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**CONSUMER PRICE INDEXES  
ENERGY, FOOD AT HOME, AND SHELTER  
HOUSTON-GALVESTON-BRAZORIA, SEPTEMBER 2008**

**Energy and food prices record monthly decline, but shelter costs rise**

Energy prices fell 2.7 percent in the Houston-Galveston-Brazoria metropolitan area during September, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Stanley W. Suchman noted that this was the second consecutive monthly decline. Prices for food at home also fell during the month, down 0.4 percent, while shelter costs increased 1.4 percent. These data are based on the Consumer Price Index for All Urban Consumers (CPI-U).

The 2.7-percent decline in the energy index followed a 5.0-percent decrease in August. In both months, lower prices for motor fuel and utility (piped) gas service contributed to the overall decline. The gasoline index fell 3.3 percent in September after decreasing 7.8 percent in August. The average price for a gallon of gasoline in the Houston metropolitan area stood at \$3.565 in September 2008. Following a 1.3-percent decline in August, natural gas prices dropped 9.9 percent in September. Electricity costs were little changed during the month, edging up 0.1 percent. Despite the recent monthly declines in some energy prices, all energy components registered large annual increases. The cost of gasoline climbed 32.2 percent over the year, natural gas service rose 17.4 percent, and the price of electricity was up 8.5 percent. Combined, these annual movements placed the total energy index 21.0 percent above September 2007.

The cost of food at home fell 0.4 percent in September -- the first monthly decline since March of this year. Movements were mixed, but lower prices were noted for steak, breakfast cereal, cheese, citrus fruits, and a variety of fresh vegetables. These declines were partially offset by increases for items such as lettuce, selected fresh fruits, and pork. The cost of grocery items rose 8.1 percent during the last 12 months. The Consumer Price Index (CPI-U) for food at home stood at 205.176 on the 1982-84=100 reference base, meaning that a typical basket of grocery items priced at \$100.00 in 1982-84 would have cost Houston area consumers \$205.18 last month.

## Houston Energy, Food at Home, and Shelter Consumer Price Indexes – September 2008 (Cont'd)

The shelter index rose 1.4 percent in September after falling 0.7 percent in August. Costs for owners' equivalent rent (homeowners' costs) increased 0.7 percent and rent of a primary residence (renters' costs) rose 0.4 percent. The rate of gain in the shelter index was driven higher as charges for lodging while at school and hotels rose more sharply than both the renters' and homeowners' indexes. Over the year, renters' costs advanced 4.3 percent and homeowners' costs rose 4.2 percent. A smaller increase for lodging away from home helped slow the total shelter index to a 4.1-percent advance during the last 12 months.

The Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area (CMSA) includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties. Local area CPI indexes are by-products of the national CPI program. Because each local area index is a small subset of the national index, the sample size is smaller and therefore subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar.

**Next Release Date:** The Houston-Galveston-Brazoria October CPI for All Items will be released on November 19, 2008.