism, thereby reducing the shareholder incentive to invest  
22 in productivity enhancing investments that transcend GRC cycles.
- 23 My rebuttal testimony addresses each of these issues in turn.

1  
2 **II. PTY ESCALATION INDEXES. REBUTTAL TO DRA, SCGC, UCAN**  
3 **AND FEA’S PROPOSALS TO USE THE CPI-U INSTEAD OF THE**  
4 **UTILITY PROPOSED GLOBAL INSIGHT UTILITY COST INDEXES**

5 **A. The CPI-U Does Not Adequately Track Utility Cost Increases.**

6 The CPI-U is a fundamentally inappropriate index to use for escalating utility capital,  
7 labor and non-labor O&M expenses. The CPI-U measures changes in the price of a  
8 representative basket of goods and services purchased by a typical U.S. household. It is not  
9 intended to and does not gauge price changes of those goods and services purchased by  
10 businesses in general, let alone utilities in particular. The market basket on which the CPI-U  
11 is based in turn implicitly relies on an unspecified set of labor/materials inputs that would  
12 not be the same as the distribution between labor and non-labor O&M and capital expenses  
13 experienced by utilities. The CPI-U therefore should not be used in a PTY ratemaking  
14 mechanism when utility specific escalation rates or other segment specific cost forecasts are  
15 available that provide more accurate estimates of anticipated utility cost increases. The  
16 major categories of goods and services, that comprise the CPI-U’s “basket,” as well as their  
17 relative weights, are displayed in Table HSE-1 and a full display of the CPI-U and its sub-  
18 categories is shown in Appendix B. A glance at these categories and their respective  
19 weights reveals that the typical household purchases a very different mix of products and  
20 services than does a gas and electric utility. For example, food and beverages would not  
21 constitute 15% of a utility’s O&M purchases. Moreover, while the CPI’s housing category  
22 would not have a direct analogue in a utility’s O&M budget, it is a fact that SCG and  
23 SDG&E will not spend anything close to 41% of their O&M budget to operate and maintain  
24 its offices and building facilities. Furthermore, a utility would not spend 4% of its O&M  
25 budget on apparel, or 6% on recreation.

**Table HSE-1**  
**Major Component Weights in U.S. All Urban CPI**  
 December 2010 (2007-2008 Weights)  
 CPI Component Weight

<i>Category</i>	<i>Weight</i>
Housing	41%
Transportation	17%
Food & Beverages	15%
Medical Care	7%
Education & Communication	6%
Recreation	6%
Apparel	4%
Other (personal care, etc)	3%
Total	100%

Source: US Bureau of Labor Statistics

In addition to the inaccuracy of the CPI-U to escalate utility O&M expenses, the CPI-U index is inappropriate to use because it is an output index that already incorporates productivity across the economy and would likely result in understating utility cost escalation. As shown in Table HSE-2 below, in the last five years, the CPI index lagged the SCG/SDG&E proposed measure of cost escalation and is forecasted to continue this trend in the following five years. Furthermore, DRA’s own escalation witness agrees with SCG/SDG&E’s use of Global Insight’s Utility Cost indexes for escalation purposes, stating: “...escalation for 2010, 2011, and Test Year 2012...escalation rates for electric and gas non-labor and capital are identical because DRA and SDG&E relied upon the first quarter 2010 Global Insight Power Planner.” See (exhibit DRA-6, page 1, lines 6, 12-14). Based on these facts, the Commission should reject the use of CPI-U as the PTY escalator and use the utilities’ proposed Global Insight-based Utility Cost indexes.

% Changes	CPI-U	O&M GEOMPI	Capital-Related Electric Steam Production Plant JUEPPF@PCF	Capital-Related Electric Other Production Plant JUEPPO@PCF	Capital-Related Electric Distrib'n Plant JUEPD@PCF	Capital-Related Total Gas Plant JUG@PCF	Capital-Related Electric Combined Cycle Plant	Capital-Related Common Plant
2005	3.4%	4.1%	5.4%	2.0%	7.3%	17.3%	4.4%	9.8%
2006	3.2%	3.7%	4.6%	6.7%	10.5%	4.1%	5.2%	8.6%
2007	2.9%	3.1%	5.1%	12.8%	10.3%	-1.9%	7.4%	7.0%
2008	3.8%	4.5%	6.7%	9.9%	8.0%	12.4%	7.7%	8.9%
2009	-0.3%	1.5%	-1.3%	7.3%	2.7%	-1.0%	1.5%	1.2%
2010	1.6%	2.3%	0.4%	2.1%	0.8%	1.4%	0.9%	0.7%
2011	3.2%	2.7%	1.8%	1.8%	2.1%	3.4%	1.8%	2.4%
2012	1.6%	2.5%	2.3%	2.1%	2.4%	2.3%	2.3%	2.4%
2013	1.8%	2.6%	3.0%	2.8%	3.0%	2.9%	2.9%	2.9%
2014	2.0%	2.6%	3.4%	3.4%	3.0%	3.5%	3.4%	3.1%
2015	2.0%	2.5%	3.0%	3.5%	2.8%	2.2%	3.2%	2.7%

Sources: Utility cost indexes from 2012 GRC escalation testimony of Scott Wilder (Exhibit SDG&E-38, Table SDG&E-SRW-2). CPI is Global Insight September 2011 forecast of US all urban CPI.

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**B. DRA’s Citations of Past GRC Settlement Agreements Using the CPI-U Are Not Precedent - Setting and Do Not Constitute Commission Policy.**

In advocating use of the CPI-U for PTY revenue escalation, DRA references Settlement Agreements or Decisions where the Commission approved either fixed dollar annual increases or CPI-U as a PTY base margin escalation factor. The very nature of Settlement Agreements is for the parties to negotiate numerous factors in order to reach an overall compromise agreement - one component of which may be a CPI-based escalation factor for the PTY period. SCG/SDG&E have negotiated settlements in the past where a combination of base margin increases and PTY CPI-based escalations have been agreed to, however, this does not suggest that the CPI is the most appropriate PTY escalation mechanism in isolation of other settlement terms and conditions of such a settlement agreement. DRA is well aware that the Commission’s adoption of a settlement does not constitute “implicit agreement” that, in and of itself, the CPI-U was either the best, or most appropriate index for escalating utility O&M expenses. In addition, a number of prior settlement agreements provided for ceilings and floors that modified the CPI change. Simply because the Commission adopted a settlement and their terms does not mean that the



1 Commission either explicitly or implicitly agreed that the CPI as a sole component is the  
2 appropriate or preferred index for purposes of determining escalation of utility costs in GRC  
3 proceedings. In fact, there are numerous GRC proceedings where the Commission rejected  
4 such use of the CPI, and adopted a different method entirely.

5 For example, in PG&E's 2007 GRC proceeding, the Commission approved a  
6 settlement agreement (D.07-03-044, p.253) that provides for O&M revenue escalation based  
7 upon use of utility specific escalation rates. In SCE's 2003 GRC, there was no settlement  
8 agreement and the Commission explicitly rejected the use of the CPI index for revenue  
9 escalation. Specifically, the Commission found, "This CPI approach may be simple, but it  
10 has no other known benefit. Simplicity alone does not prompt us to prefer it over SCE's  
11 approach, which provides for separate and therefore, we believe, more accurate treatment of  
12 O&M expenses and capital-related costs." See (D.04-07-022, p.272-273). Likewise, in  
13 SCE's 2006 GRC proceeding, again with no settlement, the Commission affirmed the use of  
14 the more accurate escalation procedure (D.06-05-016, p.300-306). Also, the Commission  
15 has adopted PTY escalation factors based on utility specific escalation factors for SDG&E  
16 and SoCalGas prior to the current mechanism based on a non-precedential settlement  
17 agreement being adopted in D.05-03-023. Therefore, SCG/SDG&E recommend that the  
18 Commission reject DRA's, SCGC's, UCAN's and FEA's CPI-U escalation factor for the  
19 PTY and adopt SCG/SDG&E's Global Insight -based Utility Cost Index proposal.

20 **III. THE SCG/SDG&E PROPOSED THREE-YEAR PTY TERM; DRA,**  
21 **SCGC, UCAN AND FEA**

22 DRA and UCAN support SCG/SDG&E's three-year PTY term. SCGC and FEA  
23 propose a two-year PTY term. FEA states that "Saving GRC preparation cost by one year of  
24 GRC deferral is not a compelling reason to extend the normal three-year GRC period an

1 additional year into 2012. This involves a period when the Company is making significant  
2 changes to its infrastructure and operations, thus a normal three-year GRC would be  
3 appropriate.” FEA appears to base their two-year PTY period recommendation on only one,  
4 although important, factor; i.e., deferring Commission, utility and intervenor management  
5 and staff the cost of preparing a GRC filing and litigation by one year. However, that is just  
6 one factor to consider. The most compelling reason for the SCG/SDG&E three-year PTY  
7 cycle is to motivate the utilities to engage in productivity enhancement investments over the  
8 entire Test Year and PTY period (2012-2015). It appears that FEA does not understand or  
9 consider the logic behind the longer PTY period proposed by SCG/SDG&E. The primary  
10 rationale for a longer PTY period is to provide the utilities with an incentive to engage in  
11 productivity enhancing investments that extend over more than a two-year PTY period.  
12 Therefore the Commission should reject FEA’s proposal and approve a three-year PTY to  
13 incentivize the utilities to make longer-term productivity enhancing investments.

14  
15 SCGC also proposes a two-year PTY period but instead bases its recommendation on  
16 the fact that the utilities have filed a Pipeline Safety Enhancement Plan in response to D.11-  
17 06-017 that could potentially increase utility investments by \$1.456 million over the next  
18 four years (2011-2015). The very purpose of the separate Pipeline Safety Proceeding by the  
19 Commission is to address issues that are related to enhanced pipeline safety standards that  
20 are not a routine part of GRC filings. Presently, the Pipeline Safety Proceeding is in its  
21 formative stages and it has not been determined what the level nor duration of the ultimate  
22 Pipeline Safety program will entail. SCG/SDG&E believe the Commission is appropriately

1 addressing the two proceedings separately and should therefore reject SCGC’s proposal for  
2 a two-year PTY period and approve the utilities’ three-year PTY period.

3 **IV. OPEX SAVINGS REBUTTAL TO DRA’S PROPOSAL TO CREDIT**  
4 **OPEX-RELATED SAVINGS IN EXCESS OF \$5 MILLION IN ANY**  
5 **PTY YEAR TO RATEPAYERS**

6 DRA recommends that if OpEx savings exceed \$5 million in a given year, the net  
7 OpEx savings above \$5 million should be credited to ratepayers and not used as an offset to  
8 meet the Utilities’ productivity gains. As stated in my revised direct testimony<sup>1</sup> for SCG,

9 “...compared to the OpEx project 2012 Test Year net revenue requirement of  
10 \$17.2 million, the revenue requirement for OpEx, increases to \$25.4 in 2013,  
11 and then declines to \$17.9 million in 2014 and \$8.2 million in 2015 as shown  
12 in Table HSE-1. SoCalGas is not requesting funding to recover the 2013  
13 incremental revenue requirement in rates. The revenue requirement savings  
14 in 2014 and 2015 will be used to help meet our productivity targets.  
15 However, even with the OpEx-generated O&M and capital revenue  
16 requirement savings in 2014 and 2015, they will not be enough to offset the  
17 costs of absorbing customer growth. As shown in Table HSE-2 below, SCG  
18 will have to achieve an additional annual average of about 1.26%  
19 productivity gain in order to offset customer growth. Therefore, SCG  
20 maintains that using the absorption of customer growth as the proposed  
21 productivity measure is reasonable and should be approved by the  
22 Commission. However, should OpEx benefits exceed the projected savings,  
23 customers and shareholders will share gains as part of the proposed Earnings  
24 Sharing Mechanism.

25  
26 **TABLE HSE-2**

Year	2012	2013	2014	2015
Customer % Growth	0.99%	1.13%	1.26%	1.37%
Opex Net Benefits % of Margin (+ = Costs; - = Benefits)	-0.9%	0.43%	0.04%	-0.44%
Required Productivity with Customer Growth and OpEx (Average of 2013-2015 = 1.3%)	0.10%	1.56%	1.30%	0.93%

27  
28 End of quote.”  
29

<sup>1</sup> Revised prepared testimony of Herbert S. Emmrich, Exhibit Nos.: (SCG-39-R) and (SDG&E-46-R), dated July 22, 2011.

1           Therefore, it will be difficult even with the forecasted OpEx cost savings for  
2 SDG&E and SCG to absorb customer growth and meet the necessary productivity gains to  
3 earn their authorized ROR. In addition, although direct OpEx costs can be tracked  
4 throughout the utility, it is not possible to track the exact OpEx related O&M and Capital  
5 benefits because they are indistinguishable from all other efficiencies achieved by the utility.  
6 Therefore, while SoCalGas believes the forecasted OpEx benefits will materialize, it is not  
7 possible to measure when OpEx savings exceed \$5 million in any given PTY period.  
8 Therefore, the Commission should reject DRA's proposal as impractical and should find that  
9 OpEx savings are essential and needed in order for the utilities to meet their necessary  
10 productivity gains to offset customer growth.

11 **V.     PTY SMART GRID REVENUE REQUIREMENT; DRA, SCGC, UCAN**  
12 **AND FEA**

13           DRA, SCGC, UCAN and FEA oppose a separate Smart Grid revenue requirement  
14 increase for SDG&E and propose exorbitant 2012 Test Year reductions in the proposed  
15 SDG&E Smart Grid investments that are necessary for SDG&E to: manage its electrical grid  
16 to accommodate distributed generation being installed at record rates substantially  
17 exceeding forecasts; meet and integrate into it's grid the State-mandated 33 percent  
18 renewables target; accommodate and integrate into its grid a multitude and growing number  
19 of Electric Vehicles; provide customers with better and more timely energy usage  
20 information; integrate smart appliances; and, enhance the electric grid's security and  
21 reliability. As stated in my direct testimony,

22           “In addition to the escalation of the authorized capital-related base margin  
23 costs by the UCIS factors, SDG&E proposes that the capital-related costs not  
24 fully reflected in the 2012 authorized base margin be added to the capital  
25 escalation factors to assure that shareholders are provided the necessary  
26 revenues to have a reasonable opportunity to earn its authorized ROR in the

1 PTY period. This adjustment is needed because some Smart Grid capital  
2 investments are not scheduled to be added to rate base until the end of 2012  
3 and therefore the associated capital-related costs will not be fully reflected in  
4 2012 authorized base margin. Smart Grid project costs are not fully reflected  
5 in the 2012 Test Year revenue requirement and therefore additional revenue  
6 requirements need to be added to the PTY in order to assure full cost  
7 recovery. SDG&E is making the Smart Grid investments in response to  
8 Commission direction in R.08-12-009.

9  
10 In December 2008, the California Public Utilities Commission instituted  
11 proceeding R.08-12-009, an Order Instituting Rulemaking to Consider Smart  
12 Grid Technologies Pursuant to Federal Legislation and on the Commission's  
13 own Motion to Actively Guide Policy in California's Development of a Smart  
14 Grid System. SDG&E has been actively participating in this proceeding,  
15 specifically replying to questions, filing comments in response to rulings, and  
16 participating in numerous workshops. Workshops topics have included  
17 customer issues around functionality, data, privacy and security, distribution  
18 and transmission system impacts, plug-in electric vehicle policies, storage,  
19 security, standards, the California Smart Grid deployment plan and the  
20 metrics that should be leveraged to measure deployment progress of Smart  
21 Grid technology.  
22

23 While participating in proceeding R.08-12-009, a continuing theme has been whether  
24 Smart Grid projects should be discussed within the GRC proceeding or whether separate  
25 applications would be more appropriate. SDG&E believes that projects sufficiently defined  
26 at the time of the GRC and necessary to maintain the safety, reliability, security, and  
27 efficiency of the grid should be presented as part of the GRC. Authority to pursue projects  
28 that are not well-defined, have a cost in excess of \$50 million, or have requirements  
29 determined following the rate case filing should be sought by way of an application.  
30 Requiring an application to be filed post GRC decision would delay Smart Grid technologies  
31 by years and not enable SDG&E to invest in a smarter grid now, when it is necessary to  
32 maintain reliability. SDG&E's customers are investing more each year, increasing the need  
33 for Smart Grid investment post test year, so that SDG&E can continue to deliver safe and  
34 reliable energy as customer investment in PV and EVs continue to grow. SDG&E believes

1 it is appropriate to include Smart Grid projects in the GRC to assure the rapid and timely  
2 development of these necessary projects that will provide customers with the technology to  
3 more efficiently use energy and provide the utility with efficient means to manage the  
4 transmission and distribution grid. As described by witnesses Mr. Krevat (SDG&E-210)  
5 and Mr. Bialek (SDG&E-211), SDG&E customers are leading the nation in adopting new  
6 technologies, such as distributed generation and electric vehicles and SDG&E cannot wait to  
7 take action. The need to invest in Smart Grid technology will increase throughout the term  
8 of this General Rate Case. SDG&E proposes a rolled in revenue requirement treatment to  
9 assure that shareholders are kept whole when making these technology enhancing  
10 investments. In the final decision for R.08-12-009, the Commission stated in section 4.3.2:

11 “- either a review in a GRC or in an application can provide sufficient  
12 Commission oversight of an investment. Furthermore, since SB 17 aims to  
13 promote the deployment of a Smart Grid in California, we conclude that a  
14 utility may seek approval for Smart Grid investments either in its GRC and/or  
15 through separate applications. We believe either review path – as part of a  
16 GRC review of investments or in a separate application – offers a practical  
17 way to review proposed investments in a manner consistent with the goals of  
18 SB 17.”

19  
20 Contrary to Commission Decision R.08-12-009, DRA, SCGC, UCAN and FEA  
21 propose to scuttle the SDG&E Smart Grid program in contradiction to the intent of State and  
22 Federal legislation and Commission decisions. It is clear that State and Federal and  
23 Commission policy support and in many instances require electrical utilities to invest in  
24 Smart Grid technologies. In effect, SDG&E and other California electrical utilities are  
25 required to make these investments in order to accommodate State and Federal and  
26 Commission policies in the areas of renewable energy sources, electrical grid security and  
27 reliability, and energy efficiency goals. As described by witnesses Mr. Krevat and Mr.  
28 Bialek, SDG&E customers, supported by State and Federal policies and incentives, are

1 adopting new technologies that require Smart Grid investments. Yet, DRA, SCGC, UCAN  
 2 and FEA ignore these State, Federal and Commission policies, decisions and requirements  
 3 by recommending that the Commission deny SDG&E the necessary funds and resources to  
 4 support our customers with safe and reliable energy delivery and to comply with State,  
 5 Federal and Commission laws, policies and decisions. Therefore, the Commission should  
 6 reject DRA's, SCGC's, UCAN's and FEA's proposal and fully fund Smart Grid investments  
 7 as requested by SDG&E as shown in Table HSE-3 of my direct testimony. Witnesses Mr.  
 8 Lee Krevat (SDG&E-210), Mr. Thomas Bialek (SDG&E-211), and Mr. Edward Fong  
 9 (SDG&E-213) rebut intervenor proposals to reduce Test Year and PTY Smart Grid program  
 10 spending from a policy and technical perspective.

**Table HSE-3  
 San Diego Gas & Electric  
 Total Annual Smart Grid Revenue Requirement  
 Years 2012-2015**

<b>Year</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Rev Req.</b>	<b>25</b>	<b>76</b>	<b>98</b>	<b>121</b>
<b>Rev Req. Deficiency</b>	<b>0</b>	<b>(50)</b>	<b>(72)</b>	<b>(96)</b>

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 12  
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**VI. PTY MEDICAL COST ESCALATION; DRA**

DRA recommends the use of the national IHS Global Insight Cost Planner Health Care Benefits, Group Health Insurance index as a medical cost escalation factor with the knowledge that Global Insight's forecast understates actual medical costs escalation by a wide margin. The SCG and SDG&E proposed Towers Watson forecast is more in line with

1 expected PTY medical costs. Witness Ms. Debbie Robinson rebuts the DRA and  
2 intervenors on this issue.

3  
4 **VII. PTY NEW ENVIRONMENTAL REGULATION BALANCING**  
5 **ACCOUNT (NERBA) ; DRA AND SCGC**

6 With the exception of the proposed New Environmental Regulation Balancing  
7 Account (NERBA), DRA does not oppose the Utilities' proposed base margin exclusions  
8 although the NERBA is necessary to account for new environmental regulations. SCGC  
9 proposes that capital costs incurred to comply with new environmental regulations be  
10 excluded from the NERBA. This issue is rebutted by witness Ms. Deana Haines.

11 **VIII. PTY EARNINGS SHARING MECHANISM ; DRA, SCGC, UCAN**  
12 **AND FEA**

13 Regarding the Utilities' earnings sharing mechanism proposal, DRA, SCGC, UCAN  
14 and FEA recommend that there be no earnings adjustment below the authorized Rate of  
15 Return (ROR). Furthermore, DRA recommends that the sharing bands should be reduced so  
16 that there are four sharing bands, with greater revenue sharing going to ratepayers. Here  
17 DRA proposes a non-symmetrical sharing mechanism that reduces shareholder incentives to  
18 innovate and manage costs for the benefit of customers and shareholders. SCGC  
19 recommends that the Commission approve the Earnings Sharing Mechanism adopted in  
20 D.05-03-023. FEA does not oppose the utilities' Earnings Sharing Mechanism but  
21 recommends no sharing of losses below the ROR.

22 Specifically, DRA recommends an alternate sharing mechanism that provides  
23 ratepayers a large percentage of above authorized ROR achieved earnings while  
24 shareholders must absorb 100 Percent of potential losses below the authorized ROR, a small



1 25 basis Points Inner Band and a low Off ramp of only 125 basis points above the  
2 Authorized ROR. These proposals reduce the incentive for shareholders to reduce costs  
3 since the sharing is minor and a majority of net benefits accrue to ratepayers while  
4 shareholders must absorb all potential losses. As is clearly evident, DRA is not proposing a  
5 symmetrical or balanced Earnings Sharing Mechanism. The SDG&E/SCG believe DRA's  
6 proposals are unreasonable and disrupt the balance of the overall PTY framework.  
7 SDG&E/SCG believe that the utilities' proposed sharing bands are appropriately calibrated  
8 to ensure that the benefits associated with any cost saving initiatives that succeed in  
9 achieving reductions beyond those required by the implied productivity factor; i.e.; the  
10 absorption of customer growth, will be allocated in an equitable manner between customers  
11 and shareholders.

12 A comparison of the SCG/SDG&E Earnings Sharing Mechanism and DRA's  
13 alternative are shown below.

**Table 38-2  
Earnings Sharing Mechanisms**

<b>A. Utilities' Earning Sharing Mechanism Proposal</b>			
<b>Bands</b>	<b>Basis Points Above Authorized ROR</b>	<b>Ratepayer %</b>	<b>Shareholder %</b>
Inner	0-50	0	100
1	51-100	65	35
2	101-150	50	50
3	151-200	35	65
4	201-250	25	75
5	251-300	10	90
Outer	Above 301	Off-ramp	Off-ramp
<b>Bands</b>	<b>Basis Points Below Authorized ROR</b>	<b>Ratepayer %</b>	<b>Shareholder %</b>
Inner	0-100	0	100
1	101-250*	40	60
Outer	Below 251	Off-ramp	Off-ramp
* The Utilities propose a voluntary off-ramp at -175 basis points.			
<b>B. DRA's Alternative Proposal</b>			
<b>Bands</b>	<b>Basis Points Above Authorized ROR</b>	<b>Ratepayer %</b>	<b>Shareholder %</b>
Inner	0-25	0	100
1	26-100	75	25
2	101-125	65	35
3	126 and above	50	50

1  
2 SDG&E/SCG recommend that the Commission adopt the SCG/SDG&E Earnings  
3 Sharing Mechanism and reject DRA's asymmetrical mechanism that reduces shareholders'  
4 incentives to increase productivity. SDG&E/SCG's mechanism will create benefits for  
5 customers that will continue for years to come as base margin is trued-up in subsequent  
6 GRC cycles.

7  
8 SCGC recommends the following sharing mechanism as approved by the  
9 Commission in D.05-03-023:

<b>Bands</b>	<b>Sharing Band (Basis Points) Above Authorized Rate of Return</b>	<b>Company</b>	<b>Customer</b>
Inner	0-50	100%	0%
1	51-100	25%	75%
2	101-125	35%	65%
3	126-150	45%	55%
4	151-175	55%	45%
5	176-200	65%	35%
6	201-300	75%	25%
Outer	More than 300	Suspend	

1  
2 Although it is true that the Commission approved an asymmetrical sharing  
3 mechanism in D.05-03-023, this was part of an overall settlement of many issues in that  
4 GRC proceeding. However, compared to DRA’s proposed sharing proposal, SCGC’s  
5 proposal is more reasonable to consider.

6 In the McClary and Norin testimony, UCAN also proposes an asymmetrical  
7 Earnings Sharing Mechanism as follows:

**Table 31: UCAN Proposed Earnings Sharing Mechanism Tiers for Above-Authorized ROR Earnings**

<b>Band</b>	<b>Basis Points Above Authorized ROR</b>	<b>Ratepayer %</b>	<b>Shareholder %</b>
Inner Deadband	0-50	0	100
1	51-100	90	10
2	101-150	80	20
3	151-200	70	30
4	201-250	60	40
5	251-300	50	50
Outer	Above 301	Off-Ramp	Off-Ramp

8  
9 Like DRA, FEA and SCGC, UCAN’s proposal is one-sided and should be rejected  
10 by the Commission as unbalanced. It appears that most of the intervening parties believe  
11 that SCG/SDG&E will always be able to exceed their ROR while SCG/SDG&E are more

1 concerned with returns below ROR given the massive cost reductions proposed by these  
2 parties. The Commission should bear in mind that shareholders should be given a fair  
3 opportunity to earn their ROE and that the proposals by intervenors are likely to lead to  
4 earnings below the authorized ROR rather than above the authorized ROR.

5 UCAN witness Mr. Scott Hempling provides a tour-de-force legal and theoretical  
6 analysis of utility ratemaking, incentives regulation and the utilities' obligation to serve  
7 customers and meet performance standards. Although Mr. Hempling's testimony is  
8 thorough, well-documented and raises issues that the Commission should consider, it does is  
9 not provide any compelling reasons for the Commission to disapprove the SCG/SDG&E  
10 Earnings Sharing and Productivity Sharing Mechanisms. The main point of incentive  
11 mechanisms is that incentives are effective. The Commission has successfully implemented  
12 Gas Cost Incentive Mechanisms, Energy Savings Mechanisms, Safety Incentive  
13 Mechanisms and Earnings Sharing Mechanisms that incentivize utilities to perform their  
14 obligations to serve customers while providing the opportunity to shareholders to earn  
15 higher returns. This has proven to be a benefit to customers and shareholders alike and the  
16 Commission should continue incentive mechanisms that have been successful and beneficial  
17 over the years to both customers and shareholders. It has been proven over the years that  
18 Earnings Sharing Mechanisms motivate the utilities to invest in productivity enhancing plant  
19 and equipment and changes in operations that reduce costs while maintaining the  
20 Commission-mandated obligation to serve customers in a cost-effective manner while  
21 meeting all State, Federal and Commission-mandated performance standards.

1 **IX. PTY PRODUCTIVITY SHARING MECHANISM; DRA, SCGC, UCAN**  
2 **AND FEA**

3 DRA, SCGC and FEA oppose the Utilities' proposed 2015/2016 productivity sharing  
4 mechanism thereby reducing the shareholder incentive to invest in productivity enhancing  
5 investments that transcend GRC cycles. DRA states that,

6 "It is inappropriate for the Utilities to have both an earnings sharing  
7 mechanism that covers the attrition years (2013-2015) and an additional  
8 productivity sharing mechanism that overlaps in 2015. In the 2016 Test  
9 Year, the Commission can determine the Utilities' reasonable level of  
10 revenues going forward."

11  
12 It appears that DRA, SCGC and FEA do not understand or consider the logic behind  
13 the Productivity Sharing Mechanism. The purpose is to provide the utility with an incentive  
14 to engage in productivity enhancing investments that transcend GRC cycles. It is true that  
15 shareholders have an incentive to invest in productivity enhancing measures and investments  
16 within a GRC cycle and thereby may gain an increased return based on the Sharing Formula  
17 or lose if productivity efforts fall short. However, due to the true-up of actual costs in the  
18 subsequent GRC cycle, utilities will have an incentive to and therefore may defer  
19 productivity enhancing measures during the final year of the GRC cycle, especially if these  
20 investments will reduce shareholder earnings within the PTY period. The SDG&E/SCG  
21 Productivity Sharing Mechanism will provide the utilities with the means to use appropriate  
22 incentives to continue to invest in productivity enhancing processes and investments  
23 throughout the GRC cycle and beyond. The Commission has the opportunity to break new  
24 ground and remedy one of the shortcomings of the current GRC and shareholder sharing  
25 mechanisms in place.

26 Shareholders fully fund 100% of these productivity enhancement investments within  
27 a GRC cycle that are in excess of the revenue requirements approved in the GRC.

1 Customers receive the benefit of these productivity enhancement investments in the next  
2 GRC cycle. With SCG/SDG&E's proposed Productivity Sharing Mechanism, customers  
3 would receive the full benefit of cost reductions achieved in 2013 and 2014 and 50% for  
4 2015 in the 2016 GRC cycle true-up of costs while shareholders would receive only 50% of  
5 the 2015 savings achieved. In addition, should there be cost savings achieved within the  
6 GRC cycle thereby triggering SCG/SDG&E's proposed Earnings Sharing Mechanism,  
7 customers would share in those savings depending on the level of overall earnings increases  
8 achieved.

9 UCAN also opposes the SDG&E/SCG Productivity Sharing Mechanism but  
10 proposes an alternative Productivity Sharing Mechanism should the Commission approve  
11 such a mechanism. UCAN addresses only the SDG&E Productivity Sharing Mechanism and  
12 proposes the following modified Productivity Sharing Mechanism for SDG&E on page 45  
13 of the McClary and Norin testimony:

14 "If, however, a productivity sharing mechanism is adopted for SDG&E,  
15 SDG&E's proposal must be modified to prevent gaming. Under SDG&E's  
16 proposal, if SDG&E made zero above-authorized ROR earnings in  
17 2012-2014 and a large gain in 2015, 50% of the 2015 gain would become  
18 embedded in its revenue requirement for the next GRC period. If, however,  
19 SDG&E made the same earnings consistently in each year from 2012-2015,  
20 only about 12.5% of that gain would become embedded in its revenue  
21 requirement for the next GRC period.<sup>147</sup> SDG&E, therefore, would have a  
22 substantial incentive to load the maximum amount of cost savings possible  
23 into 2015 alone so that the maximum amount of its cost savings would be  
24 credited forward into its next GRC test year. If SDG&E is to receive  
25 "productivity sharing" earnings, SDG&E should instead be credited based on  
26 its *average* above authorized ROR earnings for the 2012-2015 period to  
27 discourage SDG&E from loading cost savings into any one year."  
28

29 SDG&E/SCG recommend that the Commission adopt the utilities' Productivity  
30 Sharing Mechanism because it strengthens the incentives of the utilities to continuously

1 engage in productivity enhancing measures that provide benefits beyond one GRC cycle.  
2 However, should the Commission decide to modify the utilities' proposal, the UCAN  
3 alternative is a more reasonable alternative to consider.

4 **X. POSITION OF PARTIES ON SCG AND SDG&S PTY RATEMAKING**  
5 **FRAMEWORK**

6 Appendix A outlines the proposed PTY framework and parties' positions on specific  
7 PTY proposals.

8 **XI. SUMMARY AND CONCLUSION**

9 In summary, SCG and SDG&E have proposed a reasonable and balanced PTY  
10 Ratemaking Framework based on the most appropriate escalation factors for O&M  
11 expenditures and Capital investments during the three-year 2013-2015 proposed PTY  
12 period. DRA, SCGC, UCAN and FEA chose to ignore facts and instead propose escalation  
13 factors that are not representative of SCG/SDG&E's PTY utility costs of providing safe and  
14 reliable service to their customers. DRA, SCGC, UCAN and FEA propose an unbalanced  
15 and asymmetrical Earnings Sharing Mechanism and reject the SCG/SDG&E proposed  
16 Productivity Sharing Mechanisms. SCG and SDG&E have proposed Shareholder Earnings  
17 and Productivity Sharing Mechanisms that are symmetrical and balanced that provide  
18 shareholders a fair incentive to innovate, increase productivity and prudently manage costs  
19 thereby providing shared benefits to both customers and shareholders that transcend the  
20 GRC cycle.

21 This concludes my prepared rebuttal testimony.  
22  
23  
24

1 **XII. WITNESS QUALIFICATIONS**

2 My name is Herbert S. Emmrich. My business address is 555 West Fifth Street, Los  
3 Angeles, California 90013-1011. I am employed by Southern California Gas Company as  
4 Gas Forecast and Economic Analysis Manager in the Regulatory Affairs Department. I  
5 have been in this position since May 2011. I have previously testified before this  
6 Commission.

7 My academic and professional qualifications are as follows: I earned an  
8 undergraduate degree in Economics and Behavioral Sciences from California State  
9 University at Dominguez Hills in 1970 and a Master of Arts Degree in Economics from  
10 California State University at Long Beach in 1974. I also completed 2 years of post-  
11 graduate coursework in Economics at UCLA from 1970 to 1972. In addition, during the  
12 past 25 years, I held analyst, manager and director positions in the Regulatory Affairs,  
13 Planning, Customer Services, Marketing, Gas Supply and Commercial and Industrial  
14 Services Departments of SDG&E and SoCalGas.

15 My employment outside of SoCalGas has been in the areas of economics,  
16 environmental assessment, business planning, and energy sector development. I held the  
17 positions of: Economist, Regional Economist and Environmental Assessment Manager at  
18 the U.S. Bureau of Land Management's Pacific Outer Continental Shelf Office, in Los  
19 Angeles, from 1975 to 1979; Economic Policy Supervisor and Issues and Policy Manager of  
20 Getty Oil Company from 1979 to 1984; and, Senior Energy Advisor of the U.S. Agency for  
21 International Development's Caucasus Office in Tbilisi, Republic of Georgia, from 1998 to  
22 2002.



1           In addition, I have taught micro and macro economic theory at El Camino College,  
2 Torrance, CA; Cal State University, Dominguez Hills, California; and the Georgian Institute  
3 of Public Policy in Tbilisi, Republic of Georgia, off and on, on a part time basis, over the  
4 past 30 years.

5

# ATTACHMENT A

## Appendix A

SCG/SDG&E's PTY Proposals	DRA	SCGC	UCAN	FEA
Three-Year PTY Period	Supports three-year PTY	Opposes and recommends a two year PTY period to take the Pipeline Safety Proposals of the utilities into account.	Does not oppose three-year PTY	Opposes and recommends a two-year PTY
GI Utility Cost Index for Escalation of PTY revenue requirement.	Opposes use of GI Utility Cost Index and recommends CPI-U	Opposes use of GI Utility Cost Index and recommends CPI-U	Opposes use of GI Utility Cost Index and recommends CPI-U	Opposes use of GI Utility Cost Index and recommends CPI-U
Propose a symmetrical Earnings Sharing Mechanisms	Oppose the utilities' symmetrical Earnings Sharing Mechanism and proposes an asymmetrical Earnings Sharing Mechanisms with no below ROR earnings	Oppose the utilities' symmetrical Earnings Sharing Mechanism and proposes an asymmetrical Earnings Sharing Mechanisms with no below ROR earnings	Oppose the utilities' symmetrical Earnings Sharing Mechanism and proposes an asymmetrical Earnings Sharing Mechanisms with no below ROR earnings	Oppose the utilities' symmetrical Earnings Sharing Mechanism and proposes an asymmetrical Earnings Sharing Mechanisms with no below ROR earnings
Propose a Productivity Sharing Mechanism to provide shareholders 50% of 2015 above ROR earnings in 2016 base margin true-up.	Oppose a Productivity Sharing Mechanism	Oppose a Productivity Sharing Mechanism	Oppose the utilities Productivity Sharing Mechanism but provide a modified Productivity Sharing Mechanism in case the Commission approves such a mechanism	Oppose a Productivity Sharing Mechanism
Continuation of Z-Factor Mechanism	Does not oppose continuation of Z-Factor Mechanism	Does not oppose continuation of Z-Factor Mechanism	Does not oppose continuation of Z-Factor Mechanism	Does not oppose continuation of Z-Factor Mechanism
SDG&E's proposes PTY Smart Grid revenue requirements increase above Test Year 2012 Smart Grid revenue requirements	Opposes all PTY Smart Grid revenue requirement increases	Opposes all PTY Smart Grid revenue requirement increases	Opposes all PTY Smart Grid revenue requirement increases	Opposes all PTY Smart Grid revenue requirement increases
SCG/SDG&E exclusions including NERBA	Does not oppose NERBA exclusion	SCGC proposes that capital costs incurred to comply with new environmental regulations be excluded from the NERBA	Does not oppose NERBA exclusion	Does not oppose NERBA exclusion
Use the absorption of customer growth costs as an implied productivity factor	Does not oppose use the absorption of customer growth costs as an implied productivity factor but proposes that all OpEx savings above \$5 million in each PTY year be credited to ratepayers	Does not oppose use the absorption of customer growth costs as an implied productivity factor	Does not oppose use the absorption of customer growth costs as an implied productivity factor	Does not oppose use the absorption of customer growth costs as an implied productivity factor
Use Towers Perrin forecast for PTY Medical Cost adjustment	Oppose and recommends GI Medical Cost Index	Use CPI	Use CPI	Use CPI

## **Attachment B - CPI Weights**

**Table 1 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: U.S. city average, December 2010**

(Percent of all items)

Item and group	U.S. city average	
	CPI-U	CPI-W
<b>Expenditure category</b>		
All items .....	100.000	100.000
Food and beverages .....	14.792	16.401
Food .....	13.742	15.315
Food at home .....	7.816	8.906
Cereals and bakery products .....	1.090	1.236
Cereals and cereal products .....	.350	.402
Flour and prepared flour mixes .....	.039	.044
Breakfast cereal .....	.194	.225
Rice, pasta, cornmeal .....	.118	.132
Bakery products .....	.739	.834
Bread .....	.212	.243
Fresh biscuits, rolls, muffins .....	.109	.125
Cakes, cupcakes, and cookies .....	.197	.225
Other bakery products .....	.220	.241
Meats, poultry, fish, and eggs .....	1.813	2.227
Meats, poultry, and fish .....	1.714	2.106
Meats .....	1.081	1.367
Beef and veal .....	.503	.649
Uncooked ground beef .....	.202	.281
Uncooked beef roasts .....	.081	.095
Uncooked beef steaks .....	.173	.209
Uncooked other beef and veal .....	.047	.065
Pork .....	.342	.440
Bacon, breakfast sausage, and related products .....	.124	.154
Ham .....	.071	.093
Pork chops .....	.066	.091
Other pork including roasts and picnics .....	.080	.102
Other meats .....	.236	.278
Poultry .....	.336	.424
Chicken .....	.269	.353
Other poultry including turkey .....	.067	.071
Fish and seafood .....	.297	.315
Fresh fish and seafood .....	.159	.167
Processed fish and seafood .....	.138	.148
Eggs .....	.099	.121
Dairy and related products .....	.839	.917
Milk .....	.281	.333
Cheese and related products .....	.269	.283
Ice cream and related products .....	.130	.134
Other dairy and related products .....	.159	.167
Fruits and vegetables .....	1.152	1.219
Fresh fruits and vegetables .....	.885	.920
Fresh fruits .....	.449	.459
Apples .....	.071	.075
Bananas .....	.066	.071
Citrus fruits .....	.084	.091
Other fresh fruits .....	.228	.221
Fresh vegetables .....	.436	.462
Potatoes .....	.070	.080
Lettuce .....	.057	.062
Tomatoes .....	.076	.086
Other fresh vegetables .....	.233	.234
Processed fruits and vegetables .....	.267	.299
Canned fruits and vegetables .....	.138	.153
Frozen fruits and vegetables .....	.081	.091
Other processed fruits and vegetables including dried .....	.048	.055
Nonalcoholic beverages and beverage materials .....	.926	1.091
Juices and nonalcoholic drinks .....	.695	.849
Carbonated drinks .....	.285	.369
Frozen noncarbonated juices and drinks .....	.013	.015
Nonfrozen noncarbonated juices and drinks .....	.397	.465
Beverage materials including coffee and tea .....	.231	.242
Coffee .....	.112	.110
Other beverage materials including tea .....	.119	.132

**Table 1 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: U.S. city average, December 2010-Continued**

(Percent of all items)

Item and group	U.S. city average	
	CPI-U	CPI-W
<b>Expenditure category</b>		
Other food at home .....	1.996	2.217
Sugar and sweets .....	.297	.324
Sugar and artificial sweeteners .....	.055	.071
Candy and chewing gum .....	.188	.197
Other sweets .....	.054	.055
Fats and oils .....	.232	.258
Butter and margarine .....	.067	.067
Salad dressing .....	.063	.072
Other fats and oils including peanut butter .....	.102	.119
Other foods .....	1.466	1.635
Soups .....	.090	.095
Frozen and freeze dried prepared foods .....	.301	.364
Snacks .....	.314	.335
Spices, seasonings, condiments, sauces .....	.250	.277
Baby food .....	.079	.101
Other miscellaneous foods .....	.432	.463
Food away from home .....	5.926	6.409
Full service meals and snacks .....	2.870	2.643
Limited service meals and snacks .....	2.347	2.917
Food at employee sites and schools .....	.269	.341
Food from vending machines and mobile vendors .....	.112	.182
Other food away from home .....	.329	.326
Alcoholic beverages .....	1.051	1.086
Alcoholic beverages at home .....	.614	.643
Beer, ale, and other malt beverages at home .....	.303	.445
Distilled spirits at home .....	.079	.074
Wine at home .....	.232	.124
Alcoholic beverages away from home .....	.437	.443
Housing .....	41.460	39.228
Shelter .....	31.955	29.811
Rent of primary residence .....	5.925	8.396
Lodging away from home .....	.776	.436
Housing at school, excluding board .....	.163	.097
Other lodging away from home including hotels and motels .....	.614	.339
Owners' equivalent rent of residences .....	24.905	20.672
Owners' equivalent rent of primary residence .....	23.310	19.942
Unsampled owners' equivalent rent of secondary residences .....	1.595	.730
Tenants' and household insurance .....	.349	.306
Fuels and utilities .....	5.096	5.633
Household energy .....	4.000	4.476
Fuel oil and other fuels .....	.309	.301
Fuel oil .....	.205	.184
Propane, kerosene, and firewood .....	.104	.117
Energy services .....	3.691	4.175
Electricity .....	2.823	3.276
Utility (piped) gas service .....	.869	.899
Water and sewer and trash collection services .....	1.095	1.157
Water and sewerage maintenance .....	.835	.903
Garbage and trash collection .....	.261	.254
Household furnishings and operations .....	4.409	3.784
Window and floor coverings and other linens .....	.303	.255
Floor coverings .....	.051	.036
Window coverings .....	.083	.044
Other linens .....	.169	.176
Furniture and bedding .....	.820	.710
Bedroom furniture .....	.259	.267
Living room, kitchen, and dining room furniture .....	.404	.306
Other furniture .....	.149	.124
Unsampled furniture .....	.007	.014
Appliances .....	.280	.298
Major appliances .....	.165	.181
Other appliances .....	.112	.113
Unsampled appliances .....	.003	.005
Other household equipment and furnishings .....	.548	.444
Clocks, lamps, and decorator items .....	.292	.253
Indoor plants and flowers .....	.105	.068

**Table 1 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: U.S. city average, December 2010-Continued**

(Percent of all items)

Item and group	U.S. city average	
	CPI-U	CPI-W
<b>Expenditure category</b>		
Dishes and flatware .....	.061	.052
Nonelectric cookware and tableware .....	.090	.071
Tools, hardware, outdoor equipment and supplies .....	.796	.740
Tools, hardware and supplies .....	.187	.215
Outdoor equipment and supplies .....	.437	.382
Unsampled tools, hardware, outdoor equipment and supplies .....	.171	.143
Housekeeping supplies .....	.889	.973
Household cleaning products .....	.351	.418
Household paper products .....	.242	.273
Miscellaneous household products .....	.296	.281
Household operations .....	.772	.364
Domestic services .....	.269	.086
Gardening and lawn care services .....	.259	.113
Moving, storage, freight expense .....	.095	.062
Repair of household items .....	.076	.056
Unsampled household operations .....	.074	.047
Apparel .....	3.601	3.668
Men's and boys' apparel .....	.882	.921
Men's apparel .....	.708	.697
Men's suits, sport coats, and outerwear .....	.129	.095
Men's furnishings .....	.175	.176
Men's shirts and sweaters .....	.220	.222
Men's pants and shorts .....	.176	.191
Unsampled men's apparel .....	.008	.013
Boys' apparel .....	.175	.224
Women's and girls' apparel .....	1.520	1.502
Women's apparel .....	1.271	1.196
Women's outerwear .....	.132	.122
Women's dresses .....	.130	.130
Women's suits and separates .....	.633	.577
Women's underwear, nightwear, sportswear and accessories .....	.362	.350
Unsampled women's apparel .....	.015	.017
Girls' apparel .....	.249	.306
Footwear .....	.700	.750
Men's footwear .....	.229	.262
Boys' and girls' footwear .....	.152	.194
Women's footwear .....	.319	.294
Infants' and toddlers' apparel .....	.192	.280
Jewelry and watches .....	.307	.215
Watches .....	.041	.044
Jewelry .....	.266	.171
Transportation .....	17.308	19.418
Private transportation .....	16.082	18.631
New and used motor vehicles .....	6.333	6.914
New vehicles .....	3.513	3.320
Used cars and trucks .....	2.055	3.003
Leased cars and trucks .....	.564	.380
Car and truck rental .....	.088	.059
Unsampled new and used motor vehicles .....	.113	.153
Motor fuel .....	5.079	6.470
Gasoline (all types) .....	4.865	6.193
Other motor fuels .....	.214	.277
Motor vehicle parts and equipment .....	.408	.479
Tires .....	.268	.285
Vehicle accessories other than tires .....	.140	.194
Motor vehicle maintenance and repair .....	1.172	1.184
Motor vehicle body work .....	.066	.054
Motor vehicle maintenance and servicing .....	.459	.445
Motor vehicle repair .....	.605	.621
Unsampled service policies .....	.043	.065
Motor vehicle insurance .....	2.563	3.079
Motor vehicle fees .....	.526	.505
State motor vehicle registration and license fees .....	.327	.344
Parking and other fees .....	.186	.154
Unsampled motor vehicle fees .....	.013	.007
Public transportation .....	1.227	.787
Airline fare .....	.816	.464
Other intercity transportation .....	.159	.078

**Table 1 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: U.S. city average, December 2010-Continued**

(Percent of all items)

Item and group	U.S. city average	
	CPI-U	CPI-W
<b>Expenditure category</b>		
Intracity transportation .....	.248	.240
Unsampled public transportation .....	.003	.005
Medical care .....	6.627	5.355
Medical care commodities .....	1.633	1.318
Medicinal drugs .....	1.554	1.274
Prescription drugs .....	1.253	1.029
Nonprescription drugs .....	.300	.244
Medical equipment and supplies .....	.080	.044
Medical care services .....	4.994	4.038
Professional services .....	2.830	2.220
Physicians' services .....	1.477	1.206
Dental services .....	.723	.560
Eyeglasses and eye care .....	.246	.196
Services by other medical professionals .....	.384	.259
Hospital and related services .....	1.703	1.414
Hospital services .....	1.440	1.321
Nursing homes and adult day services .....	.150	.073
Care of invalids and elderly at home .....	.113	.020
Health insurance .....	.461	.403
Recreation .....	6.293	5.862
Video and audio .....	1.816	1.959
Televisions .....	.160	.160
Cable and satellite television and radio service .....	1.252	1.384
Other video equipment .....	.028	.025
Video discs and other media, including rental of video and audio .....	.132	.159
Audio equipment .....	.089	.080
Audio discs, tapes and other media .....	.056	.061
Unsampled video and audio .....	.100	.090
Pets, pet products and services .....	1.141	1.122
Pets and pet products .....	.718	.783
Pet services including veterinary .....	.423	.339
Sporting goods .....	.601	.546
Sports vehicles including bicycles .....	.321	.337
Sports equipment .....	.271	.203
Unsampled sporting goods .....	.010	.006
Photography .....	.158	.184
Photographic equipment and supplies .....	.062	.059
Photographers and film processing .....	.095	.124
Unsampled photography .....	.001	.002
Other recreational goods .....	.461	.542
Toys .....	.341	.407
Sewing machines, fabric and supplies .....	.060	.049
Music instruments and accessories .....	.046	.075
Unsampled recreation commodities .....	.013	.010
Other recreation services .....	1.860	1.334
Club dues and fees for participant sports and group exercises .....	.588	.343
Admissions .....	.678	.539
Fees for lessons or instructions .....	.249	.128
Unsampled recreation services .....	.345	.324
Recreational reading materials .....	.256	.174
Newspapers and magazines .....	.138	.098
Recreational books .....	.117	.077
Unsampled recreational reading materials .....	.001	.000
Education and communication .....	6.421	6.118
Education .....	3.107	2.380
Educational books and supplies .....	.204	.199
Tuition, other school fees, and childcare .....	2.903	2.181
College tuition and fees .....	1.530	.981
Elementary and high school tuition and fees .....	.422	.231
Child care and nursery school .....	.807	.847
Technical and business school tuition and fees .....	.043	.039
Unsampled tuition, other school fees, and childcare .....	.101	.084
Communication .....	3.313	3.738

**Table 1 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: U.S. city average, December 2010-Continued**

(Percent of all items)

Item and group	U.S. city average	
	CPI-U	CPI-W
<b>Expenditure category</b>		
Postage and delivery services .....	.175	.133
Postage .....	.165	.127
Delivery services .....	.010	.006
Information and information processing .....	3.138	3.605
Telephone services .....	2.334	2.823
Wireless telephone services .....	1.235	1.631
Land-line telephone services .....	1.099	1.192
Information technology, hardware and services .....	.804	.782
Personal computers and peripheral equipment .....	.228	.208
Computer software and accessories .....	.039	.026
Internet services and electronic information providers .....	.457	.470
Telephone hardware, calculators, and other consumer information items .....	.066	.064
Unsampled information and information processing .....	.014	.015
Other goods and services .....	3.497	3.950
Tobacco and smoking products .....	.906	1.450
Cigarettes .....	.837	1.352
Tobacco products other than cigarettes .....	.063	.087
Unsampled tobacco and smoking products .....	.007	.012
Personal care .....	2.591	2.500
Personal care products .....	.671	.717
Hair, dental, shaving, and miscellaneous personal care products .....	.336	.367
Cosmetics, perfume, bath, nail preparations and implements .....	.330	.343
Unsampled personal care products .....	.005	.006
Personal care services .....	.638	.572
Haircuts and other personal care services .....	.638	.572
Miscellaneous personal services .....	1.055	1.027
Legal services .....	.308	.313
Funeral expenses .....	.170	.136
Laundry and dry cleaning services .....	.258	.282
Apparel services other than laundry and dry cleaning .....	.034	.026
Financial services .....	.191	.148
Unsampled items .....	.094	.122
Miscellaneous personal goods .....	.226	.185
<b>Special aggregate indexes</b>		
All items .....	100.000	100.000
Commodities .....	40.012	43.898
Commodities less food and beverages .....	25.219	27.497
Nondurables less food and beverages .....	15.474	17.244
Nondurables less food, beverages, and apparel .....	11.873	13.576
Durables .....	9.745	10.253
Services .....	59.988	56.102
Rent of shelter .....	31.607	29.504
Transportation services .....	6.140	5.994
Other services .....	11.340	10.563
All items less food .....	86.258	84.685
All items less shelter .....	68.045	70.189
All items less medical care .....	93.373	94.645
Commodities less food .....	26.270	28.583
Nondurables less food .....	16.525	18.329
Nondurables less food and apparel .....	12.923	14.662
Nondurables .....	30.266	33.644
Apparel less footwear .....	2.902	2.918
Services less rent of shelter .....	28.382	26.598
Services less medical care services .....	54.994	52.065
Energy .....	9.079	10.946
All items less energy .....	90.921	89.054
All items less food and energy .....	77.179	73.739
Commodities less food and energy commodities .....	20.882	21.812
Energy commodities .....	5.388	6.771
Services less energy services .....	56.297	51.927
Domestically produced farm food .....	6.527	7.430
Utilities and public transportation .....	9.599	10.326



**Table 2 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Selected metropolitan areas, December 2010 (Cities normally published in November)**

(Percent of all items)

Item and group	Boston-Brockton-Nashua, MA-NH-ME-CT		Cincinnati-Hamilton, OH-KY-IN		Cleveland-Akron, OH	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	16.256	15.294	14.820	16.949	14.386	15.554
Food .....	14.930	14.459	13.784	15.836	13.484	15.049
Food at home .....	9.210	8.815	7.606	8.586	8.575	10.195
Food away from home .....	5.720	5.645	6.178	7.250	4.909	4.854
Alcoholic beverages .....	1.326	.835	1.036	1.112	.902	.505
Housing .....	42.129	42.297	40.616	38.285	39.871	37.533
Shelter .....	33.036	33.284	30.223	28.271	29.857	27.789
Rent of primary residence .....	5.875	8.845	4.355	6.324	5.083	6.310
Owners' equivalent rent of residences .....	26.080	23.716	24.630	21.085	23.484	20.570
Owners' equivalent rent of primary residence .....	23.829	22.184	22.879	19.853	21.600	18.677
Fuels and utilities .....	4.971	6.064	6.154	6.325	5.604	5.853
Household energy .....	4.432	5.504	4.826	4.872	4.391	4.632
Energy services .....	3.007	3.697	4.639	4.633	4.218	4.448
Electricity .....	1.927	2.495	3.778	3.759	2.623	2.755
Utility (piped) gas service .....	1.080	1.201	.860	.873	1.595	1.693
Household furnishings and operations .....	4.123	2.950	4.239	3.689	4.410	3.890
Apparel .....	3.767	3.098	3.958	4.618	4.609	3.982
Transportation .....	14.627	17.332	16.835	18.059	17.406	20.751
Private transportation .....	13.352	16.480	16.108	17.552	16.568	20.180
Motor fuel .....	3.870	5.833	5.033	6.212	4.978	6.308
Gasoline (all types) .....	3.811	5.745	4.767	5.883	4.727	6.004
Medical care .....	6.024	5.458	7.297	5.945	8.649	7.555
Recreation .....	6.709	6.429	6.442	5.727	6.147	5.991
Education and communication .....	7.242	6.411	6.435	6.572	5.823	4.866
Other goods and services .....	3.246	3.681	3.597	3.845	3.110	3.769
<b>Commodity and service group</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	39.367	40.775	40.652	43.797	41.284	45.136
Commodities less food and beverages .....	23.110	25.481	25.832	26.848	26.898	29.582
Nondurables less food and beverages .....	14.644	16.962	15.849	17.795	16.425	17.734
Durables .....	8.466	8.519	9.983	9.053	10.472	11.848
Services .....	60.633	59.225	59.348	56.203	58.716	54.864
<b>Special aggregate indexes</b>						
All items less medical care .....	93.976	94.542	92.703	94.055	91.351	92.445
All items less shelter .....	66.964	66.716	69.777	71.729	70.143	72.211
Commodities less food .....	24.437	26.316	26.868	27.960	27.800	30.087
Nondurables .....	30.901	32.256	30.669	34.744	30.812	33.288
Nondurables less food .....	15.970	17.797	16.885	18.907	17.328	18.239
Services less rent of shelter .....	27.870	26.183	29.610	28.340	29.229	27.449
Services less medical care services .....	56.041	55.087	53.976	51.893	52.121	49.026
Energy .....	8.302	11.338	9.859	11.084	9.369	10.940
All items less energy .....	91.698	88.662	90.141	88.916	90.631	89.060
All items less food and energy .....	76.768	74.203	76.356	73.079	77.147	74.011

**Table 2 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Selected metropolitan areas, December 2010 (Cities normally published in November)-Continued**

(Percent of all items)

Item and group	Dallas-Fort Worth, TX		Denver-Boulder-Greeley, CO		Honolulu, HI	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	14.782	16.623	14.861	18.208	16.946	18.478
Food .....	13.814	15.654	13.770	16.914	15.932	17.493
Food at home .....	7.525	8.669	7.465	10.246	8.472	9.873
Food away from home .....	6.288	6.985	6.305	6.668	7.460	7.620
Alcoholic beverages .....	.968	.970	1.091	1.294	1.014	.985
Housing .....	39.916	38.228	41.743	44.666	43.660	40.470
Shelter .....	29.940	28.506	34.362	37.056	36.073	32.692
Rent of primary residence .....	6.559	9.843	6.697	11.361	8.701	11.173
Owners' equivalent rent of residences .....	22.373	18.026	26.291	25.037	26.421	20.884
Owners' equivalent rent of primary residence .....	21.934	17.690	25.402	24.429	25.810	20.613
Fuels and utilities .....	5.591	6.208	3.929	4.875	4.618	3.923
Household energy .....	4.075	4.596	3.078	4.058	3.211	2.839
Energy services .....	3.966	4.533	3.031	4.036	3.182	2.816
Electricity .....	3.377	3.859	1.426	1.830	2.973	2.612
Utility (piped) gas service .....	.589	.674	1.605	2.206	.209	.204
Household furnishings and operations .....	4.386	3.514	3.452	2.735	2.968	3.854
Apparel .....	3.280	4.052	3.880	3.370	3.031	3.664
Transportation .....	19.476	22.157	14.327	15.598	14.697	18.472
Private transportation .....	18.476	21.651	12.922	15.004	12.626	16.477
Motor fuel .....	5.153	7.154	4.059	4.766	4.169	5.193
Gasoline (all types) .....	4.948	6.884	3.885	4.556	4.067	5.068
Medical care .....	6.589	4.562	6.180	4.986	6.112	4.072
Recreation .....	5.856	4.561	10.536	4.765	5.875	5.349
Education and communication .....	6.673	6.337	5.317	4.857	6.456	5.720
Other goods and services .....	3.428	3.480	3.155	3.549	3.224	3.775
<b>Commodity and service group</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	41.647	45.464	35.514	39.882	37.395	43.606
Commodities less food and beverages .....	26.865	28.841	20.652	21.674	20.449	25.129
Nondurables less food and beverages .....	15.047	17.786	13.345	13.517	12.645	14.874
Durables .....	11.818	11.054	7.307	8.157	7.804	10.255
Services .....	58.353	54.536	64.486	60.118	62.605	56.394
<b>Special aggregate indexes</b>						
All items less medical care .....	93.411	95.438	93.820	95.014	93.888	95.928
All items less shelter .....	70.060	71.494	65.638	62.944	63.927	67.308
Commodities less food .....	27.833	29.810	21.743	22.968	21.463	26.113
Nondurables .....	29.829	34.410	28.207	31.725	29.591	33.351
Nondurables less food .....	16.015	18.756	14.436	14.811	13.659	15.858
Services less rent of shelter .....	28.808	26.344	30.453	23.339	26.818	23.940
Services less medical care services .....	53.227	51.110	59.693	56.472	57.756	53.183
Energy .....	9.229	11.751	7.137	8.824	7.379	8.031
All items less energy .....	90.771	88.249	92.863	91.176	92.621	91.969
All items less food and energy .....	76.958	72.596	79.093	74.262	76.689	74.476

**Table 2 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Selected metropolitan areas, December 2010 (Cities normally published in November)-Continued**

(Percent of all items)

Item and group	Milwaukee-Racine, WI		Minneapolis-St. Paul, MN-WI		Phoenix-Mesa, AZ	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	14.112	16.996	15.442	16.304	13.052	15.769
Food .....	12.939	15.370	13.692	14.576	11.987	14.889
Food at home .....	7.307	8.610	8.096	8.762	6.983	8.717
Food away from home .....	5.632	6.760	5.595	5.815	5.004	6.172
Alcoholic beverages .....	1.172	1.625	1.750	1.728	1.065	.880
Housing .....	39.767	36.059	40.482	39.894	40.139	39.772
Shelter .....	30.307	27.197	31.670	31.578	30.515	29.643
Rent of primary residence .....	5.784	7.030	4.607	7.578	5.923	7.220
Owners' equivalent rent of residences .....	23.472	19.398	25.866	23.126	23.444	21.610
Owners' equivalent rent of primary residence .....	21.908	18.423	23.910	22.190	22.491	21.181
Fuels and utilities .....	5.040	5.210	4.140	3.925	5.325	6.084
Household energy .....	4.162	4.208	3.217	3.176	3.718	4.302
Energy services .....	4.021	3.952	3.009	2.949	3.694	4.289
Electricity .....	2.705	2.847	1.925	1.874	3.282	3.817
Utility (piped) gas service .....	1.316	1.105	1.084	1.075	.412	.472
Household furnishings and operations .....	4.421	3.653	4.671	4.390	4.298	4.044
Apparel .....	4.032	4.110	3.986	4.143	3.530	4.517
Transportation .....	16.962	19.204	16.210	18.327	18.895	19.195
Private transportation .....	15.874	18.454	15.126	17.764	17.550	18.329
Motor fuel .....	4.757	6.079	4.396	5.244	4.755	6.360
Gasoline (all types) .....	4.499	5.755	4.115	4.907	4.478	6.005
Medical care .....	8.149	6.401	7.650	5.865	7.139	4.644
Recreation .....	6.742	6.453	7.298	6.468	7.874	6.082
Education and communication .....	6.494	6.302	5.698	5.974	5.893	5.716
Other goods and services .....	3.743	4.475	3.235	3.025	3.478	4.306
<b>Commodity and service group</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	40.274	45.086	41.551	43.209	40.104	44.657
Commodities less food and beverages .....	26.163	28.090	26.110	26.904	27.052	28.888
Nondurables less food and beverages .....	15.869	17.719	15.054	15.165	15.544	17.634
Durables .....	10.294	10.371	11.056	11.739	11.509	11.254
Services .....	59.726	54.914	58.449	56.791	59.896	55.343
<b>Special aggregate indexes</b>						
All items less medical care .....	91.851	93.599	92.350	94.135	92.861	95.356
All items less shelter .....	69.693	72.803	68.330	68.422	69.485	70.357
Commodities less food .....	27.335	29.715	27.860	28.632	28.117	29.768
Nondurables .....	29.980	34.715	30.496	31.470	28.595	33.404
Nondurables less food .....	17.041	19.344	16.804	16.893	16.608	18.515
Services less rent of shelter .....	29.717	28.041	27.163	25.595	29.848	26.129
Services less medical care services .....	53.450	50.016	52.428	52.277	54.456	51.823
Energy .....	8.919	10.288	7.613	8.420	8.473	10.663
All items less energy .....	91.081	89.712	92.387	91.580	91.527	89.337
All items less food and energy .....	78.142	74.342	78.695	77.004	79.540	74.448

**Table 2 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Selected metropolitan areas, December 2010 (Cities normally published in November)-Continued**

(Percent of all items)

Item and group	Portland-Salem, OR-WA		San Diego, CA		Tampa-St. Petersburg-Clearwater, FL		Washington-Baltimore, DC-MD-VA-WV	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	15.230	16.561	12.958	14.627	16.340	18.443	14.257	14.589
Food .....	13.705	15.269	11.814	13.630	14.973	16.891	13.135	13.560
Food at home .....	7.449	8.604	6.695	8.446	8.808	10.302	6.910	7.559
Food away from home .....	6.256	6.664	5.119	5.185	6.164	6.588	6.225	6.001
Alcoholic beverages .....	1.525	1.293	1.144	.997	1.367	1.553	1.122	1.029
Housing .....	39.147	37.421	51.470	47.363	40.844	41.516	45.145	46.689
Shelter .....	30.770	28.688	42.689	39.844	30.912	30.479	36.845	38.396
Rent of primary residence .....	5.269	7.904	12.386	18.919	5.537	8.830	6.123	9.780
Owners' equivalent rent of residences .....	24.206	20.046	29.480	20.527	24.339	21.044	29.634	28.006
Owners' equivalent rent of primary residence .....	22.846	19.650	28.082	20.193	23.422	20.634	28.208	27.192
Fuels and utilities .....	4.008	4.280	4.049	3.730	5.078	5.677	4.208	5.244
Household energy .....	2.796	3.170	2.479	2.385	3.923	4.511	3.474	4.419
Energy services .....	2.703	3.049	2.412	2.366	3.834	4.461	3.274	4.278
Electricity .....	2.015	2.563	2.000	1.918	3.520	4.074	2.652	3.525
Utility (piped) gas service .....	.688	.486	.411	.449	.314	.387	.622	.753
Household furnishings and operations .....	4.369	4.453	4.732	3.790	4.854	5.360	4.093	3.049
Apparel .....	3.766	3.295	3.585	3.380	4.644	3.214	3.529	3.231
Transportation .....	17.297	21.594	13.178	17.269	16.709	18.088	15.424	17.258
Private transportation .....	15.670	20.564	11.950	16.154	15.610	17.294	13.851	16.170
Motor fuel .....	3.904	5.194	4.735	6.901	4.531	5.778	4.150	5.547
Gasoline (all types) .....	3.705	4.933	4.535	6.611	4.364	5.558	4.025	5.382
Medical care .....	7.573	5.279	4.308	3.775	5.879	4.501	5.716	5.008
Recreation .....	7.951	5.506	5.644	4.865	5.409	4.756	5.517	4.210
Education and communication .....	5.366	4.629	5.704	5.303	6.548	6.004	7.133	5.843
Other goods and services .....	3.670	5.714	3.153	3.418	3.626	3.477	3.277	3.172
<b>Commodity and service group</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	42.130	47.321	33.677	37.713	41.234	43.555	36.068	37.080
Commodities less food and beverages .....	26.900	30.759	20.719	23.085	24.894	25.112	21.811	22.491
Nondurables less food and beverages .....	14.747	17.277	13.428	15.149	15.430	15.197	13.291	14.122
Durables .....	12.153	13.483	7.292	7.937	9.465	9.914	8.520	8.369
Services .....	57.870	52.679	66.323	62.287	58.766	56.445	63.932	62.920
<b>Special aggregate indexes</b>								
All items less medical care .....	92.427	94.721	95.692	96.225	94.121	95.499	94.284	94.992
All items less shelter .....	69.230	71.312	57.311	60.156	69.088	69.521	63.155	61.604
Commodities less food .....	28.425	32.052	21.863	24.082	26.262	26.664	22.933	23.520
Nondurables .....	29.977	33.838	26.386	29.776	31.769	33.641	27.548	28.711
Nondurables less food .....	16.272	18.569	14.571	16.146	16.797	16.750	14.413	15.151
Services less rent of shelter .....	27.434	24.276	23.827	22.646	28.314	26.204	27.447	24.811
Services less medical care services .....	52.065	49.104	63.059	59.251	54.258	53.115	59.459	59.143
Energy .....	6.700	8.364	7.214	9.286	8.454	10.289	7.624	9.967
All items less energy .....	93.300	91.636	92.786	90.714	91.546	89.711	92.376	90.033
All items less food and energy .....	79.595	76.367	80.972	77.083	76.573	72.820	79.241	76.474

**Table 3 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Selected metropolitan areas, December 2010**

(Percent of all items)

Item and group	Anchorage, AK		Atlanta, GA		Chicago-Gary-Kenosha, IL-IN-WI		Detroit-Ann Arbor-Flint, MI	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	14.538	16.398	14.705	16.058	15.036	15.998	16.886	19.189
Food .....	13.191	14.232	13.813	15.211	13.870	14.777	15.913	18.219
Food at home .....	7.597	8.389	7.123	7.729	7.918	9.099	9.359	11.690
Food away from home .....	5.594	5.843	6.690	7.483	5.952	5.679	6.555	6.529
Alcoholic beverages .....	1.347	2.166	.892	.847	1.166	1.221	.973	.970
Housing .....	41.271	39.979	46.014	48.015	41.474	39.561	38.548	35.868
Shelter .....	31.697	30.362	35.568	36.761	32.559	30.882	28.548	25.926
Rent of primary residence .....	5.240	6.302	6.206	10.953	4.778	6.324	4.558	5.594
Owners' equivalent rent of residences .....	25.301	23.388	28.245	24.964	26.654	23.830	22.747	19.467
Owners' equivalent rent of primary residence .....	22.951	22.265	26.867	24.393	24.749	22.759	21.005	18.556
Fuels and utilities .....	4.404	4.309	6.520	7.661	4.584	5.409	5.801	6.144
Household energy .....	3.719	3.544	5.103	6.022	3.581	4.257	4.838	5.137
Energy services .....	3.367	3.496	5.012	5.970	3.483	4.088	4.681	4.947
Electricity .....	1.636	1.776	3.525	4.316	2.100	2.495	2.641	2.991
Utility (piped) gas service .....	1.731	1.720	1.487	1.654	1.383	1.593	2.040	1.956
Household furnishings and operations .....	5.170	5.308	3.926	3.593	4.331	3.271	4.199	3.798
Apparel .....	3.684	4.002	3.429	2.979	4.415	4.592	3.747	4.001
Transportation .....	17.385	16.521	17.083	17.968	15.819	18.721	20.045	22.219
Private transportation .....	14.980	15.075	15.914	17.242	14.390	17.629	19.019	21.282
Motor fuel .....	5.398	5.877	6.278	7.126	4.451	6.373	6.198	7.019
Gasoline (all types) .....	5.045	5.524	6.035	6.854	4.281	6.133	6.002	6.768
Medical care .....	6.438	6.911	5.513	3.499	7.067	5.750	5.486	4.005
Recreation .....	7.650	7.621	4.373	3.403	6.016	5.778	5.236	4.495
Education and communication .....	5.219	4.140	5.755	5.369	6.796	5.628	6.282	6.350
Other goods and services .....	3.815	4.429	3.127	2.707	3.379	3.972	3.771	3.873
<b>Commodity and service group</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	41.259	43.399	38.633	38.889	38.921	42.091	42.388	46.034
Commodities less food and beverages .....	26.721	27.001	23.928	22.831	23.885	26.093	25.502	26.845
Nondurables less food and beverages .....	16.254	17.411	14.785	14.770	14.939	17.310	16.543	17.513
Durables .....	10.467	9.591	9.143	8.061	8.947	8.783	8.958	9.332
Services .....	58.741	56.601	61.367	61.111	61.079	57.909	57.612	53.966
<b>Special aggregate indexes</b>								
All items less medical care .....	93.562	93.089	94.487	96.501	92.933	94.250	94.514	95.995
All items less shelter .....	68.303	69.638	64.432	63.239	67.441	69.118	71.452	74.074
Commodities less food .....	28.068	29.167	24.819	23.678	25.052	27.314	26.474	27.815
Nondurables .....	30.792	33.809	29.490	30.828	29.974	33.308	33.429	36.702
Nondurables less food .....	17.601	19.577	15.677	15.617	16.105	18.531	17.516	18.483
Services less rent of shelter .....	27.447	26.549	26.069	24.552	28.848	27.345	29.498	28.398
Services less medical care services .....	53.507	50.844	57.139	58.520	55.623	53.370	53.769	51.102
Energy .....	9.117	9.421	11.382	13.149	8.032	10.630	11.035	12.156
All items less energy .....	90.883	90.579	88.618	86.851	91.968	89.370	88.965	87.844
All items less food and energy .....	77.692	76.347	74.805	71.640	78.098	74.593	73.051	69.625

**Table 3 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Selected metropolitan areas, December 2010-Continued**

(Percent of all items)

Item and group	Houston-Galveston-Brazoria, TX		Kansas City, MO		Los Angeles-Riverside-Orange County, CA		Miami-Fort Lauderdale, FL	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	14.781	17.974	14.938	17.843	16.247	18.859	14.767	18.984
Food .....	13.545	16.469	13.744	16.634	15.206	17.843	13.924	17.914
Food at home .....	6.988	8.131	7.739	9.763	8.540	10.360	9.240	11.532
Food away from home .....	6.557	8.338	6.005	6.871	6.666	7.482	4.684	6.382
Alcoholic beverages .....	1.236	1.505	1.194	1.208	1.041	1.017	.843	1.070
Housing .....	40.572	38.633	38.749	35.186	44.985	43.006	46.360	42.516
Shelter .....	30.483	27.818	29.155	26.122	36.742	35.532	37.698	34.238
Rent of primary residence .....	6.122	8.973	3.968	6.018	9.313	13.438	8.515	10.541
Owners' equivalent rent of residences .....	23.217	18.015	23.968	19.340	26.495	21.588	28.155	22.823
Owners' equivalent rent of primary residence .....	21.778	17.431	22.722	18.491	25.766	21.121	27.444	22.333
Fuels and utilities .....	5.804	7.192	4.940	5.375	4.082	4.100	4.772	4.655
Household energy .....	4.793	6.033	3.698	4.045	2.827	2.896	3.621	3.806
Energy services .....	4.717	5.965	3.577	3.857	2.786	2.878	3.560	3.760
Electricity .....	4.234	5.446	2.381	2.569	2.156	2.248	3.459	3.597
Utility (piped) gas service .....	.483	.519	1.196	1.289	.629	.630	.101	.164
Household furnishings and operations .....	4.285	3.624	4.654	3.689	4.161	3.374	3.890	3.623
Apparel .....	3.258	3.564	3.952	4.570	3.353	3.731	2.336	2.847
Transportation .....	19.301	20.431	17.798	19.892	15.623	17.293	17.848	18.613
Private transportation .....	18.208	19.833	16.840	19.265	14.594	16.451	16.563	17.327
Motor fuel .....	6.148	7.954	5.280	6.508	5.061	6.384	5.927	6.510
Gasoline (all types) .....	5.837	7.547	5.006	6.172	4.873	6.153	5.746	6.314
Medical care .....	6.685	5.295	6.615	4.914	5.005	3.510	4.983	3.654
Recreation .....	5.397	4.477	7.413	6.823	5.253	4.474	3.783	3.935
Education and communication .....	6.548	5.966	6.791	6.370	5.963	5.386	6.694	6.382
Other goods and services .....	3.458	3.659	3.745	4.401	3.570	3.741	3.229	3.071
<b>Commodity and service group</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	40.920	45.104	42.204	47.279	38.319	42.581	36.947	42.048
Commodities less food and beverages .....	26.139	27.129	27.266	29.436	22.073	23.722	22.180	23.063
Nondurables less food and beverages .....	15.814	17.080	16.565	18.917	14.083	15.831	13.519	14.597
Durables .....	10.326	10.049	10.701	10.519	7.990	7.891	8.661	8.467
Services .....	59.080	54.896	57.796	52.721	61.681	57.419	63.053	57.952
<b>Special aggregate indexes</b>								
All items less medical care .....	93.315	94.705	93.385	95.086	94.995	96.490	95.017	96.346
All items less shelter .....	69.517	72.182	70.845	73.878	63.258	64.468	62.302	65.762
Commodities less food .....	27.375	28.634	28.460	30.644	23.113	24.738	23.024	24.133
Nondurables .....	30.594	35.054	31.503	36.759	30.330	34.690	28.286	33.581
Nondurables less food .....	17.049	18.585	17.759	20.125	15.124	16.847	14.363	15.667
Services less rent of shelter .....	29.118	27.569	29.069	26.963	25.173	22.034	25.653	23.872
Services less medical care services .....	54.182	50.893	52.945	49.064	57.909	54.840	59.486	55.418
Energy .....	10.942	13.986	8.978	10.552	7.888	9.280	9.548	10.316
All items less energy .....	89.058	86.014	91.022	89.448	92.112	90.720	90.452	89.684
All items less food and energy .....	75.513	69.544	77.279	72.814	76.906	72.877	76.529	71.770

**Table 3 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Selected metropolitan areas, December 2010-Continued**

(Percent of all items)

Item and group	New York-Northern N.J.-Long Island, NY-NJ-CT-PA		Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD		Pittsburgh, PA		St. Louis, MO-IL	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	14.255	15.708	12.211	15.261	15.667	17.692	14.765	16.833
Food .....	13.282	14.681	11.293	14.382	14.521	16.431	13.880	15.824
Food at home .....	7.249	8.528	6.400	8.344	8.263	9.484	8.212	9.629
Food away from home .....	6.033	6.152	4.893	6.039	6.258	6.947	5.668	6.195
Alcoholic beverages .....	.973	1.027	.918	.879	1.146	1.261	.885	1.009
Housing .....	46.881	44.734	45.624	43.958	41.029	38.486	39.386	37.330
Shelter .....	38.130	36.381	35.041	33.414	30.757	29.375	29.623	27.694
Rent of primary residence .....	8.116	12.545	5.125	6.901	4.883	6.872	4.656	6.567
Owners' equivalent rent of residences .....	28.912	23.204	28.800	25.733	24.759	21.519	23.555	20.239
Owners' equivalent rent of primary residence .....	26.629	22.098	26.743	25.022	23.285	20.427	21.665	19.095
Fuels and utilities .....	4.886	5.330	5.991	6.754	5.579	5.728	5.237	5.772
Household energy .....	4.283	4.674	4.802	5.608	4.437	4.738	3.994	4.502
Energy services .....	3.551	3.877	4.196	5.083	3.883	4.096	3.893	4.363
Electricity .....	2.415	2.645	3.053	3.694	2.414	2.683	2.426	2.754
Utility (piped) gas service .....	1.136	1.232	1.143	1.389	1.470	1.413	1.467	1.609
Household furnishings and operations .....	3.865	3.024	4.591	3.790	4.693	3.382	4.526	3.865
Apparel .....	4.134	4.140	3.305	4.110	3.897	4.744	4.276	4.153
Transportation .....	14.115	16.190	15.701	16.000	15.379	15.913	17.500	19.545
Private transportation .....	12.021	14.503	14.318	14.973	14.184	14.921	16.502	18.818
Motor fuel .....	3.485	4.119	4.640	5.240	4.683	5.528	5.445	6.777
Gasoline (all types) .....	3.367	3.982	4.566	5.154	4.550	5.369	5.219	6.491
Medical care .....	5.171	3.875	5.692	4.657	6.753	5.442	7.114	6.484
Recreation .....	5.411	5.271	6.280	5.380	6.616	7.111	6.500	5.374
Education and communication .....	6.826	6.758	7.747	6.823	6.992	6.654	6.834	6.235
Other goods and services .....	3.209	3.323	3.440	3.811	3.667	3.958	3.624	4.044
<b>Commodity and service group</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	33.808	36.769	34.808	39.662	39.958	43.806	40.944	45.045
Commodities less food and beverages .....	19.553	21.062	22.598	24.400	24.291	26.114	26.179	28.212
Nondurables less food and beverages .....	13.353	14.161	14.570	16.696	15.616	17.508	16.836	18.422
Durables .....	6.200	6.901	8.027	7.705	8.675	8.606	9.343	9.790
Services .....	66.192	63.231	65.192	60.338	60.042	56.194	59.056	54.955
<b>Special aggregate indexes</b>								
All items less medical care .....	94.829	96.125	94.308	95.343	93.247	94.558	92.886	93.516
All items less shelter .....	61.870	63.619	64.959	66.586	69.243	70.625	70.377	72.306
Commodities less food .....	20.527	22.089	23.515	25.279	25.437	27.375	27.064	29.220
Nondurables .....	27.608	29.869	26.781	31.957	31.283	35.200	31.601	35.255
Nondurables less food .....	14.327	15.188	15.488	17.575	16.762	18.770	17.721	19.430
Services less rent of shelter .....	28.349	27.111	30.451	27.174	29.624	27.156	29.885	27.676
Services less medical care services .....	62.199	60.321	61.061	57.045	54.929	52.084	53.808	50.076
Energy .....	7.768	8.792	9.442	10.848	9.120	10.266	9.439	11.279
All items less energy .....	92.232	91.208	90.558	89.152	90.880	89.734	90.561	88.721
All items less food and energy .....	78.951	76.527	79.265	74.769	76.359	73.303	76.681	72.897

**Table 3 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Selected metropolitan areas, December 2010-Continued**

(Percent of all items)

Item and group	San Francisco-Oakland-San Jose, CA		Seattle-Tacoma-Bremerton, WA	
	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>				
All items .....	100.000	100.000	100.000	100.000
Food and beverages .....	13.441	13.597	13.747	16.829
Food .....	12.330	12.673	12.731	15.358
Food at home .....	6.362	6.698	7.297	8.828
Food away from home .....	5.968	5.975	5.433	6.530
Alcoholic beverages .....	1.111	.924	1.016	1.471
Housing .....	44.933	44.935	42.191	41.079
Shelter .....	37.768	38.912	32.988	32.164
Rent of primary residence .....	9.691	14.845	7.430	8.643
Owners' equivalent rent of residences .....	26.795	23.391	24.210	22.604
Owners' equivalent rent of primary residence .....	25.089	22.470	22.838	22.275
Fuels and utilities .....	3.463	3.436	4.340	5.128
Household energy .....	2.195	2.188	2.913	3.378
Energy services .....	2.145	2.163	2.731	3.330
Electricity .....	1.564	1.612	2.136	2.740
Utility (piped) gas service .....	.581	.551	.595	.590
Household furnishings and operations .....	3.703	2.587	4.862	3.787
Apparel .....	3.329	3.059	3.672	3.664
Transportation .....	16.580	19.335	16.755	17.943
Private transportation .....	14.035	17.801	14.602	16.370
Motor fuel .....	3.986	6.129	4.599	6.526
Gasoline (all types) .....	3.844	5.899	4.423	6.262
Medical care .....	5.820	4.680	6.221	4.519
Recreation .....	6.257	4.936	7.168	5.679
Education and communication .....	6.292	5.130	6.480	6.402
Other goods and services .....	3.348	4.329	3.768	3.884
<b>Commodity and service group</b>				
All items .....	100.000	100.000	100.000	100.000
Commodities .....	33.371	36.000	37.826	41.217
Commodities less food and beverages .....	19.931	22.403	24.080	24.388
Nondurables less food and beverages .....	12.077	14.528	14.500	15.597
Durables .....	7.854	7.875	9.580	8.791
Services .....	66.629	64.000	62.174	58.783
<b>Special aggregate indexes</b>				
All items less medical care .....	94.180	95.320	93.779	95.481
All items less shelter .....	62.232	61.088	67.012	67.836
Commodities less food .....	21.042	23.327	25.096	25.859
Nondurables .....	25.517	28.125	28.247	32.426
Nondurables less food .....	13.188	15.452	15.516	17.068
Services less rent of shelter .....	29.126	25.288	29.601	26.971
Services less medical care services .....	61.988	60.290	57.164	55.196
Energy .....	6.181	8.317	7.512	9.904
All items less energy .....	93.819	91.683	92.488	90.096
All items less food and energy .....	81.489	79.010	79.757	74.737



**Table 4 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Regions<sup>1</sup>, December 2010**

(Percent of all items)

Item and group	Northeast		Midwest		South		West	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	14.419	15.715	15.065	16.739	15.141	16.237	14.450	16.891
Food .....	13.407	14.694	13.848	15.401	14.126	15.230	13.457	15.869
Food at home .....	7.620	8.666	7.902	9.064	7.986	8.842	7.698	9.051
Food away from home .....	5.787	6.028	5.946	6.337	6.139	6.387	5.759	6.818
Alcoholic beverages .....	1.012	1.020	1.218	1.339	1.015	1.007	.993	1.022
Housing .....	43.266	40.845	38.854	35.539	41.061	39.508	42.551	40.825
Shelter .....	33.635	31.063	29.475	26.350	31.140	29.517	33.566	32.310
Rent of primary residence .....	6.324	9.001	4.659	5.999	5.295	8.045	7.390	10.551
Owners' equivalent rent of residences .....	26.208	21.286	23.538	19.506	24.751	20.723	25.116	21.146
Owners' equivalent rent of primary residence .....	23.960	20.364	21.774	18.750	23.468	20.047	23.806	20.519
Fuels and utilities .....	5.377	5.836	5.157	5.512	5.390	6.174	4.451	4.814
Household energy .....	4.568	4.971	4.172	4.476	4.170	4.854	3.185	3.538
Energy services .....	3.631	3.994	3.960	4.210	4.041	4.758	3.092	3.474
Electricity .....	2.548	2.828	2.632	2.852	3.500	4.209	2.362	2.718
Utility (piped) gas service .....	1.083	1.165	1.329	1.358	.541	.549	.731	.756
Household furnishings and operations .....	4.254	3.945	4.222	3.678	4.531	3.817	4.534	3.702
Apparel .....	3.667	3.775	3.807	3.980	3.588	3.454	3.398	3.598
Transportation .....	15.966	18.181	18.140	20.658	17.714	20.090	17.247	18.377
Private transportation .....	14.418	17.044	17.030	20.065	16.785	19.486	15.823	17.446
New and used motor vehicles .....	5.488	6.578	7.189	8.602	6.198	6.368	6.513	6.438
New vehicles .....	2.877	2.990	3.810	3.975	3.728	3.268	3.533	3.073
Used cars and trucks .....	1.625	2.820	2.484	3.929	2.058	2.815	2.062	2.581
Motor fuel .....	4.260	5.236	5.358	6.625	5.754	7.408	4.695	6.030
Gasoline (all types) .....	4.145	5.096	5.084	6.281	5.512	7.095	4.480	5.750
Medical care .....	6.023	4.889	7.383	6.037	6.872	5.464	6.218	4.974
Medical care commodities .....	1.470	1.246	1.802	1.466	1.758	1.396	1.479	1.134
Medical care services .....	4.553	3.644	5.581	4.571	5.114	4.068	4.740	3.840
Professional services .....	2.658	2.040	3.119	2.478	2.872	2.240	2.690	2.108
Recreation .....	6.285	5.959	6.480	6.494	5.828	5.447	6.726	5.795
Education and communication .....	6.785	6.494	6.746	6.473	6.347	6.098	5.953	5.519
Other goods and services .....	3.589	4.142	3.525	4.079	3.449	3.702	3.458	4.022
<b>Commodity and service group</b>								
All items .....	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	37.789	41.959	42.006	47.214	41.035	43.591	38.981	42.938
Commodities less food and beverages .....	23.370	26.244	26.941	30.474	25.894	27.354	24.531	26.047
Nondurables less food and beverages .....	14.980	16.643	16.416	18.486	16.112	17.625	14.336	16.084
Nondurables less food, beverages, and apparel .....	11.313	12.868	12.609	14.505	12.524	14.171	10.938	12.486
Durables .....	8.390	9.601	10.524	11.989	9.782	9.730	10.195	9.963
Services .....	62.211	58.041	57.994	52.786	58.965	56.409	61.019	57.062
Rent of shelter .....	33.345	30.807	29.088	25.983	30.726	29.168	33.280	32.075
Transportation services .....	6.776	6.677	6.027	5.523	5.746	6.124	6.193	5.675
Other services .....	12.054	11.435	11.387	10.811	10.946	10.255	11.203	10.055
<b>Special aggregate indexes</b>								
All items less medical care .....	93.977	95.111	92.617	93.963	93.128	94.536	93.782	95.026
All items less food .....	86.593	85.306	86.152	84.599	85.874	84.770	86.543	84.131
All items less shelter .....	66.365	68.937	70.525	73.650	68.860	70.483	66.434	67.690
Commodities less food .....	24.382	27.265	28.158	31.813	26.909	28.362	25.524	27.069
Nondurables .....	29.399	32.358	31.482	35.225	31.253	33.862	28.786	32.975
Nondurables less food .....	15.992	17.664	17.634	19.824	17.128	18.632	15.329	17.106
Nondurables less food and apparel .....	12.325	13.888	13.827	15.844	13.539	15.178	11.931	13.508
Services less rent of shelter .....	28.866	27.234	28.906	26.803	28.239	27.241	27.739	24.986
Services less medical care services .....	57.658	54.398	52.413	48.215	53.851	52.341	56.280	53.222
Energy .....	8.828	10.207	9.530	11.101	9.923	12.261	7.880	9.568
All items less energy .....	91.172	89.793	90.470	88.899	90.077	87.739	92.120	90.432
All items less food and energy .....	77.765	75.099	76.622	73.499	75.951	72.509	78.664	74.562
Commodities less food and energy commodities .....	19.185	21.051	22.588	24.923	21.027	20.858	20.736	20.974
Energy commodities .....	5.197	6.213	5.570	6.890	5.882	7.503	4.788	6.095
Services less energy services .....	58.580	54.047	54.034	48.576	54.924	51.651	57.927	53.588

<sup>1</sup> Regions defined as the four Census regions. See map in Brief Explanation of the CPI.

**Table 5 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Population size classes<sup>1</sup>  
December 2010**

(Percent of all items)

Item and group	Size class A		Size class B/C		Size class D	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	14.682	16.504	15.092	16.496	14.062	15.289
Food .....	13.599	15.424	14.054	15.364	13.197	14.397
Food at home .....	7.639	8.967	8.065	8.874	7.886	8.685
Food away from home .....	5.960	6.456	5.989	6.490	5.311	5.712
Alcoholic beverages .....	1.083	1.080	1.038	1.131	.865	.892
Housing .....	43.454	42.025	39.020	36.281	38.719	36.546
Shelter .....	34.443	33.177	28.982	26.420	28.162	25.811
Rent of primary residence .....	6.857	9.947	4.741	6.816	4.882	6.645
Owners' equivalent rent of residences .....	26.458	22.516	23.122	18.829	22.143	18.408
Owners' equivalent rent of primary residence .....	24.886	21.702	21.436	18.173	20.851	17.824
Fuels and utilities .....	4.824	5.400	5.327	5.747	6.008	6.510
Household energy .....	3.780	4.304	4.189	4.548	4.738	5.185
Energy services .....	3.474	3.997	3.891	4.259	4.349	4.862
Electricity .....	2.521	2.964	3.109	3.485	3.680	4.170
Utility (piped) gas service .....	.953	1.032	.781	.773	.670	.692
Household furnishings and operations .....	4.187	3.448	4.711	4.115	4.549	4.226
Apparel .....	3.719	3.804	3.512	3.584	3.146	3.238
Transportation .....	16.247	18.261	18.505	20.334	19.320	22.040
Private transportation .....	14.757	17.211	17.586	19.790	18.529	21.667
New and used motor vehicles .....	5.732	6.145	7.131	7.717	6.823	7.695
New vehicles .....	3.275	2.959	3.855	3.616	3.564	4.081
Used cars and trucks .....	1.600	2.452	2.662	3.663	2.405	3.130
Motor fuel .....	4.640	6.014	5.444	6.746	6.605	7.929
Gasoline (all types) .....	4.467	5.786	5.198	6.439	6.238	7.486
Medical care .....	5.992	4.634	7.340	6.155	7.846	5.849
Medical care commodities .....	1.415	1.149	1.876	1.516	2.061	1.378
Medical care services .....	4.577	3.485	5.464	4.639	5.785	4.471
Professional services .....	2.620	1.968	3.047	2.473	3.341	2.527
Recreation .....	5.995	5.117	6.662	6.626	6.678	6.681
Education and communication .....	6.515	5.979	6.237	6.276	6.658	6.198
Other goods and services .....	3.396	3.676	3.632	4.249	3.572	4.159
<b>Commodity and service group</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	37.733	41.246	42.793	46.587	43.182	46.958
Commodities less food and beverages .....	23.051	24.742	27.702	30.092	29.119	31.669
Nondurables less food and beverages .....	14.426	15.987	16.611	18.438	17.696	19.094
Nondurables less food, beverages, and apparel .....	10.707	12.183	13.099	14.854	14.550	15.856
Durables .....	8.625	8.755	11.090	11.654	11.423	12.575
Services .....	62.267	58.754	57.207	53.413	56.818	53.042
Rent of shelter .....	34.112	32.895	28.611	26.087	27.790	25.482
Transportation services .....	6.286	6.228	5.998	5.701	5.737	6.005
Other services .....	11.603	10.364	11.032	10.858	10.905	10.335
<b>Special aggregate indexes</b>						
All items less medical care .....	94.008	95.366	92.660	93.845	92.154	94.151
All items less food .....	86.401	84.576	85.946	84.636	86.803	85.603
All items less shelter .....	65.557	66.823	71.018	73.580	71.838	74.189
Commodities less food .....	24.134	25.823	28.739	31.223	29.984	32.561
Nondurables .....	29.107	32.491	31.703	34.933	31.758	34.383
Nondurables less food .....	15.509	17.068	17.649	19.569	18.561	19.986
Nondurables less food and apparel .....	11.790	13.264	14.137	15.985	15.415	16.748
Services less rent of shelter .....	28.156	25.859	28.595	27.326	29.028	27.560
Services less medical care services .....	57.690	55.269	51.743	48.773	51.033	48.571
Energy .....	8.421	10.318	9.633	11.293	11.343	13.114
All items less energy .....	91.579	89.682	90.367	88.707	88.657	86.886
All items less food and energy .....	77.981	74.259	76.313	73.343	75.460	72.489
Commodities less food and energy commodities .....	19.187	19.502	22.997	24.189	22.991	24.309
Energy commodities .....	4.947	6.321	5.742	7.034	6.994	8.252
Services less energy services .....	58.794	54.757	53.316	49.154	52.469	48.180

<sup>1</sup> See Table 7 for definitions of size classes by region.

**Table 6 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Cross classification of region<sup>1</sup> and population size class<sup>2</sup>, December 2010**

(Percent of all items)

Item and group	Northeast			
	Size class A		Size class B/C	
	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>				
All items .....	100.000	100.000	100.000	100.000
Food and beverages .....	14.315	15.706	14.698	15.732
Food .....	13.286	14.717	13.730	14.646
Food at home .....	7.487	8.611	7.976	8.779
Food away from home .....	5.799	6.107	5.754	5.867
Alcoholic beverages .....	1.029	.989	.968	1.086
Housing .....	45.573	43.828	37.105	34.680
Shelter .....	36.366	34.953	26.341	23.025
Rent of primary residence .....	7.067	10.676	4.339	5.538
Owners' equivalent rent of residences .....	28.196	23.584	20.898	16.538
Owners' equivalent rent of primary residence .....	26.004	22.484	18.503	15.983
Fuels and utilities .....	5.133	5.711	6.027	6.095
Household energy .....	4.411	4.965	4.987	4.983
Energy services .....	3.590	4.066	3.741	3.845
Electricity .....	2.444	2.801	2.828	2.885
Utility (piped) gas service .....	1.146	1.265	.913	.959
Household furnishings and operations .....	4.073	3.164	4.737	5.561
Apparel .....	3.919	4.021	2.996	3.268
Transportation .....	14.555	16.330	19.734	22.005
Private transportation .....	12.764	14.923	18.835	21.427
Motor fuel .....	3.836	4.684	5.394	6.377
Gasoline (all types) .....	3.734	4.562	5.244	6.200
Medical care .....	5.481	4.336	7.470	6.033
Recreation .....	5.827	5.573	7.508	6.757
Education and communication .....	7.052	6.706	6.072	6.055
Other goods and services .....	3.279	3.499	4.417	5.470
<b>Commodity and service group</b>				
All items .....	100.000	100.000	100.000	100.000
Commodities .....	35.243	38.341	44.586	49.434
Commodities less food and beverages .....	20.929	22.634	29.888	33.702
Nondurables less food and beverages .....	13.923	15.257	17.802	19.507
Durables .....	7.005	7.377	12.086	14.195
Services .....	64.757	61.659	55.414	50.566
<b>Special aggregate indexes</b>				
All items less medical care .....	94.519	95.664	92.530	93.967
All items less shelter .....	63.634	65.047	73.659	76.975
Commodities less food .....	21.958	23.623	30.856	34.788
Nondurables .....	28.238	30.964	32.500	35.239
Nondurables less food .....	14.952	16.246	18.770	20.593
Services less rent of shelter .....	28.680	26.967	29.363	27.786
Services less medical care services .....	60.584	58.430	49.845	46.065
Energy .....	8.247	9.649	10.380	11.360
All items less energy .....	91.753	90.351	89.620	88.640
All items less food and energy .....	78.468	75.633	75.889	73.994

See footnotes at end of table.

**Table 6 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Cross classification of region<sup>1</sup> and population size class<sup>2</sup>, December 2010-Continued**

(Percent of all items)

Item and group	Midwest					
	Size class A		Size class B/C		Size class D	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	15.247	16.846	14.637	16.413	15.508	17.267
Food .....	14.096	15.678	13.322	14.844	14.246	15.903
Food at home .....	8.206	9.617	7.373	8.247	7.992	9.200
Food away from home .....	5.889	6.062	5.949	6.597	6.254	6.702
Alcoholic beverages .....	1.151	1.167	1.315	1.569	1.262	1.365
Housing .....	40.143	37.914	37.194	32.452	37.230	34.867
Shelter .....	30.678	28.730	28.087	23.535	27.403	24.843
Rent of primary residence .....	4.701	6.391	4.574	5.546	4.714	5.719
Owners' equivalent rent of residences .....	24.774	21.527	22.111	17.114	21.411	18.238
Owners' equivalent rent of primary residence .....	22.975	20.423	20.300	16.759	20.008	17.729
Fuels and utilities .....	5.073	5.500	5.222	5.477	5.409	5.664
Household energy .....	4.017	4.380	4.329	4.527	4.518	4.718
Energy services .....	3.875	4.188	4.102	4.232	3.956	4.240
Electricity .....	2.424	2.672	2.914	3.048	2.840	3.016
Utility (piped) gas service .....	1.451	1.516	1.189	1.183	1.116	1.225
Household furnishings and operations .....	4.392	3.683	3.885	3.440	4.418	4.360
Apparel .....	4.153	4.301	3.464	3.777	3.019	3.254
Transportation .....	17.225	19.667	19.598	22.145	18.326	20.355
Private transportation .....	16.105	18.845	18.427	21.766	17.483	20.068
Motor fuel .....	5.064	6.433	5.610	6.684	6.166	7.243
Gasoline (all types) .....	4.841	6.147	5.292	6.309	5.752	6.755
Medical care .....	7.045	5.709	7.871	6.643	7.628	5.595
Recreation .....	6.264	5.745	6.884	7.500	6.320	6.607
Education and communication .....	6.432	5.924	6.806	6.861	8.329	7.597
Other goods and services .....	3.491	3.894	3.546	4.208	3.641	4.459
<b>Commodity and service group</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	40.725	44.195	43.431	50.500	44.392	49.968
Commodities less food and beverages .....	25.478	27.349	28.795	34.087	28.884	32.700
Nondurables less food and beverages .....	15.822	17.489	17.053	19.615	17.610	19.262
Durables .....	9.656	9.860	11.742	14.472	11.274	13.438
Services .....	59.275	55.805	56.569	49.500	55.608	50.032
<b>Special aggregate indexes</b>						
All items less medical care .....	92.955	94.291	92.129	93.357	92.372	94.405
All items less shelter .....	69.322	71.270	71.913	76.465	72.597	75.157
Commodities less food .....	26.630	28.516	30.109	35.656	30.146	34.065
Nondurables .....	31.069	34.335	31.690	36.028	33.117	36.530
Nondurables less food .....	16.974	18.656	18.368	21.184	18.871	20.627
Services less rent of shelter .....	28.980	27.430	28.874	26.349	28.593	25.551
Services less medical care services .....	53.956	51.448	50.648	44.588	49.700	45.588
Energy .....	9.081	10.814	9.940	11.212	10.683	11.961
All items less energy .....	90.919	89.186	90.060	88.788	89.317	88.039
All items less food and energy .....	76.824	73.508	76.738	73.945	75.071	72.137

See footnotes at end of table.

**Table 6 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Cross classification of region<sup>1</sup> and population size class<sup>2</sup>, December 2010-Continued**

(Percent of all items)

Item and group	South					
	Size class A		Size class B/C		Size class D	
	CPI-U	CPI-W	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Food and beverages .....	14.712	16.635	15.665	16.293	13.785	14.662
Food .....	13.655	15.527	14.609	15.268	13.197	14.068
Food at home .....	7.512	8.609	8.284	8.983	8.189	8.914
Food away from home .....	6.142	6.918	6.325	6.285	5.008	5.154
Alcoholic beverages .....	1.058	1.108	1.056	1.025	.588	.594
Housing .....	43.459	43.117	39.679	37.588	39.279	37.153
Shelter .....	34.097	33.387	29.599	27.715	27.964	25.721
Rent of primary residence .....	6.468	9.887	4.578	7.148	4.668	6.438
Owners' equivalent rent of residences .....	26.562	22.775	23.908	19.788	22.199	18.610
Owners' equivalent rent of primary residence .....	25.443	22.202	22.477	19.022	21.112	18.042
Fuels and utilities .....	5.193	6.158	5.282	5.916	6.868	7.493
Household energy .....	4.095	4.962	4.005	4.548	5.480	5.999
Energy services .....	3.968	4.880	3.902	4.472	5.189	5.763
Electricity .....	3.338	4.125	3.408	4.030	4.734	5.363
Utility (piped) gas service .....	.630	.756	.494	.442	.455	.400
Household furnishings and operations .....	4.169	3.572	4.798	3.956	4.447	3.939
Apparel .....	3.353	3.322	3.757	3.556	3.563	3.381
Transportation .....	17.485	19.147	17.437	19.871	20.359	24.247
Private transportation .....	16.221	18.309	16.686	19.354	19.758	23.976
Motor fuel .....	5.347	6.835	5.669	7.440	7.980	9.119
Gasoline (all types) .....	5.148	6.579	5.425	7.119	7.579	8.660
Medical care .....	5.888	4.471	7.467	6.064	7.433	5.759
Recreation .....	5.143	4.162	6.323	6.309	5.734	5.412
Education and communication .....	6.636	5.918	6.145	6.300	6.344	5.692
Other goods and services .....	3.325	3.229	3.526	4.019	3.502	3.694
<b>Commodity and service group</b>						
All items .....	100.000	100.000	100.000	100.000	100.000	100.000
Commodities .....	38.770	41.477	42.289	44.620	43.026	45.443
Commodities less food and beverages .....	24.058	24.842	26.624	28.327	29.240	30.781
Nondurables less food and beverages .....	14.530	15.675	16.698	18.514	19.252	19.625
Durables .....	9.528	9.167	9.925	9.813	9.988	11.156
Services .....	61.230	58.523	57.711	55.380	56.974	54.557
<b>Special aggregate indexes</b>						
All items less medical care .....	94.112	95.529	92.533	93.936	92.567	94.241
All items less shelter .....	65.903	66.613	70.401	72.285	72.036	74.279
Commodities less food .....	25.116	25.950	27.680	29.352	29.829	31.375
Nondurables .....	29.243	32.310	32.364	34.807	33.037	34.287
Nondurables less food .....	15.588	16.783	17.755	19.539	19.840	20.219
Services less rent of shelter .....	27.508	25.424	28.558	28.063	29.401	29.135
Services less medical care services .....	56.740	55.195	52.196	50.846	51.643	50.363
Energy .....	9.441	11.797	9.674	11.988	13.460	15.119
All items less energy .....	90.559	88.203	90.326	88.012	86.540	84.881
All items less food and energy .....	76.904	72.676	75.717	72.744	73.343	70.813

See footnotes at end of table.

**Table 6 (2007-2008 Weights). Relative importance of components in the Consumer Price Indexes: Cross classification of region<sup>1</sup> and population size class<sup>2</sup>, December 2010-Continued**

(Percent of all items)

Item and group	West			
	Size class A		Size class B/C	
	CPI-U	CPI-W	CPI-U	CPI-W
<b>Expenditure category</b>				
All items .....	100.000	100.000	100.000	100.000
Food and beverages .....	14.605	16.879	14.506	17.636
Food .....	13.501	15.803	13.717	16.659
Food at home .....	7.472	9.100	8.280	9.322
Food away from home .....	6.029	6.704	5.437	7.337
Alcoholic beverages .....	1.104	1.076	.789	.977
Housing .....	43.796	42.611	40.710	38.386
Shelter .....	35.551	34.800	30.457	29.057
Rent of primary residence .....	8.480	12.093	5.583	8.334
Owners' equivalent rent of residences .....	25.929	22.062	23.993	20.195
Owners' equivalent rent of primary residence .....	24.772	21.540	22.391	19.407
Fuels and utilities .....	4.082	4.383	4.987	5.354
Household energy .....	2.780	3.061	3.860	4.219
Energy services .....	2.714	3.031	3.781	4.140
Electricity .....	2.061	2.361	2.824	3.177
Utility (piped) gas service .....	.653	.669	.957	.963
Household furnishings and operations .....	4.163	3.428	5.266	3.976
Apparel .....	3.489	3.620	3.395	3.709
Transportation .....	16.245	18.230	18.978	18.263
Private transportation .....	14.612	17.161	17.892	17.525
Motor fuel .....	4.584	6.243	4.809	5.552
Gasoline (all types) .....	4.396	5.986	4.551	5.243
Medical care .....	5.806	4.212	6.448	5.980
Recreation .....	6.592	5.006	6.575	6.373
Education and communication .....	5.975	5.389	6.042	5.826
Other goods and services .....	3.491	4.052	3.345	3.827
<b>Commodity and service group</b>				
All items .....	100.000	100.000	100.000	100.000
Commodities .....	37.202	41.487	41.961	44.878
Commodities less food and beverages .....	22.597	24.608	27.454	27.242
Nondurables less food and beverages .....	13.831	15.766	15.070	16.266
Durables .....	8.766	8.842	12.384	10.976
Services .....	62.798	58.513	58.039	55.122
<b>Special aggregate indexes</b>				
All items less medical care .....	94.194	95.788	93.552	94.020
All items less shelter .....	64.449	65.200	69.543	70.943
Commodities less food .....	23.701	25.684	28.244	28.219
Nondurables .....	28.437	32.645	29.577	33.902
Nondurables less food .....	14.935	16.842	15.860	17.242
Services less rent of shelter .....	27.547	23.950	27.824	26.272
Services less medical care services .....	58.299	55.335	53.204	50.403
Energy .....	7.364	9.303	8.669	9.771
All items less energy .....	92.636	90.697	91.331	90.229
All items less food and energy .....	79.135	74.893	77.614	73.570

<sup>1</sup> Regions defined as the four Census regions. See map in Brief Explanation of the CPI.

<sup>2</sup> See Table 7 for definitions of size classes by region.

**Table 7 (2007-2008 Weights). Relative importance of selected areas in the Consumer Price Indexes, December 2010**

(Percent of all items)

Area	CPI-U	CPI-W
U.S. city average .....	100.000	100.000
<b>Region and area size <sup>1</sup></b>		
Northeast urban .....	21.328	19.960
Size A - More than 1,500,000 .....	15.517	13.450
Size B/C - 50,000 to 1,500,000 .....	5.811	6.509
Midwest urban .....	20.699	21.819
Size A - More than 1,500,000 .....	11.627	11.144
Size B/C - 50,000 to 1,500,000 .....	7.034	7.983
Size D - Nonmetropolitan (less than 50,000) .....	2.038	2.692
South urban .....	32.084	34.004
Size A - More than 1,500,000 .....	12.031	12.101
Size B/C - 50,000 to 1,500,000 .....	17.203	18.198
Size D - Nonmetropolitan (less than 50,000) .....	2.851	3.704
West urban .....	25.889	24.218
Size A - More than 1,500,000 .....	16.323	14.232
Size B/C - 50,000 to 1,500,000 .....	7.481	8.169
<b>Size classes</b>		
A .....	55.498	50.928
B/C .....	37.529	40.859
D .....	6.973	8.213
<b>Selected local areas</b>		
Anchorage, AK .....	.145	.141
Atlanta, GA .....	1.845	2.259
Boston-Brockton-Nashua, MA-NH-ME-CT .....	2.469	1.956
Chicago-Gary-Kenosha, IL-IN-WI .....	3.715	3.529
Cincinnati-Hamilton, OH-KY-IN .....	.820	.746
Cleveland-Akron, OH .....	1.008	1.106
Dallas-Fort Worth, TX .....	2.080	2.095
Denver-Boulder-Greeley, CO .....	1.122	.870
Detroit-Ann Arbor-Flint, MI .....	2.033	1.843
Honolulu, HI .....	.325	.379
Houston-Galveston-Brazoria, TX .....	1.823	2.028
Kansas City, MO-KS .....	.846	.822
Los Angeles-Riverside-Orange County, CA .....	5.477	5.558
Miami-Fort Lauderdale, FL .....	1.538	1.563
Milwaukee-Racine, WI .....	.703	.804
Minneapolis-St. Paul, MN-WI .....	1.493	1.295
New York-Northern N.J.-Long Island, NY-NJ-CT-PA .....	9.533	8.335
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD .....	2.627	2.273
Phoenix-Mesa, AZ .....	1.630	1.693
Pittsburgh, PA .....	.888	.887
Portland-Salem, OR-WA .....	1.337	1.103
St. Louis, MO-IL .....	1.009	.998
San Diego, CA .....	.963	.758
San Francisco-Oakland-San Jose, CA .....	3.650	2.513
Seattle-Tacoma-Bremerton, WA .....	2.143	1.739
Tampa-St. Petersburg-Clearwater, FL .....	.905	.944
Washington-Baltimore, DC-MD-VA-WV .....	3.840	3.213

<sup>1</sup> Regions defined as the four Census regions. See map in Brief Explanation of the CPI.