Exh. SC-07
Docket TP-250574
Witness: Spencer Cohen

BEFORE THE STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PUGET SOUND PILOTS, Respondent.	Docket No. TP-250574

EXHIBIT TO TESTIMONY OF

Spencer Cohen, Ph.D.

ON BEHALF OF

PACIFIC MERCHANT SHIPPING ASSOCIATION

Consumer Price Index Summary, U.S. Bureau of Labor Statistics

(Dec. 18, 2025)

December 24, 2025

Economic News Release

Consumer Price Index Summary

Transmission of material in this release is embargoed until
8:30 a.m. (ET) Thursday, December 18, 2025 USDL-25-1584

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CONSUMER PRICE INDEX - NOVEMBER 2025

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent on a seasonally adjusted basis over the 2 months from September 2025 to November 2025, the U.S. Bureau of Labor Statistics reported today. Over the last 12 months, the all items index increased 2.7 percent before seasonal adjustment. BLS did not collect survey data for October 2025 due to a lapse in appropriations.

The seasonally adjusted index for all items less food and energy rose 0.2 percent over the 2 months ending in November. From September to November, the index for shelter increased 0.2 percent. The energy index rose 1.1 percent over the same 2-month period and the food index increased 0.1 percent. Other indexes which increased over the 2 months ending in November include household furnishings and operations, communication, and personal care. In contrast, the indexes for lodging away from home, recreation, and apparel decreased over the same 2-month period.

The all items index rose 2.7 percent for the 12 months ending November, after rising 3.0 percent over the 12 months ending September. The all items less food and energy index rose 2.6 percent over the last 12 months. The energy index increased 4.2 percent for the 12 months ending November. The food index increased 2.6 percent over the last year.

Federal Government Shutdown

BLS did not collect survey data for October 2025 due to a lapse in appropriations. BLS was unable to retroactively collect these data. For a few indexes, BLS uses nonsurvey data sources instead of survey data to make the index calculations. BLS was able to retroactively acquire most of the nonsurvey data for October. CPI data collection resumed on November 14, 2025.

Additional information about the impact of the shutdown on CPI data is available online at
https://www.bls.gov/cpi/additional-resources/2025-federal-government-shutdown-impact-cpi.htm

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Table A. Percent changes in CPI for All Urban Consumers (CPI-U): U.S. city average

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Nov. 2025
	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	
All items	0.1	0.3	0.2	0.4	0.3	-	-	2.7
Food	0.3	0.3	0.0	0.5	0.2	-	-	2.6
Food at home	0.3	0.3	-0.1	0.6	0.3	-	-	1.9
Food away from home(1)	0.3	0.4	0.3	0.3	0.1	-	-	3.7
Energy	-1.0	0.9	-1.1	0.7	1.5	-	-	4.2
Energy commodities	-2.4	1.0	-1.9	1.7	3.8	-	-	1.2
Gasoline (all types)	-2.6	1.0	-2.2	1.9	4.1	-2.1	3.0	0.9
Fuel oil	0.9	1.3	1.8	-0.3	0.6	-	-	11.3
Energy services	0.4	0.9	-0.3	-0.2	-0.7	-	-	7.4
Electricity	0.9	1.0	-0.1	0.2	-0.5	-	-	6.9
Utility (piped) gas service	-1.0	0.5	-0.9	-1.6	-1.2	-	-	9.1
All items less food and energy	0.1	0.2	0.3	0.3	0.2	-	-	2.6
Commodities less food and energy commodities	0.0	0.2	0.2	0.3	0.2	-	-	1.4
New vehicles	-0.3	-0.3	0.0	0.3	0.2	0.1	0.2	0.6
Used cars and trucks	-0.5	-0.7	0.5	1.0	-0.4	0.7	0.3	3.6
Apparel	-0.4	0.4	0.1	0.5	0.7	-	-	0.2
Medical care commodities(1)	0.6	0.1	0.1	-0.3	-0.1	-	-	1.1
Services less energy services	0.2	0.3	0.4	0.3	0.2	-	-	3.0

Footnotes
(1) Not seasonally adjusted.

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Nov. 2025
	May 2025	Jun. 2025	Jul. 2025	Aug. 2025	Sep. 2025	Oct. 2025	Nov. 2025	
Shelter	0.3	0.2	0.2	0.4	0.2	-	-	3.0
Transportation services	-0.2	0.2	0.8	1.0	0.3	-	-	1.7
Medical care services	0.2	0.6	0.8	-0.1	0.3	-	-	3.3

Footnotes
(1) Not seasonally adjusted.

Note: The Oct and Nov 2025 data values are not available due to the 2025 lapse in appropriations.

Food

The index for food increased 2.6 percent over the last year. The index for food at home rose 1.9 percent over the 12 months ending in November. The meats, poultry, fish, and eggs index rose 4.7 percent over the last 12 months. The index for nonalcoholic beverages increased 4.3 percent over the same period and the index for other food at home rose 1.3 percent. The cereals and bakery products index increased 1.9 percent over the 12 months ending in November and the fruits and vegetables index rose 0.1 percent over the year. In contrast, the index for dairy and related products decreased 1.6 percent over the same period.

The food away from home index rose 3.7 percent over the last year. The index for full service meals rose 4.3 percent and the index for limited service meals rose 3.0 percent over the same period.

Energy

The index for energy increased 4.2 percent over the past 12 months. The gasoline index rose 0.9 percent over this 12-month span and the fuel oil index increased 11.3 percent over the same period. The index for electricity increased 6.9 percent over the last 12 months and the index for natural gas rose 9.1 percent.

All items less food and energy

The index for all items less food and energy rose 2.6 percent over the past 12 months. The shelter index increased 3.0 percent over the last year. Other indexes with notable increases over the last year include medical care (+2.9 percent), household furnishings and operations (+4.6 percent), recreation (+1.8 percent), and used cars and trucks (+3.6 percent).

Not seasonally adjusted CPI measures

The Consumer Price Index for All Urban Consumers (CPI-U) increased 2.7 percent over the last 12 months to an index level of 324.122 (1982-84=100).

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) increased 2.7 percent over the last 12 months to an index level of 317.414 (1982-84=100).

The Chained Consumer Price Index for All Urban Consumers (C-CPI-U) increased 2.6 percent over the last 12 months. Please note that the indexes for the past 10 to 12 months are subject to revision.

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The Consumer Price Index for December 2025 is scheduled to be released on Tuesday, January 13, 2026, at 8:30 a.m. (ET).

Changes to the health insurance index

Effective with this release, the Bureau of Labor Statistics (BLS) removed long-term care (LTC) insurance from the health insurance index. There have been changes in the market for LTC insurance that now make it out of scope and ineligible for pricing in the CPI market basket.

Technical Note

Brief Explanation of the CPI
The Consumer Price Index (CPI) measures the change in prices paid by consumers for goods and services. The CPI reflects spending patterns for each of two population groups: all urban consumers and urban wage earners and clerical workers. The all urban consumer group represents over 90 percent of the total U.S. population. It is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the poor, the unemployed, and retired people, as well as urban wage earners and clerical workers. Not included in the CPI are the spending patterns of people living in rural nonmetropolitan areas, farming families, people in the Armed Forces, and those in institutions, such as prisons and mental hospitals. Consumer inflation for all urban consumers is measured by two indexes, namely, the Consumer Price Index for All Urban Consumers (CPI-U) and the Chained Consumer Price Index for All Urban Consumers (C-CPI-U). The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) is based on the expenditures of households included in the CPI-U definition that meet two requirements: more than one-half of the household's income must come from clerical or wage occupations, and at least one of the household's earners must have been employed for at least 37 weeks during the previous 12 months. The CPI-W population represents approximately 30 percent of the total U.S. population and is a subset of the CPI-U population.

The CPIs are based on prices of food, clothing, shelter, fuels, transportation, doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. Prices are collected each month in 75 urban areas across the country from about 6,000 housing units and approximately 22,000 retail establishments (department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments). All taxes directly associated with the

purchase and use of items are included in the index. Prices of fuels and a few other items are obtained every month in all 75 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visit, telephone call, web, or app collection by the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are aggregated using weights, which represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. For the CPI-U and CPI-W, separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 23 selected local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period. For the C-CPI-U, data are issued only at the national level. The CPI-U and CPI-W are considered final when released, but the C-CPI-U is issued in preliminary form and subject to three subsequent quarterly revisions.

The index measures price change from a designed reference date. For most of the CPI-U and the CPI-W, the reference base is 1982-84 equals 100. The reference base for the C-CPI-U is December 1999 equals 100. An increase of 7 percent from the reference base, for example, is shown as 107.000. Alternatively, that relationship can also be expressed as the price of a base period market basket of goods and services rising from $100 to $107.

Sampling Error in the CPI

The CPI is a statistical estimate that is subject to sampling error because it is based upon a sample of retail prices and not the complete universe of all prices. BLS calculates and publishes estimates of the 1-month, 2-month, 6-month, and 12-month percent change standard errors annually for the CPI-U. These standard error estimates can be used to construct confidence intervals for hypothesis testing. For example, the estimated standard error of the 1-month percent change is 0.03 percent for the U.S. all items CPI. This means that if we repeatedly sample from the universe of all retail prices using the same methodology, and estimate a percentage change for each sample, then 95 percent of these estimates will be within 0.06 percent of the 1-month percentage change based on all retail prices. For example, for a 1-month change of 0.2 percent in the all items CPI-U, we are 95 percent confident that the actual percent change based on all retail prices would fall between 0.14 and 0.26 percent. For the latest data, including information on how to use the estimates of standard error, see www.bls.gov/cpi/tables/variance-estimates/home.htm.

Calculating Index Changes

Movements of the indexes from 1 month to another are usually expressed as percent changes rather than changes in index points, because index point changes are affected by the level of the index in relation to its base period, while percent changes are not. The following table shows an example of using index values to calculate percent changes:

	Item A	Item B	Item C
Year I	112.500	225.000	110.000
Year II	121.500	243.000	128.000
Change in index points	9.000	18.000	18.000
Percent change	9.0/112.500 x 100 = 8.0	18.0/225.000 x 100 = 8.0	18.0/110.000 x 100 = 16.4

Use of Seasonally Adjusted and Unadjusted Data

The Consumer Price Index (CPI) program produces both unadjusted and seasonally adjusted data. Seasonally adjusted data are computed using seasonal factors derived by the X-13ARIMA-SEATS seasonal adjustment method. These factors are updated each February, and the new factors are used to revise the previous 5 years of seasonally adjusted data. The factors are available at www.bls.gov/cpi/tables/seasonal-adjustment/seasonal-factors-2025.xlsx. For more information on data revision scheduling, please see the Factsheet on Seasonal Adjustment at www.bls.gov/cpi/seasonal-adjustment/questions-and-answers.htm and the Timeline of Seasonal Adjustment Methodological Changes at www.bls.gov/cpi/seasonal-adjustment/timeline-seasonal-adjustment-methodology-changes.htm.

How to Use Seasonally Adjusted and Unadjusted Data

For analyzing short-term price trends in the economy, seasonally adjusted changes are usually preferred since they eliminate the effect of changes that normally occur at the same time and in about the same magnitude every year-such as price movements resulting from weather events, production cycles, model changeovers, holidays, and sales. This allows data users to focus on changes that are not typical for the time of year.

The unadjusted data are of primary interest to consumers concerned about the prices they actually pay. Unadjusted data are also used extensively for escalation purposes. Many collective bargaining contract agreements and pension plans, for example, tie compensation changes to the Consumer Price Index before adjustment for seasonal variation. BLS advises against the use of seasonally adjusted data in escalation agreements because seasonally adjusted series are revised annually for five years.

Intervention Analysis

The Bureau of Labor Statistics uses intervention analysis seasonal adjustment (IASA) for some CPI series. Sometimes extreme values or sharp movements can distort the underlying seasonal pattern of price change. Intervention analysis seasonal adjustment is a process by which the distortions caused by such unusual events are estimated and removed from the data prior to calculation of seasonal factors. The resulting seasonal factors, which more accurately represent the seasonal pattern, are then applied to the unadjusted data.

For example, this procedure was used for the motor fuel series to offset the effects of the 2009 return to normal pricing after the worldwide economic downturn in 2008. Retaining this outlier data during seasonal factor calculation would distort the computation of the seasonal portion of the time series data for motor fuel, so it was estimated and removed from the data prior to seasonal adjustment. Following that, seasonal factors were calculated based on this "prior adjusted" data. These seasonal factors represent a clearer picture of the seasonal pattern in the data. The last step is for motor fuel seasonal factors to be applied to the unadjusted data.

For the seasonal factors introduced for January 2025, BLS adjusted 63 series using intervention analysis seasonal adjustment, including selected food and beverage items, motor fuels and vehicles.

Revision of Seasonally Adjusted Indexes

Seasonally adjusted data, including the U.S. city average all items index levels, are subject to revision for up to 5 years after their original release. Every year, economists in the CPI calculate new seasonal factors for seasonally adjusted series and apply them to the last 5 years of data. Seasonally adjusted indexes beyond the last 5 years of data are considered to be final and not subject to revision. For January 2025, revised seasonal factors and seasonally adjusted indexes for 2020 to 2024 were calculated and published. For series which are directly adjusted using the Census X-13ARIMA-SEATS seasonal adjustment software, the seasonal factors for 2024 will be applied to data for 2025 to produce the seasonally adjusted 2025 indexes. Series which are indirectly seasonally adjusted by summing seasonally adjusted component series have seasonal factors which are derived and are therefore not available in advance.

Determining Seasonal Status

Each year the seasonal status of every series is reevaluated based upon certain statistical criteria. Using these criteria, BLS economists determine whether a series should change its status from "not seasonally adjusted" to "seasonally adjusted", or vice versa. If any of the 81 components of the U.S. city average all items index change their seasonal adjustment status from seasonally adjusted to not seasonally adjusted, not seasonally adjusted data will be used in the aggregation of the dependent series for the last 5 years, but the seasonally adjusted indexes before that period will not be changed. For 2025, 34 of the 81 components of the U.S. city average all items index are not seasonally adjusted.

Contact Information

For additional information about the CPI visit www.bls.gov/cpi or contact the CPI Information and Analysis Section at 202-691-7000 or cpi_info@bls.gov.

For additional information on seasonal adjustment in the CPI visit www.bls.gov/cpi/seasonal-adjustment/home.htm

If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

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- Table 2. Consumer Price Index for All Urban Consumers (CPI-U): U. S. city average, by detailed expenditure category
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Last Modified Date: December 18, 2025

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