

The Calculation of the Fuel Cost Adjustment Unit Price and the Electricity Rates for December 2016 (Kanto Area)

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)	Jun. 2016 - Aug. 2016 (for Nov. 2016)	Jul. - Sep. 2016 (for December 2016)			
			Average	Jul. 2016	Aug. 2016	Sep. 2016
Crude Oil (JPY/kl)	57,802	30,425	29,881	30,953	29,515	29,150
LNG (JPY/ t)	67,548	34,122	35,536	34,186	35,128	37,340
Coal (JPY/ t)	11,452	7,191	7,205	7,149	7,063	7,370
Average Fuel Price(JPY/kl)	44,200	22,900				

(detailed data) (detailed data) (preliminary data)

(basic fuel price)

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

Crude Oil Price	29,881 JPY/kl	×	0.1970 (α)
LNG Price	35,536 JPY/ t	×	0.4435 (β)
Coal Price	7,205 JPY/ t	×	0.2512 (γ)

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Average Fuel Price 23,500 JPY/kl (Maximum unit: 100 JPY) Rounded off to the nearest 10 (compared with the previous period: +600JPY/kl)

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

$$\begin{aligned}
 \text{Fuel Cost Adjustment Unit Price} &= \left( \frac{\text{Average Fuel Price}}{1,000} - \frac{\text{Basic Fuel Price}}{1,000} \right) \times \frac{\text{Basic Unit Price}}{1,000} \\
 &= \left( \frac{23,500 \text{ JPY/kl}}{1,000} - \frac{44,200 \text{ JPY/kl}}{1,000} \right) \times \frac{0.228 \text{ JPY/kWh}}{1,000} \\
 &= -4.7196 \text{ JPY/kWh} \\
 &\downarrow \text{(rounded off to two decimal places)} \\
 &= -4.72 \text{ JPY/kWh}
 \end{aligned}$$

3. The calculation of the Electricity Rates for December 2016 (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 260kWh of electricity consumption per month.

Automatic bank transfer discount included.

Demand Charge	+	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Energy Charge</td> </tr> <tr> <td style="padding: 2px;">19.52 JPY/kWh</td> <td style="padding: 2px;">× 120kWh</td> </tr> <tr> <td style="padding: 2px;">26.00 JPY/kWh</td> <td style="padding: 2px;">× 140kWh</td> </tr> <tr> <td colspan="2" style="text-align: center;">+</td> </tr> <tr> <td colspan="2" 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="border: 1px dashed black; padding: 2px;">Consumption</td> </tr> <tr> <td style="border: 1px dashed black; padding: 2px;">-4.72 JPY/kWh</td> <td style="border: 1px dashed black; padding: 2px;">× 260kWh</td> </tr> </table>	Energy Charge		19.52 JPY/kWh	× 120kWh	26.00 JPY/kWh	× 140kWh	+		Fuel Cost Adjustment		Fuel Cost Adjustment Unit Price	Consumption	-4.72 JPY/kWh	× 260kWh	+	Renewable Energy Promotion Surcharge	-	Automated Bank Transfer Discount
Energy Charge																				
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842.40 JPY				585 JPY		54 JPY														
= 6,128 JPY																				

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