

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for October 2015

1. The calculation of the Average Fuel Price

- ① Calculate the 3-month average fuel price for each fuel type (i.e. crude oil, LNG, and coal).
- ② Multiply the average fuel prices in ① above by the respective conversion factors, and add all the numbers together.

(Below are the prices provided in the Trade Statistics of Japan published by the Ministry of Finance Japan)

	Jan - Mar 2012 (at the time of rate revision)	Apr - June 2015 (for September 2015)	May - July 2015 (for October 2015)			
			Average	May 2015	June 2015	July 2015
Crude Oil (JPY/kl)	57,802	45,215	47,944	44,609	49,575	49,413
LNG (JPY/ t)	67,548	57,993	55,715	54,815	55,252	56,903
Coal (JPY/ t)	11,452	9,957	9,731	9,779	9,801	9,644
Average Fuel Price(JPY/kl)	44,200	37,100		(fixed)	(fixed)	(preliminary)

(basic fuel price)

		< Conversion Factor >	
		Crude Oil Conversion Factor	
		× Caloric Component Ratio	

Crude Oil Price	47,944 JPY/kl	×	0.1970 (α)
LNG Price	55,715 JPY/ t	×	0.4435 (β)
Coal Price	9,731 JPY/ t	×	0.2512 (γ)

+)

Average Fuel Price 36,600 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10 (compared with the previous period: -500JPY/kl)

2. The calculation of the Fuel Cost Adjustment Unit Price (in the case of Low-Voltage Supply)

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left(\frac{\text{Average Fuel Price}}{36,600 \text{ JPY/kl}} - \frac{\text{Basic Fuel Price}}{44,200 \text{ JPY/kl}} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \frac{-1.7328 \text{ JPY/kWh}}{1,000} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= \frac{-1.73 \text{ JPY/kWh}}{1,000}
 \end{aligned}$$

3. The calculation of the Electricity Rates for October 2015 (in the case of the average model)

*The fuel cost adjustment price, which is calculated by multiplying the fuel cost adjustment unit price by the amount of power consumed, is included in the electricity rates.

Example: For the customers of 30A meter-rate lighting B with 290kWh of electricity consumption per month.

Automatic bank transfer discount included.

Demand Charge	+	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">19.43 JPY/kWh</td> <td style="width: 5%; text-align: center;">×</td> <td style="width: 45%;">120kWh</td> </tr> <tr> <td>25.91 JPY/kWh</td> <td>×</td> <td>170kWh</td> </tr> <tr> <td colspan="3" style="text-align: center;">+</td> </tr> <tr> <td colspan="3" style="text-align: center;">Fuel Cost Adjustment</td> </tr> <tr> <td style="border: 1px dashed black; padding: 2px;">Fuel Cost Adjustment Unit Price</td> <td style="text-align: center;">×</td> <td style="border: 1px dashed black; padding: 2px;">Consumption</td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;">-1.73 JPY/kWh</td> <td>×</td> <td>290kWh</td> </tr> </table>	19.43 JPY/kWh	×	120kWh	25.91 JPY/kWh	×	170kWh	+			Fuel Cost Adjustment			Fuel Cost Adjustment Unit Price	×	Consumption	-1.73 JPY/kWh	×	290kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
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842.40 JPY				458 JPY		54 JPY																		
= 7,481 JPY																								

• The calculated electricity rates above include a consumption tax and other costs.